

HOUSE BILL No. 6623

November 12, 2008, Introduced by Rep. Bieda and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 44 and 78a (MCL 211.44 and 211.78a), section 44 as amended by 2002 PA 641 and section 78a as added by 1999 PA 123.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 44. (1) Upon receipt of the tax roll, the township
2 treasurer or other collector shall proceed to collect the taxes.
3 The township treasurer or other collector shall mail to each
4 taxpayer at the taxpayer's last known address on the tax roll or to
5 the taxpayer's designated agent a statement showing the description
6 of the property against which the tax is levied, the taxable value
7 of the property, and the amount of the tax on the property. If a

1 tax statement is mailed to the taxpayer, a tax statement sent to a
2 taxpayer's designated agent may be in a summary form or may be in
3 an electronic data processing format. If the tax statement
4 information is provided to both a taxpayer and the taxpayer's
5 designated agent, the tax statement mailed to the taxpayer may be
6 identified as an informational copy. A township treasurer or other
7 collector electing to send a tax statement to a taxpayer's
8 designated agent or electing not to include an itemization in the
9 manner described in subsection (10)(d) in a tax statement mailed to
10 the taxpayer shall, upon request, mail a detailed copy of the tax
11 statement, including an itemization of the amount of tax in the
12 manner described by subsection (10)(d), to the taxpayer without
13 charge.

14 (2) The expense of preparing and mailing the statement shall
15 be paid from the county, township, city, or village funds. Failure
16 to send or receive the notice does not prejudice the right to
17 collect or enforce the payment of the tax. The township treasurer
18 shall remain in the office of the township treasurer at some
19 convenient place in the township from 9 a.m. to 5 p.m. to receive
20 taxes on the following days:

21 (a) At least ~~one~~ 1 business day between December 25 and
22 December 31 unless the township has an arrangement with a local
23 financial institution to receive taxes on behalf of the township
24 treasurer and to forward that payment to the township on the next
25 business day. The township shall provide timely notification of
26 which financial institutions will receive taxes for the township
27 and which days the treasurer will be in the office to receive

1 taxes.

2 (b) The last day that taxes are due and payable before being
3 returned as delinquent under section ~~55-78A(2)~~.

4 (3) Except as provided by subsection (7), on a sum voluntarily
5 paid before February 15 of the succeeding year, the local property
6 tax collecting unit shall add a property tax administration fee of
7 not more than 1% of the total tax bill per parcel. However, unless
8 otherwise provided for by an agreement between the assessing unit
9 and the collecting unit, if a local property tax collecting unit
10 other than a village does not also serve as the local assessing
11 unit, the excess of the amount of property tax administration fees
12 over the expense to the local property tax collecting unit in
13 collecting the taxes, but not less than 80% of the fee imposed,
14 shall be returned to the local assessing unit. A property tax
15 administration fee is defined as a fee to offset costs incurred by
16 a collecting unit in assessing property values, in collecting the
17 property tax levies, and in the review and appeal processes. The
18 costs of any appeals, in excess of funds available from the
19 property tax administration fee, may be shared by any taxing unit
20 only if approved by the governing body of the taxing unit. Except
21 as provided by subsection (7), on all taxes paid after February 14
22 and before ~~March 1~~ **TAXES ARE RETURNED AS DELINQUENT UNDER SECTION**
23 **78A(2)** the governing body of a city or township may authorize the
24 treasurer to add to the tax a property tax administration fee to
25 the extent imposed on taxes paid before February 15 and **THE DAY**
26 **THAT TAXES ARE RETURNED AS DELINQUENT UNDER SECTION 78A(2)** a late
27 penalty charge equal to 3% of the tax. The governing body of a city

