

SUBSTITUTE FOR
SENATE BILL NO. 978

A bill to amend 1993 PA 331, entitled
"State education tax act,"
by amending section 5b (MCL 211.905b), as added by 2004 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5b. (1) This section applies only to a city or
2 township, or that portion of a city or township, in which no
3 property taxes, other than the ~~tax levied under this act or~~
4 ~~village taxes~~ **following**, are levied in the summer of 2003 and
5 any summer after 2003: —
6 (a) The tax levied under this act.
7 (b) Village taxes.
8 (c) Beginning in the summer of 2005, that portion of the
9 number of mills allocated to a county by a county tax allocation
10 board or authorized for a county through a separate tax
11 limitation vote, if that portion of the number of mills allocated

1 to a county by a county tax allocation board or authorized for a
2 county through a separate tax limitation vote were not levied
3 before the summer of 2005.

4 (2) A city or township shall collect the tax levied under
5 this act unless, before November 1, 2002, the legislative body of
6 the city or township adopts a resolution declining to collect the
7 tax levied under this act and, for a township, the treasurer
8 concurs in writing with that resolution. Before November 1,
9 2002, if the city or township adopts a resolution declining to
10 collect the tax under this act and, for a township, the treasurer
11 concurs in writing with that resolution, the appropriate
12 assessing officer shall send a copy of that resolution and, for a
13 township, that concurrence to the state treasurer and the
14 treasurer of the county in which the city or township is
15 located. In January 2004 and each January thereafter, the
16 legislative body of a city or township that has declined to
17 collect the tax under this subsection may by resolution adopted
18 by a majority of the legislative body rescind the earlier
19 decision to decline to collect the tax. The city or township
20 shall immediately send a copy of the resolution rescinding the
21 earlier decision to decline to collect the tax to the state
22 treasurer and the treasurer of the county in which the city or
23 township is located. If a city or township collects the tax
24 levied under this act pursuant to this section, that city or
25 township shall retain \$2.50 for each parcel of property in that
26 city or township on which the tax levied under this act is billed
27 under this section from the tax collected under this act before

1 transmitting the tax collected as provided in this act.

2 (3) A county that receives a copy of a resolution declining
3 to collect the tax under this act and, for a township, a written
4 concurrence as provided in subsection (2) shall collect the tax
5 levied under this act pursuant to this section unless, before
6 February 1, 2003, the county board of commissioners adopts a
7 resolution declining to collect the tax levied under this act and
8 the county treasurer concurs in writing with that resolution.
9 Before February 1, 2003, if the county board of commissioners
10 adopts a resolution declining to collect the tax under this act
11 and the county treasurer concurs in writing with that resolution,
12 the county treasurer shall send a copy of that resolution and
13 that concurrence to the state treasurer. In February 2004 and
14 each February thereafter, a county board of commissioners that
15 has declined to collect the tax under this subsection may by
16 resolution, with the written concurrence of the county treasurer,
17 rescind the earlier decision to decline to collect the tax. The
18 county treasurer shall immediately send a copy of the resolution
19 rescinding the earlier decision to decline to collect the tax and
20 the written concurrence of the county treasurer to the state
21 treasurer. If a county collects the tax levied under this act
22 pursuant to this section, that county shall retain \$2.50 for each
23 parcel for property in that county on which the tax levied under
24 this act is billed under this section from the tax collected
25 under this act before transmitting the tax collected under this
26 act to the state treasurer as provided in this act.

27 (4) If a city or township does not collect the tax levied

1 under this act pursuant to subsection (2) and if a county does
2 not collect the tax levied under this act pursuant to subsection
3 (3), the state treasurer shall collect the tax under the
4 provisions of the general property tax act. The collection of
5 the tax levied under this act is not subject to 1941 PA 122,
6 MCL 205.1 to 205.31. The tax levied under this act collected
7 pursuant to this subsection is subject to a 1% administration
8 fee.

9 (5) All of the following apply to the collection of the tax
10 levied under this act by a county treasurer or the state
11 treasurer:

12 (a) Not later than June 1, the township or city for which the
13 tax is being collected shall deliver to the county treasurer or
14 the state treasurer, as applicable, a certified copy of each
15 assessment roll for taxable property located in the township or
16 city. Each assessment roll shall include the taxable value of
17 each parcel subject to the collection of the tax levied under
18 this act. The county treasurer or state treasurer, as
19 applicable, shall remit the necessary cost incident to the
20 reproduction of the assessment roll to the township or city.

