



# HOUSE BILL No. 5870

November 10 1994 Introduced by Reps Bullard, Munsell, Freeman, Dobb Kaza Shugars Agee Voorhees, Whyman Profit Brackenridge Gustafson and Crissman and referred to the Committee on Taxation

A bill to amend section 43 of Act No 206 of the Public Acts of 1893, entitled as amended

'The general property tax act,

as amended by Act No 253 of the Public Acts of 1994, being section 211 43 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 43 of Act No 206 of the Public Acts of  
2 1893, as amended by Act No 253 of the Public Acts of 1994, being  
3 section 211 43 of the Michigan Compiled Laws is amended to read  
4 as follows

5 Sec 43 (1) The supervisor of each township, immediately  
6 upon authorization to raise money by taxation pursuant to an  
7 election held under section 36 or on or before the November 5 in  
8 each year, shall notify the township treasurer of the amount of

1 the state county school, and public transportation authority  
2 taxes as apportioned to his or her township

3 (2) The treasurer immediately upon authorization to raise  
4 money by taxation pursuant to an election held under section 36  
5 or on or before the third day immediately preceding the day the  
6 taxes to be collected become a lien, shall give to the county  
7 treasurer a bond running to the county in the actual amount of  
8 state, county, and school taxes except school taxes collected  
9 through a city treasurer with sufficient sureties to be approved  
10 by the supervisor of the township and the county treasurer, con-  
11 ditioned that he or she will pay over to the county treasurer as  
12 required by law all state and county taxes pay over to the  
13 respective school treasurers all school taxes that he or she col-  
14 lects during each year of his or her term of office and duly and  
15 faithfully perform all the other duties of the office of  
16 treasurer If a corporate surety bond is provided the bond  
17 shall be approved only by the county treasurer If the bond is  
18 furnished by a surety company authorized to transact business  
19 under the laws of this state it is sufficient that the bond is  
20 equal to ~~40%~~ 20% of the amount of state county and school  
21 taxes If the bond is furnished by a surety company the premium  
22 and cost of the bond given to the county shall be paid by the  
23 county treasurer from the general fund of the county against  
24 which the premium and cost is made a charge However the county  
25 treasurer having paid the premium may bill each district school  
26 board afforded protection by the bond that portion of the premium  
27 charge as is allocated to the school taxes and the school

1 district treasurers shall pay that allocated premium charge as  
2 determined by the county treasurer for the protection of school  
3 taxes from available school district funds IN ADDITION AFTER  
4 PAYING THE PREMIUM THE COUNTY TREASURER MAY BILL THE STATE THAT  
5 PORTION OF THE PREMIUM CHARGE AS IS ALLOCATED TO STATE TAX COL-  
6 LECTIONS AND THE STATE TREASURER SHALL PAY THAT ALLOCATED PREMIUM  
7 CHARGE AS DETERMINED BY THE COUNTY TREASURER If the county trea-  
8 surer and township supervisor determine that the bond of the  
9 township treasurer recorded with the township clerk and on file  
10 with the township supervisor is adequate and sufficient to safe-  
11 guard the proper accounting of state county, and school taxes as  
12 required by law, the township treasurer shall not be required to  
13 file with the county treasurer the bond provided for in this  
14 section The county treasurer shall deliver to the supervisor on  
15 or before the day the taxes to be collected become a lien a  
16 signed statement of approval of the bond Upon the receipt of  
17 the signed statement and on or before the day the taxes to be  
18 collected become a lien the supervisor shall deliver to the  
19 township treasurer the tax roll of this township The county  
20 treasurer shall file and safely keep the bond in his or her  
21 office and shall give to the township treasurer a receipt stating  
22 that the required bond was received which receipt the township  
23 treasurer shall deliver to the supervisor on or before the day  
24 the taxes to be collected become a lien After the delivery of  
25 the receipt and on or before the day the taxes to be collected  
26 become a lien, the supervisor shall deliver to the township  
27 treasurer the tax roll of the township

1       (3) Except as provided in subsections (4) and (5) tax  
2 collections shall be delivered pursuant to the following  
3 schedule