1 or township may waive interest from February 15 to the last day of
2 February on a summer property tax that has been deferred under
3 section 51 or any late penalty charge for the homestead property of
4 a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible
5 serviceperson, eligible veteran, eligible widow or widower, totally
6 and permanently disabled person, or blind person, as those persons
7 are defined in chapter 9 of the income tax act of 1967, 1967 PA
8 281, MCL 206.501 to 206.532, if the person makes a claim before
9 February 15 for a credit for that property provided by chapter 9 of
10 the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if
11 the person presents a copy of the form filed for that credit to the
12 local treasurer, and if the person has not received the credit
13 before February 15. The governing body of a city or township may
14 waive interest from February 15 to the ~~last day of February~~ **DAY**
15 **TAXES ARE RETURNED AS DELINQUENT UNDER SECTION 78A(2)** on a summer
16 property tax deferred under section 51 or any late penalty charge
17 for a person's property that is subject to a farmland development
18 rights agreement recorded with the register of deeds of the county
19 in which the property is situated as provided in section 36104 of
20 the natural resources and environmental protection act, 1994 PA
21 451, MCL 324.36104, if the person presents a copy of the
22 development rights agreement or verification that the property is
23 subject to a development rights agreement before February 15. A 4%
24 county property tax administration fee, a property tax
25 administration fee to the extent imposed on and if authorized under
26 subsection (7) for taxes paid before ~~March 1~~ **TAXES ARE RETURNED AS**
27 **DELINQUENT UNDER SECTION 78A(2)**, and interest on the tax at the

1 rate of 1% per month shall be added to taxes collected by the
2 township or city treasurer after the last day of ~~February~~ **TAXES ARE**
3 **PAYABLE BEFORE BEING RETURNED AS DELINQUENT UNDER SECTION 78A(2)**
4 and before settlement with the county treasurer, and the payment
5 shall be treated as though collected by the county treasurer. If
6 the statements required to be mailed by this section are not mailed
7 before December 31, the treasurer shall not impose a late penalty
8 charge on taxes collected after February 14.

9 (4) The governing body of a local property tax collecting unit
10 may waive all or part of the property tax administration fee or the
11 late penalty charge, or both. A property tax administration fee
12 collected by the township treasurer shall be used only for the
13 purposes for which it may be collected as specified by subsection
14 (3) and this subsection. If the bond of the treasurer, as provided
15 in section 43, is furnished by a surety company, the cost of the
16 bond may be paid by the township from the property tax
17 administration fee.

18 (5) If apprehensive of the loss of personal tax assessed upon
19 the roll, the township treasurer may enforce collection of the tax
20 at any time, and if compelled to seize property or bring an action
21 in December may add, if authorized under subsection (7), a property
22 tax administration fee of not more than 1% of the total tax bill
23 per parcel and 3% for a late penalty charge.

24 (6) Along with taxes returned delinquent to a county
25 treasurer, ~~under section 55,~~ the amount of the property tax
26 administration fee prescribed by subsection (3) that is imposed and
27 not paid shall be included in the return of delinquent taxes and,

1 when delinquent taxes are distributed by the county treasurer under
2 this act, the delinquent property tax administration fee shall be
3 distributed to the treasurer of the local unit who transmitted the
4 statement of taxes returned as delinquent. Interest imposed upon
5 delinquent property taxes under this act shall also be imposed upon
6 the property tax administration fee and, for purposes of this act
7 other than for the purpose of determining to which local unit the
8 county treasurer shall distribute a delinquent property tax
9 administration fee, any reference to delinquent taxes shall be
10 considered to include the property tax administration fee returned
11 as delinquent for the same property.

12 (7) The local property tax collecting treasurer shall not
13 impose a property tax administration fee, collection fee, or any
14 type of late penalty charge authorized by law or charter unless the
15 governing body of the local property tax collecting unit approves,
16 by resolution or ordinance adopted after December 31, 1982, an
17 authorization for the imposition of a property tax administration
18 fee, collection fee, or any type of late penalty charge provided
19 for by this section or by charter, which authorization shall be
20 valid for all levies that become a lien after the resolution or
21 ordinance is adopted. However, unless otherwise provided for by an
22 agreement between the assessing unit and the collecting unit, a
23 local property tax collecting unit that does not also serve as the
24 assessing unit shall impose a property tax administration fee on
25 each parcel at a rate equal to the rate of the fee imposed for city
26 or township taxes on that parcel.

