

SENATE BILL No. 1165

February 28, 2002, Introduced by Senator SCHWARZ and referred to the Committee on Finance.

A bill to amend 1993 PA 331, entitled
"State education tax act,"
by amending sections 3 and 5 (MCL 211.903 and 211.905), as
amended by 1994 PA 187, and by adding section 5b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) Beginning in 1994, EXCEPT AS OTHERWISE PROVIDED
2 IN SUBSECTION (2), there is levied a state education tax on all
3 property not exempt by law from ad valorem property taxes or not
4 subject to a tax under ~~Act No. 282 of the Public Acts of 1905,~~
5 ~~being sections 207.1 to 207.21 of the Michigan Compiled Laws~~
6 1905 PA 282, MCL 207.1 TO 207.21, at a rate of 6 mills.

7 (2) IN 2003 ONLY, THERE IS LEVIED A STATE EDUCATION TAX ON
8 ALL PROPERTY NOT EXEMPT BY LAW FROM AD VALOREM PROPERTY TAXES OR
9 NOT SUBJECT TO A TAX UNDER 1905 PA 282, MCL 207.1 TO 207.21, AT
10 THE FOLLOWING RATE:

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FDD

1 (A) FIVE MILLS IF 1 OR MORE OF THE FOLLOWING CONDITIONS
2 APPLY:

3 (i) THE TAX IS PAID ON OR BEFORE SEPTEMBER 14, 2003.

4 (ii) THE TAX IS PAID AFTER SEPTEMBER 14, 2003 AND THE COL-
5 LECTION OF THE TAX IS DEFERRED UNDER SECTION 51(2)(A) OF THE GEN-
6 ERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.51.

7 (B) SIX MILLS IF PAID AFTER SEPTEMBER 14, 2003.

8 Sec. 5. (1) ~~The~~ BEGINNING IN 1994 THROUGH 2002, THE tax
9 LEVIED under this act shall be collected and distributed by the
10 local tax collecting unit under the provisions of the general
11 property tax act at the same time as other taxes levied by the
12 local school district for school operating purposes. However, in
13 each year after 1993 if a local school district is not going to
14 levy a tax in that summer but levied a tax in the summer of 1993,
15 and the local tax collecting unit in which the local school dis-
16 trict is located is collecting a tax for any taxing unit in that
17 summer, the local tax collecting unit shall collect within that
18 local school district 1/2 of the tax under this act in that
19 summer.

20 (2) BEGINNING IN 2003, THE TAX LEVIED UNDER THIS ACT SHALL
21 BE COLLECTED IN A SUMMER LEVY AND SHALL BE DISTRIBUTED AS PRO-
22 VIDED IN THIS ACT. EXCEPT AS OTHERWISE PROVIDED IN SECTION 5B,
23 THE TAX LEVIED UNDER THIS ACT SHALL BE COLLECTED BY EACH CITY AND
24 TOWNSHIP.

25 (3) ~~(2)~~ The state treasurer shall certify the levy of the
26 tax under this act pursuant to the general property tax act.

1 (4) ~~(3)~~ The state treasurer upon receipt shall deposit the
2 collections from the tax into the state treasury to the credit of
3 the state school aid fund.

4 SEC. 5B. (1) THIS SECTION APPLIES ONLY TO A CITY OR TOWN-
5 SHIP, OR THAT PORTION OF A CITY OR TOWNSHIP, IN WHICH NO PROPERTY
6 TAXES, OTHER THAN VILLAGE TAXES, WERE LEVIED IN THE SUMMER OF
7 2002.

8 (2) THE STATE TREASURER, BEFORE NOVEMBER 1 IN 2002 AND EACH
9 YEAR AFTER 2002 FOR WHICH AN AGREEMENT UNDER THIS SUBSECTION IS
10 NOT IN EFFECT, SHALL REQUEST IN WRITING THAT EACH CITY OR TOWN-
11 SHIP COLLECT THE TAX UNDER THIS ACT IN THE SUMMER OF 2003 AND
12 EACH YEAR AFTER 2003. THE REQUEST SHALL DETAIL THE PROPOSED
13 TERMS OF THE COLLECTION, INCLUDING ANY PAYMENT THIS STATE WILL
14 MAKE FOR THE COLLECTION OF THE TAX UNDER THIS ACT. NOT LATER
15 THAN DECEMBER 1 IN 2002 AND EACH YEAR AFTER 2002 FOR WHICH AN
16 AGREEMENT UNDER THIS SUBSECTION IS NOT IN EFFECT, THE APPROPRIATE
17 ASSESSING OFFICER FOR A CITY OR TOWNSHIP SHALL NOTIFY THE STATE
18 TREASURER AND THE TREASURER OF THE COUNTY IN WHICH THE CITY OR
19 TOWNSHIP IS LOCATED WHETHER OR NOT THE CITY OR TOWNSHIP AGREES TO
20 COLLECT THE TAX UNDER THIS ACT UNDER THE TERMS PROPOSED BY THE
21 STATE TREASURER.

