

SENATE BILL No. 973

December 13, 2001, Introduced by Senator BYRUM and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 89 (MCL 211.89), as amended by 1982 PA 503.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 89. (1) Notwithstanding sections 59, 60, 74, 87c, and
2 87d, the following provisions shall apply for the time period
3 prescribed in subsection ~~-(3)-~~ (2):

4 (a) To the extent not waived pursuant to section 59(3),
5 there shall be added to all delinquent taxes unpaid after March
6 1, interest at the rate of 1.25% per month or fraction of a month
7 from the date the taxes originally become delinquent pursuant to
8 this act, together with a county property tax administration fee
9 equal to 4% of the delinquent taxes or \$2.00 per payment of
10 delinquent taxes, whichever is greater, which amounts ~~will~~
11 SHALL be paid to the county treasurer.

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SB 973, As Passed Senate, February 12, 2002

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1 (b) In addition to the expenses specified in section 59,
2 delinquent tax sales shall include a county property tax adminis-
3 tration fee equal to 4% of the delinquent taxes, and interest
4 computed at a rate of 1.5% per month from the date the taxes
5 originally become delinquent ~~pursuant to~~ UNDER this act.

6 (c) The rate of interest to be paid to the treasurer
7 ~~pursuant to~~ UNDER section 74 shall be computed at the rate of
8 1.5% per month or fraction of a month.

9 ~~(d) The maximum interest rate on the notes permitted to be~~
10 ~~issued by sections 87c and 87d shall be 14.5% per annum.~~

11 (D) ~~(e)~~ The rate of interest to be paid to the department
12 of treasury pursuant to section 84 shall be computed at the rate
13 of 1.5% per month or fraction of a month.

14 ~~(2) Notwithstanding Act No. 293 of the Public Acts of 1966,~~
15 ~~as amended, being sections 45.501 to 45.521 of the Michigan~~
16 ~~Compiled Laws, a county operating pursuant to a home rule charter~~
17 ~~shall not be restricted by the provisions of the home rule~~
18 ~~charter in connection with the powers granted to the county to~~
19 ~~issue notes by sections 87b, 87c, 87d, and this section. The~~
20 ~~treasurer of such a county, notwithstanding any such charter pro-~~
21 ~~visions, shall have all of the powers granted to county treasur-~~
22 ~~ers by sections 87b, 87c, 87d, and this section.~~

23 (2) ~~(3)~~ Subsection (1) shall apply as follows:

24 (a) In counties with a population of more than 1,500,000, it
25 shall apply immediately except that it shall not apply to any
26 delinquent taxes ~~which~~ THAT became delinquent before March 1,
27 1981, or which become delinquent after February 28, 1983.

1 (b) In all other counties of this state it shall apply only
2 to the 1981 delinquent taxes ~~which~~ THAT become delinquent on or
3 before March 1, 1982.

4 ~~(4) Notwithstanding the provisions of Act No. 261 of the~~
5 ~~Public Acts of 1947, as amended, being sections 45.451 to 45.457~~
6 ~~of the Michigan Compiled Laws, the provisions of section 87c of~~
7 ~~this act shall control the entitlement of the county treasurer to~~
8 ~~the fee provided for in section 87c.~~

9 ~~(5) Notwithstanding the provisions of sections 87c and 87d:~~

10 ~~(a) Interest on the notes may be payable at any time pro-~~
11 ~~vided in the resolution, and may be set, reset and/or calculated~~
12 ~~as provided in the resolution.~~

13 ~~(b) Notes may be: (i) made the subject of a put or agree-~~
14 ~~ment to repurchase by the county treasurer; (ii) secured by a~~
15 ~~letter of credit issued by a bank pursuant to an agreement~~
16 ~~entered into by the county treasurer or by any other collateral~~
17 ~~which the resolution may authorize; (iii) callable as set forth~~
18 ~~in the resolution; and (iv) reissued by the county treasurer once~~
19 ~~reacquired by the county treasurer pursuant to any put or repur-~~
20 ~~chase agreement.~~

21 ~~(c) The county treasurer may by order: (i) authorize the~~
22 ~~issuance of renewal notes; (ii) refund or refund in advance notes~~
23 ~~by the issuance of new notes, whether the notes to be refunded~~
24 ~~have or have not matured; (iii) issue notes partly to refund~~
25 ~~notes and partly for any other purposes authorized by this act;~~
26 ~~and (iv) buy and sell any notes so issued.~~

1 ~~(d) Renewal, refunding, or advance refunding notes: (i)~~
2 ~~shall be sold and the proceeds applied to the purchase redemption~~
3 ~~or payment of the notes to be renewed or refunded; (ii) shall not~~
4 ~~be subject to the provisions of Act No. 202 of the Public Acts~~
5 ~~of 1943, as amended, being sections 131.1 to 138.2 of the~~
6 ~~Michigan Compiled Laws, if the municipal finance commission~~
7 ~~determines at the time of the original approval of the notes that~~
8 ~~renewal of the notes shall not need municipal finance commission~~
9 ~~approval; (iii) may be sold or resold at a public or private sale~~
10 ~~upon such terms and conditions as the treasurer may establish in~~
11 ~~the order; and (iv) may pledge the delinquent taxes pledged in~~
12 ~~the issue to be refunded in advance once the original issue is~~
13 ~~defeased by the advance refunding issue.~~

14 ~~(e) Notes may be issued secured by a second lien on delin-~~
15 ~~quent taxes, interest, and county property tax administration~~
16 ~~fees already the subject of a first lien because of the issuance~~
17 ~~of a prior note issue.~~

18 ~~(f) If the treasurer so authorizes on the order authorizing~~
19 ~~the notes, any notes issued may be secured in whole or in part~~
20 ~~pursuant to a trust or escrow agreement which agreement may also~~
21 ~~govern the issuance of renewal notes, refunding notes, and~~
22 ~~advance refunding notes. Such agreement may authorize the~~
23 ~~trustee or escrow agent to make investments of any type autho-~~
24 ~~rized in the agreement.~~