27 (8) The annual statement required by 1966 PA 125, MCL 565.161

1 to 565.164, or a monthly billing form or mortgagor passbook
2 provided instead of that annual statement shall include a statement
3 to the effect that a taxpayer who was not mailed the tax statement
4 or a copy of the tax statement by the township treasurer or other
5 collector shall receive, upon request and without charge, a copy of
6 the tax statement from the township treasurer or other collector
7 or, if the tax statement has been mailed to the taxpayer's
8 designated agent, from either the taxpayer's designated agent or
9 the township treasurer or other collector. A designated agent who
10 is subject to 1966 PA 125, MCL 565.161 to 565.164, and who has been
11 mailed the tax statement for taxes that became a lien in the
12 calendar year immediately preceding the year in which the annual
13 statement may be required to be furnished shall mail, upon request
14 and without charge to a taxpayer who was not mailed that tax
15 statement or a copy of that tax statement, a copy of that tax
16 statement.

17 (9) For taxes levied after December 31, 2001, if taxes levied
18 on qualified real property remain unpaid on February 15, all of the
19 following shall apply:

20 (a) The unpaid taxes on that qualified real property shall be
21 collected in the same manner as unpaid taxes levied on personal
22 property are collected under this act.

23 (b) Unpaid taxes on qualified real property shall not be
24 returned as delinquent to the county treasurer for forfeiture,
25 foreclosure, and sale under sections 78 to 79a.

26 (c) If a county treasurer discovers that unpaid taxes on
27 qualified real property have been returned as delinquent for

1 forfeiture, foreclosure, and sale under sections 78 to 79a, the
2 county treasurer shall return those unpaid taxes to the appropriate
3 local tax collection unit for collection as provided in subdivision
4 (a).

5 (10) As used in this section:

6 (a) "Designated agent" means an individual, partnership,
7 association, corporation, receiver, estate, trust, or other legal
8 entity that has entered into an escrow account agreement or other
9 agreement with the taxpayer that obligates that individual or legal
10 entity to pay the property taxes for the taxpayer or, if an
11 agreement has not been entered into, that was designated by the
12 taxpayer on a form made available to the taxpayer by the township
13 treasurer and filed with that treasurer. The designation by the
14 taxpayer shall remain in effect until revoked by the taxpayer in a
15 writing filed with the township treasurer. The form made available
16 by the township treasurer shall include a statement that submission
17 of the form allows the treasurer to mail the tax statement to the
18 designated agent instead of to the taxpayer and a statement
19 notifying the taxpayer of his or her right to revoke the
20 designation by a writing filed with the township treasurer.

21 (b) "Qualified real property" means buildings and improvements
22 located upon leased real property that are assessed as real
23 property under section 2(1)(c), except buildings and improvements
24 exempt under section 9f, if the value of the buildings or
25 improvements is not otherwise included in the assessment of the
26 real property.

27 (c) "Taxpayer" means the owner of the property on which the

1 tax is imposed.

2 (d) When describing in subsection (1) that the amount of tax
3 on the property must be shown in the tax statement, "amount of tax"
4 means an itemization by dollar amount of each of the several ad
5 valorem property taxes and special assessments that a person may
6 pay under section 53 and an itemization by millage rate, on either
7 the tax statement or a separate form accompanying the tax
8 statement, of each of the several ad valorem property taxes that a
9 person may pay under section 53. The township treasurer or other
10 collector may replace the itemization described in this subdivision
11 with a statement informing the taxpayer that the itemization of the
12 dollar amount and millage rate of the taxes is available without
13 charge from the local property tax collecting unit.

14 Sec. 78a. (1) For taxes levied after December 31, 1998, all
15 property returned for delinquent taxes, and upon which taxes,
16 interest, penalties, and fees remain unpaid after the property is
17 returned as delinquent to the county treasurers of this state under
18 this act, is subject to forfeiture, foreclosure, and sale for the
19 enforcement and collection of the delinquent taxes as provided in
20 section 78, this section, and sections 78b to 79a. As used in
21 section 78, this section, and sections 78b to 79a, "taxes" includes
22 interest, penalties, and fees imposed before the taxes become
23 delinquent and unpaid special assessments or other assessments that
24 are due and payable up to and including the date of the foreclosure
25 hearing under section 78k.