22 (3) IF A CITY OR TOWNSHIP DOES NOT AGREE TO COLLECT THE TAX
23 UNDER THIS ACT AS PROVIDED IN SUBSECTION (2), THE STATE TREASURER
24 SHALL REQUEST IN WRITING THAT THE COUNTY IN WHICH THE CITY OR
25 TOWNSHIP IS LOCATED COLLECT THE TAX UNDER THIS ACT IN THE SUMMER
26 OF 2003 AND EACH YEAR AFTER 2003. THE REQUEST SHALL DETAIL THE
27 PROPOSED TERMS OF THE COLLECTION, INCLUDING ANY PAYMENT THIS

1 STATE WILL MAKE FOR THE COLLECTION OF THE TAX UNDER THIS ACT.
2 NOT LATER THAN FEBRUARY 1 IN 2003 AND EACH YEAR AFTER 2003 FOR
3 WHICH AN AGREEMENT UNDER THIS SUBSECTION IS NOT IN EFFECT, THE
4 COUNTY TREASURER SHALL NOTIFY THE STATE TREASURER WHETHER OR NOT
5 THE COUNTY AGREES TO COLLECT THE TAX UNDER THIS SECTION.

6 (4) IF THE COUNTY TREASURER DOES NOT AGREE TO COLLECT THE
7 TAX UNDER SUBSECTION (3), THIS STATE SHALL COLLECT THE TAX UNDER
8 THIS SECTION. THE COLLECTION OF THE TAX LEVIED UNDER THIS ACT IS
9 NOT SUBJECT TO 1941 PA 122, MCL 205.1 TO 205.31.

10 (5) ALL OF THE FOLLOWING APPLY TO THE COLLECTION OF THE TAX
11 LEVIED UNDER THIS ACT BY A COUNTY TREASURER OR THE STATE
12 TREASURER:

13 (A) NOT LATER THAN JUNE 1, THE TOWNSHIP OR CITY FOR WHICH
14 THE TAX IS BEING COLLECTED SHALL DELIVER TO THE COUNTY TREASURER
15 OR THE STATE TREASURER, AS APPLICABLE, A CERTIFIED COPY OF EACH
16 ASSESSMENT ROLL FOR TAXABLE PROPERTY LOCATED IN THE TOWNSHIP OR
17 CITY. EACH ASSESSMENT ROLL SHALL INCLUDE THE TAXABLE VALUE OF
18 EACH PARCEL SUBJECT TO THE COLLECTION OF THE TAX LEVIED UNDER
19 THIS ACT. THE COUNTY TREASURER OR STATE TREASURER, AS APPLICA-
20 BLE, SHALL REMIT THE NECESSARY COST INCIDENT TO THE REPRODUCTION
21 OF THE ASSESSMENT ROLL TO THE TOWNSHIP OR CITY.

22 (B) NOT LATER THAN JUNE 30, THE COUNTY TREASURER OR THE
23 STATE TREASURER, AS APPLICABLE, SHALL SPREAD THE MILLAGE LEVIED
24 UNDER THIS ACT AGAINST THE ASSESSMENT ROLL AND PREPARE THE TAX
25 ROLL.

1 (C) TAXES AUTHORIZED TO BE COLLECTED SHALL BECOME A LIEN
2 AGAINST THE PROPERTY ON WHICH ASSESSED AND ARE DUE FROM THE OWNER
3 OF THAT PROPERTY ON JULY 1.

4 (D) TAXES SHALL BE COLLECTED ON OR BEFORE SEPTEMBER 14 AND
5 ALL TAXES AND INTEREST IMPOSED PURSUANT TO SUBDIVISION (E) UNPAID
6 BEFORE MARCH 1 SHALL BE RETURNED AS DELINQUENT ON MARCH 1. TAXES
7 RETURNED AS DELINQUENT UNDER THIS SUBDIVISION SHALL BE COLLECTED
8 PURSUANT TO THE GENERAL PROPERTY TAX ACT.

9 (E) INTEREST SHALL BE ADDED TO TAXES COLLECTED AFTER
10 SEPTEMBER 14 AT THE RATE OF 1% PER MONTH OR FRACTION OF A MONTH.

