



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



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House Bill 5839 (as reported without amendment)
Sponsor: Representative Marty Knollenberg
House Committee: Local, Intergovernmental, and Regional Affairs
Senate Committee: Local Government and Elections

CONTENT

The bill would amend the General Property Tax Act to eliminate a payment from a county delinquent tax revolving fund to the county treasurer for acting as the county's agent.

The Act allows a county board of commissioners to create a delinquent tax revolving fund. The county may borrow money and issue notes to establish or continue the fund and to pay the expenses of the borrowing. If the county opts to borrow, the county treasurer is the agent for the county in connection with all transactions relative to the fund. If provided by separate resolution of the county board of commissioners for any year in which the county opts to borrow, there is payable from the fund surplus to the county treasurer an amount equal to 20% of the following amounts for services as agent for the county:

- For any delinquent tax on which the interest rate before sale exceeds 1% per month, 1/27 of the monthly interest.
- For any delinquent tax on which the interest rate before sale is 1% per month or less, 3/64 of the monthly interest.

The remainder of those amounts is payable to the county treasurer's office for delinquent tax administration expenses.

The bill would eliminate the 20% payment to the county treasurer. Instead, all of the calculated amounts would be payable to the treasurer's office.

MCL 211.87c

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no impact on State revenue or expenditure and would reduce county expenditures by an unknown and likely minimal amount.

Date Completed: 12-6-12

Fiscal Analyst: David Zin