4       (a) Within 10 business days after the first and fifteenth  
5 day of each month the township or city treasurer shall account  
6 for and deliver to the county treasurer the total amount of state  
7 and county tax collections on hand on the first and fifteenth day  
8 of each month to the school district treasurers the total amount  
9 of school tax collections on hand on the first and fifteenth day  
10 of each month and to the public transportation authorities the  
11 total amount of public transportation authority tax collections  
12 on hand the first and fifteenth day of each month If the inter-  
13 mediate school district and community college district provide  
14 for direct payment pursuant to subsection (9), the township or  
15 city treasurer shall also account for and deliver to the interme-  
16 diate school district and the community college district the  
17 total respective amounts of school tax collections on hand the  
18 first and fifteenth day of each month This subdivision shall  
19 not apply to the month of March

20       (b) Within 10 business days after the last day of February,  
21 the township or city treasurer shall account for and deliver to  
22 the county treasurer at least 90% of the total amount of state  
23 and county tax collections on hand on the last day of February  
24 to the school district treasurers at least 90% of the total  
25 amount of school tax collections on hand on the last day of  
26 February and to the public transportation authorities at least  
27 90% of the total amount of public transportation authority tax

1 collections on hand on the last day of February If the  
2 intermediate school district and community college district pro-  
3 vide for direct payment pursuant to subsection (9) the township  
4 or city treasurer shall also account for and deliver to the  
5 intermediate school district and community college district at  
6 least 90% of the total respective amounts of school tax collec-  
7 tions on hand on the last day of February

8 (c) A final adjustment and delivery of the total amount of  
9 tax collections on hand for the county community college dis-  
10 tricts, intermediate school districts, school districts and  
11 public transportation authorities shall be made not later than  
12 April 1 of each year

13 (4) Instead of following the schedule prescribed in subsec-  
14 tion (3), the township or city serving as the tax collecting unit  
15 and the local governmental unit for which the tax collections are  
16 made may enter into an agreement to establish an alternative  
17 schedule for delivering tax collections

18 (5) A township that has a state equalized valuation of  
19 \$15 000 000 00 or less shall account for and deliver to the  
20 county treasurer the school district treasurers and the public  
21 transportation authorities and if the intermediate school dis-  
22 trict and community college district provide for direct payment  
23 pursuant to subsection (9) the intermediate school district  
24 treasurers and community college treasurers the taxes collected  
25 up to and including January 10, within 10 business days after  
26 January 10 However a township treasurer subject to this  
27 subsection shall at no time have on hand collections of state,

1 county community college intermediate school district if  
2 applicable pursuant to subsection (9), school district and  
3 public transportation authority taxes in excess of 25% of the  
4 amount of the taxes apportioned to the township and when collec-  
5 tions on hand reach this percentage, the township treasurer shall  
6 immediately account for and turn over the total amount of state  
7 and county tax collections on hand to the county treasurer the  
8 total respective amounts of school tax collections on hand to the  
9 respective treasurers, and the total respective amounts of public  
10 transportation authority tax collections on hand to the respec-  
11 tive public transportation authorities The township treasurer  
12 shall notify the secretary or superintendent of each community  
13 college district, intermediate school district, and school dis-  
14 trict applicable and each of the applicable public transportation  
15 authorities of the total amount of taxes paid to the respective  
16 treasurer or authority which notification shall show the differ-  
17 ent funds for which the taxes were collected

18 (6) Except as may be provided under section 1613 of THE  
19 SCHOOL CODE OF 1976, Act No 451 of the Public Acts of 1976,  
20 being section 380 1613 of the Michigan Compiled Laws when a  
21 county treasurer is collecting the school district or intermedi-  
22 ate school district levy, the county treasurer shall account for  
23 and deliver to the appropriate local governmental unit treasurer  
24 the tax collections received by the county treasurer within 10  
25 business days after the county treasurer receives the funds

26 (7) The county treasurer shall account for and deposit in  
27 the county library fund for the use of the county library board,