11 (F) THE COUNTY TREASURER OR THE STATE TREASURER, AS APPLICA-
12 BLE, MAY IMPOSE ALL OR A PORTION OF THE FEES AND CHARGES AUTHO-
13 RIZED UNDER SECTION 44 OF THE GENERAL PROPERTY TAX ACT, 1893
14 PA 206, MCL 211.44, ON TAXES PAID BEFORE MARCH 1. THE COUNTY
15 TREASURER OR THE STATE TREASURER, AS APPLICABLE, SHALL RETAIN THE
16 FEES AND CHARGES IMPOSED UNDER THIS SUBDIVISION REGARDLESS OF
17 WHETHER ALL OR PART OF THE FEES AND CHARGES HAVE BEEN WAIVED BY
18 THE TOWNSHIP OR CITY.

19 (6) AN AGREEMENT FOR THE COLLECTION OF THE TAX UNDER THIS
20 SECTION WITH A COUNTY TREASURER SHALL INCLUDE A SCHEDULE FOR
21 DELIVERING COLLECTIONS TO THE STATE TREASURER.

22 (7) IN RELATION TO THE ASSESSMENT, SPREADING, AND COLLECTION
23 OF TAXES PURSUANT TO THIS SECTION, A COUNTY TREASURER OR THE
24 STATE TREASURER, AS APPLICABLE, SHALL HAVE POWERS AND DUTIES SIM-
25 ILAR TO THOSE PRESCRIBED BY THE GENERAL PROPERTY TAX ACT FOR
26 TOWNSHIP SUPERVISORS, TOWNSHIP CLERKS, AND TOWNSHIP TREASURERS.

1 HOWEVER, THIS SECTION SHALL NOT BE CONSIDERED TO TRANSFER ANY
2 AUTHORITY OVER THE ASSESSMENT OF PROPERTY.

3 (8) A COUNTY TREASURER OR STATE TREASURER COLLECTING TAXES
4 PURSUANT TO THIS SECTION SHALL BE BONDED FOR TAX COLLECTION IN
5 THE SAME AMOUNT AND IN THE SAME MANNER AS A TOWNSHIP TREASURER
6 WOULD BE FOR UNDERTAKING THE DUTIES PRESCRIBED BY THIS SECTION.

7 (9) THE STATE TREASURER MAY PROVIDE THAT AN AGREEMENT FOR
8 THE COLLECTION OF A SUMMER PROPERTY TAX LEVY BETWEEN THE STATE
9 TREASURER AND A CITY, TOWNSHIP, OR COUNTY MAY COVER COLLECTIONS
10 FOR 2 YEARS.

11 (10) IF A COUNTY TREASURER OR THE STATE TREASURER COLLECTS
12 THE TAX LEVIED UNDER THIS ACT AS PROVIDED UNDER THIS SECTION, ALL
13 PAYMENTS FROM THIS STATE FOR COLLECTING THE TAX LEVIED UNDER THIS
14 ACT IN A SUMMER LEVY AND ALL REVENUE GENERATED BY THE ADMINISTRA-
15 TION FEE SHALL BE DEPOSITED IN A RESTRICTED ACCOUNT DESIGNATED AS
16 THE "STATE EDUCATION TAX COLLECTION ACCOUNT". THE COUNTY TREA-
17 SURER OR THE STATE TREASURER, AS APPLICABLE, SHALL DIRECT THE
18 INVESTMENT OF THE ACCOUNT. THE COUNTY TREASURER OR THE STATE
19 TREASURER, AS APPLICABLE, SHALL CREDIT TO THE ACCOUNT INTEREST
20 AND EARNINGS FROM THE ACCOUNT INVESTMENTS. PROCEEDS IN THAT
21 ACCOUNT SHALL ONLY BE USED FOR THE COST OF COLLECTING THE TAX
22 LEVIED UNDER THIS ACT.

23 (11) AFTER 2002, IF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
24 DISTRICT COLLECTS TAXES IN THE SUMMER UNDER SECTION 1613 OF THE
25 REVISED SCHOOL CODE OF 1976, 1976 PA 451, MCL 380.1613, THE
26 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL COLLECT THE