26 (2) On March 1 in each year, taxes levied in the immediately
27 preceding year that remain unpaid shall be returned as delinquent

1 for collection. HOWEVER, IF THE LAST DAY IN A YEAR THAT TAXES ARE
2 DUE AND PAYABLE BEFORE BEING RETURNED AS DELINQUENT IS ON A
3 SATURDAY, SUNDAY, OR LEGAL HOLIDAY, THE LAST DAY TAXES ARE DUE AND
4 PAYABLE BEFORE BEING RETURNED AS DELINQUENT IS ON THE NEXT BUSINESS
5 DAY AND TAXES LEVIED IN THE IMMEDIATELY PRECEDING YEAR THAT REMAIN
6 UNPAID SHALL BE RETURNED AS DELINQUENT ON THE IMMEDIATELY
7 SUCCEEDING BUSINESS DAY. Except as otherwise provided in section 79
8 for certified abandoned property, property delinquent for taxes
9 levied in the second year preceding the forfeiture under section
10 78g or in a prior year to which this section applies shall be
11 forfeited to the county treasurer for the total of the unpaid
12 taxes, interest, penalties, and fees for those years as provided
13 under section 78g.

14 (3) A county property tax administration fee of 4% and
15 interest computed at a noncompounded rate of 1% per month or
16 fraction of a month on the taxes that were originally returned as
17 delinquent, computed from the ~~March 1~~ DATE that the taxes
18 originally became delinquent, shall be added to property returned
19 as delinquent under this section. A county property tax
20 administration fee provided for under this subsection shall not be
21 less than \$1.00.

22 (4) Any person with an unrecorded property interest or any
23 other person who wishes at any time to receive notice of the return
24 of delinquent taxes on a parcel of property may pay an annual fee
25 not to exceed \$5.00 by February 1 to the county treasurer and
26 specify the parcel identification number, the address of the
27 property, and the address to which the notice shall be sent.

1 Holders of any undischarged mortgages wishing to receive notice of
2 the return of delinquent taxes on a parcel or parcels of property
3 may provide a list of such parcels in a form prescribed by the
4 county treasurer and pay an annual fee not to exceed \$1.00 per
5 parcel to the county treasurer and specify for each parcel the
6 parcel identification number, the address of the property, and the
7 address to which the notice should be sent. The county treasurer
8 shall notify the person or holders of undischarged mortgages if
9 delinquent taxes on the property or properties are returned within
10 that year.

11 ~~—— (5) Upon the request of a holder of a tax lien purchased under~~
12 ~~the Michigan tax lien sale and collateralized securities act, 1998~~
13 ~~PA 379, MCL 211.921 to 211.941, and payment to the county treasurer~~
14 ~~of the actual costs incurred in complying with that request, the~~
15 ~~county treasurer shall provide a list identifying the parcels of~~
16 ~~property for which a notice is required under sections 78 to 78l.~~
17 ~~The list required under this subsection may be in a computer~~
18 ~~generated form or other form.~~

19 (5) ~~(6)~~ Notwithstanding any charter provision to the contrary,
20 the governing body of a local governmental unit that collects
21 delinquent taxes may establish for any property, by ordinance,
22 procedures for the collection of delinquent taxes and the
23 enforcement of tax liens and the schedule for the forfeiture or
24 foreclosure of delinquent tax liens. The procedures and schedule
25 established by ordinance shall conform at a minimum to those
26 procedures and schedules established under sections 78a to 78l,
27 except that those taxes subject to a payment plan approved by the

1 treasurer of the local governmental unit as of July 1, 1999 shall
2 not be considered delinquent ~~as of the following March 1~~ if
3 payments are not delinquent under that payment plan.