21 (b) Not later than June 30, the county treasurer or the state
22 treasurer, as applicable, shall spread the millage levied under
23 this act against the assessment roll and prepare the tax roll.

24 (c) The county treasurer or the state treasurer, as
25 applicable, may impose all or a portion of the fees and charges
26 authorized under section 44 of the general property tax act, 1893
27 PA 206, MCL 211.44, on taxes paid before March 1. The county

1 treasurer or the state treasurer, as applicable, shall retain the
2 fees and charges imposed under this subdivision regardless of
3 whether all or part of the fees and charges have been waived by
4 the township or city.

5 (6) In relation to the assessment, spreading, and collection
6 of taxes pursuant to this section, a county treasurer or the
7 state treasurer, as applicable, shall have powers and duties
8 similar to those prescribed by the general property tax act for
9 township supervisors, township clerks, and township treasurers.
10 However, this section shall not be considered to transfer any
11 authority over the assessment of property.

12 (7) A county treasurer or state treasurer collecting taxes
13 pursuant to this section shall be bonded for tax collection in
14 the same amount and in the same manner as a township treasurer
15 would be for undertaking the duties prescribed by this section.

16 (8) If a county treasurer or the state treasurer collects the
17 tax levied under this act pursuant to this section, all payments
18 from this state for collecting the tax levied under this act in a
19 summer levy, and all revenue generated by the administration fee,
20 shall be deposited in a restricted account designated as the
21 "state education tax collection account". The county treasurer
22 or the state treasurer, as applicable, shall direct the
23 investment of the account. The county treasurer or the state
24 treasurer, as applicable, shall credit to the account interest
25 and earnings from the account investments. Proceeds in that
26 account shall only be used for the cost of collecting the tax
27 levied under this act. For a county collecting the tax under

1 this act, the county board of commissioners shall appropriate
2 sufficient money from the account to the county treasurer to
3 cover the cost of collecting the tax levied under this act.

4 (9) The tax levied under this act that is collected by a city
5 pursuant to this section on a date other than a date it collects
6 city taxes shall be subject to the same fees and charges a city
7 may impose under section 44 of the general property tax act, 1893
8 PA 206, MCL 211.44, except that a city may impose the
9 administration fee on the tax levied under this act that is
10 billed in the summer even if the fee is not imposed on taxes
11 billed in December. The tax levied under this act that is
12 collected pursuant to this section on or before September 14 of
13 each year by a city that collects school taxes on a date other
14 than the date it collects city taxes shall be without interest,
15 but the tax levied under this act that is collected after
16 September 14 in each year shall bear interest at the rate imposed
17 by section 59 of the general property tax act, 1893 PA 206,
18 MCL 211.59, on delinquent property tax levies that become a lien
19 in the same year. All interest and penalties that are imposed
20 prior to the date the tax levied under this act is returned as
21 delinquent, other than the administration fee, shall be
22 transmitted to the state treasurer for deposit into the state
23 school aid fund established in section 11 of article IX of the
24 state constitution of 1963. If imposed, the administration fee
25 shall be retained by the city.

26 (10) The tax levied under this act that is collected by a
27 township on or before September 14 in each year shall be without

1 interest. The tax levied under this act that is collected after
2 September 14 of any year shall bear interest at the rate imposed
3 by section 59 of the general property tax act, 1893 PA 206,
4 MCL 211.59, on delinquent property tax levies that become a lien
5 in the same year. The tax levied under this act that is
6 collected by a township is subject to the same fees and charges
7 the township may impose under section 44 of the general property
8 tax act, 1893 PA 206, MCL 211.44, except that a township may
9 impose the administration fee on the tax levied under this act
10 that is billed in the summer even if the fee is not imposed on
11 taxes billed in December. All interest and penalties that are
12 imposed prior to the date the tax levied under this act is
13 returned delinquent, other than the administration fee, shall be
14 transmitted to the state treasurer for deposit into the state
15 school aid fund established in section 11 of article IX of the
16 state constitution of 1963. If imposed, the administration fee
17 shall be retained by the township.

18 (11) For taxes levied after December 31, 2003, not later than
19 June 1 of each year, the county treasurer shall deliver to the
20 state treasurer a statement of the total amount of the state
21 education tax levy of the prior year not returned delinquent that
22 was collected by the county treasurer and collected and remitted
23 to the county treasurer by each city or township treasurer,
24 together with a statement for the county and for each city or
25 township of the number of parcels from which the state education
26 tax was collected, the number of parcels for which the state
27 education tax was billed, and the total amount retained by the

1 county treasurer and by the city or township treasurer as
2 permitted by subsections (2) and (3).