1 TAXES LEVIED UNDER THIS ACT IN THE SUMMER AND SHALL DISTRIBUTE
2 THE TAXES COLLECTED AS PROVIDED IN THIS ACT.

3 (12) THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED BY A
4 CITY SHALL BECOME A LIEN AGAINST THE PROPERTY ON WHICH ASSESSED
5 IN THE SAME MANNER AND ON THE SAME DATE AS CITY TAXES OR, IF THE
6 CITY APPROVES THE COLLECTION OF THE TAX LEVIED UNDER THIS ACT ON
7 A DATE OTHER THAN THE DATE IT COLLECTS THE CITY TAXES, ON
8 JULY 1. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED WITH THE
9 CITY TAXES SHALL BE SUBJECT TO THE SAME PENALTIES, INTEREST, AND
10 COLLECTION CHARGES AS CITY TAXES AND SHALL BE RETURNED AS DELIN-
11 QUENT TO THE COUNTY TREASURER IN THE SAME MANNER AND WITH THE
12 SAME INTEREST, PENALTIES, AND FEES AS CITY TAXES. THE TAX LEVIED
13 UNDER THIS ACT THAT IS COLLECTED BY A CITY PURSUANT TO THIS SEC-
14 TION ON A DATE OTHER THAN A DATE IT COLLECTS CITY TAXES SHALL BE
15 SUBJECT TO THE SAME FEES AND CHARGES A CITY MAY IMPOSE UNDER
16 SECTION 44 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,
17 MCL 211.44, EXCEPT THAT A CITY MAY IMPOSE THE ADMINISTRATION FEE
18 ON THE TAX LEVIED UNDER THIS ACT THAT IS BILLED IN THE SUMMER
19 EVEN IF THE FEE IS NOT IMPOSED ON TAXES BILLED IN DECEMBER. THE
20 TAX LEVIED UNDER THIS ACT THAT IS COLLECTED PURSUANT TO THIS SEC-
21 TION ON OR BEFORE SEPTEMBER 14 OF EACH YEAR BY A CITY THAT COL-
22 LECTS SCHOOL TAXES ON A DATE OTHER THAN THE DATE IT COLLECTS CITY
23 TAXES SHALL BE WITHOUT INTEREST, BUT THE TAX LEVIED UNDER THIS
24 ACT THAT IS COLLECTED AFTER SEPTEMBER 14 IN EACH YEAR SHALL BEAR
25 INTEREST AT THE RATE IMPOSED BY SECTION 59 OF THE GENERAL PROP-
26 ERTY TAX ACT, 1893 PA 206, MCL 211.59, ON DELINQUENT PROPERTY TAX
27 LEVIES THAT BECOME A LIEN IN THE SAME YEAR. ALL INTEREST AND

1 PENALTIES THAT ARE IMPOSED PRIOR TO THE DATE THE TAX LEVIED UNDER
2 THIS ACT IS RETURNED AS DELINQUENT, OTHER THAN THE ADMINISTRATION
3 FEE, SHALL BE TRANSMITTED TO THE STATE TREASURER FOR DEPOSIT INTO
4 THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX
5 OF THE STATE CONSTITUTION OF 1963. IF IMPOSED, THE ADMINISTRA-
6 TION FEE SHALL BE RETAINED BY THE CITY.

7 (13) THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED BY A
8 TOWNSHIP SHALL BECOME A LIEN AGAINST THE PROPERTY ON WHICH
9 ASSESSED ON JULY 1. THE TAX LEVIED UNDER THIS ACT THAT IS COL-
10 LECTED ON OR BEFORE SEPTEMBER 14 IN EACH YEAR SHALL BE WITHOUT
11 INTEREST. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED AFTER
12 SEPTEMBER 14 OF ANY YEAR SHALL BEAR INTEREST AT THE RATE IMPOSED
13 BY SECTION 59 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,
14 MCL 211.59, ON DELINQUENT PROPERTY TAX LEVIES THAT BECOME A LIEN
15 IN THE SAME YEAR. THE TAX LEVIED UNDER THIS ACT THAT IS COL-
16 LECTED BY A TOWNSHIP IS SUBJECT TO THE SAME FEES AND CHARGES THE
17 TOWNSHIP MAY IMPOSE UNDER SECTION 44 OF THE GENERAL PROPERTY TAX
18 ACT, 1893 PA 206, MCL 211.44, EXCEPT THAT A TOWNSHIP MAY IMPOSE
19 THE ADMINISTRATION FEE ON THE TAX LEVIED UNDER THIS ACT THAT IS
20 BILLED IN THE SUMMER EVEN IF THE FEE IS NOT IMPOSED ON TAXES
21 BILLED IN DECEMBER. ALL INTEREST AND PENALTIES THAT ARE IMPOSED
22 PRIOR TO THE DATE THE TAX LEVIED UNDER THIS ACT IS RETURNED
23 DELINQUENT, OTHER THAN THE ADMINISTRATION FEE, SHALL BE TRANSMIT-
24 TED TO THE STATE TREASURER FOR DEPOSIT INTO THE STATE SCHOOL AID
25 FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTI-
26 TUTION OF 1963. IF IMPOSED, THE ADMINISTRATION FEE SHALL BE
27 RETAINED BY THE TOWNSHIP.