1 county tax collections received pursuant to a tax levied under  
2 section 1 of Act No 138 of the Public Acts of 1917, being sec-  
3 tion 397 301 of the Michigan Compiled Laws, within 10 business  
4 days after the county treasurer receives the funds

5 (8) The county treasurer shall account for and deliver to  
6 the boards of each metropolitan transportation authority the  
7 county tax collections for transportation authority purposes  
8 received by the county treasurer within 10 business days after  
9 the county treasurer receives the funds

10 (9) For taxes that become a lien in December 1984 or after  
11 1984, an intermediate school district board or the board of  
12 trustees of a community college may provide that a local tax col-  
13 lecting treasurer shall account for and deliver tax collections  
14 directly to the respective intermediate school district or commu-  
15 nity college treasurer pursuant to the schedule contained in  
16 subsections (3) (4) and (5) for delivery of the respective  
17 taxes to the county treasurer A resolution shall be adopted at  
18 least 60 days before the day taxes to be collected become a lien  
19 and shall specify the period for which the resolution is  
20 effective Copies of the resolution shall be transmitted to each  
21 local tax collecting treasurer and county treasurer within the  
22 intermediate school district or community college district

23 (10) By the fifteenth day of each month the county trea-  
24 surer shall account for and deliver to the state the collections  
25 under the state education tax act, Act No 331 of the Public Acts  
26 of 1993 being sections 211 901 to 211 906 of the Michigan  
27 Compiled Laws on hand on the last day of the preceding month

1 By the first day of each month, the county treasurer shall  
2 account for and deliver to the state the collections under the  
3 state education tax act, Act No 331 of the Public Acts of 1993,  
4 on hand on or before the fifteenth day of the immediately preced-  
5 ing month The county treasurer may retain the interest earned  
6 on the money collected under Act No 331 of the Public Acts of  
7 1993 while held by the county treasurer, as reimbursement for the  
8 cost incurred by the county in collecting and transmitting the  
9 tax imposed by that act The money retained by the county trea-  
10 surer under this section shall be deposited in the treasury of  
11 the county in which the tax is collected to the credit of the  
12 general fund

13 (11) A treasurer who willfully neglects or refuses to per-  
14 form a duty required by subsections (3) to (8) is subject to the  
15 penalty prescribed in section 119(1)

16 (12) Except as otherwise provided by subsection (10), inter-  
17 est earned by a city, township, or county on collections of taxes  
18 levied on or after November 5, 1985 before the tax collections  
19 are accounted for and delivered to the respective taxing units  
20 pursuant to this section shall also be accounted for and deliv-  
21 ered to the respective taxing units on a pro rata basis  
22 Interest earned by a city, township, or county on collections of  
23 taxes levied before November 5, 1985 before those collections  
24 were accounted for and delivered to the respective taxing units  
25 in compliance with the requirements of this section is not  
26 subject to claim and retroactive collection by those taxing  
27 units However interest earned on collections of taxes levied



1 on or after November 5 1985 and before December 1 1987 are not  
 2 subject to claim and retroactive collection unless a claim has  
 3 been filed in a court of competent jurisdiction before March 1,  
 4 1988 This subsection does not apply to interest or penalties  
 5 imposed by law or charter and does not nullify or prohibit any  
 6 agreements made between a collecting unit and a taxing unit  
 7 regarding the earned interest

8 (13) If there is an agreement for an alternative schedule  
 9 for delivering tax collections or for interest earned under sub-  
 10 sections (4) and (12), the collection of the state education tax  
 11 is subject to those provisions of that agreement

12 (14) As used in this section

13 (a) Metropolitan transportation authority means an author-  
 14 ity created under the metropolitan transportation authorities act  
 15 of 1967 Act No 204 of the Public Acts of 1967 being sections  
 16 124 401 to ~~124 425~~ 124 426 of the Michigan Compiled Laws

17 (b) Public transportation authority means an authority  
 18 created under Act No 55 of the Public Acts of 1963 being sec-  
 19 tions 124 351 to 124 359 of the Michigan Compiled Laws