



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JAY B. RISING
STATE TREASURER

DATE: October 26, 2004

TO: Assessors
Equalization Directors
Treasurers

FROM: Dennis Platte, Administrator
Property Tax Division

SUBJECT: Change in the Collection Date of Certain County Taxes

Public Act (PA) 357 of 2004 (SB 1112) was signed by Governor Granholm on September 30, 2004 with an effective date of September 30, 2004. A copy of the Act is available on the Internet at www.michiganlegislature.org. When you reach the site, click on **Public Acts**, and enter act number **357** and the year **2004**.

PA 357 of 2004 amends section 44a of the General Property Tax Act to provide for the following:

- **One third** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2005** rather than in December 2005. **Two thirds** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2006** rather than in December 2006. **100 percent** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2007** rather than in December 2007. 100% of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in July for **each year after 2007**.
- Each county shall establish a restricted fund known as the Revenue Sharing Reserve Fund.
- The law directs how the money in the Revenue Sharing Reserve Fund shall be used.

This memo will address the matter contained in the first item above. The matters contained in the second and third items regarding the Revenue Sharing Reserve Fund will be addressed in a separate numbered letter by the Local Audit Division of the Michigan Department of Treasury.

1) **Collection of a County's Allocated Millage or Separate Voted (Fixed Allocation) Millage.**

PA 357 of 2004 provides that **one third** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2005** rather than in December 2005. **Two thirds** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2006** rather than in December 2006. **100 percent** of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in **July 2007** rather than in December 2007. 100% of a county's allocated millage or separate voted (fixed allocation) millage shall be collected in July for **each year after 2007**.

IMPORTANT NOTE: This change of the collection date for county taxes from December to July applies **ONLY TO ALLOCATED MILLAGE OR SEPARATE VOTED (FIXED ALLOCATION) MILLAGE**. Other taxes normally collected by a county in December such as the millage for the Commission on Aging are not affected by this new law.

2) **Calculation of "Headlee" Millage Reduction Fraction Required by MCL 211.34d and the "Truth in Taxation" Base Tax Rate Fraction Required by MCL 211.24e.**

PA 357 of 2004 **DOES NOT AFFECT** the calculation of the "Headlee" Millage Reduction Fraction required by MCL 211.34d or the "Truth in Taxation" Base Tax Rate Fraction required by MCL 211.24e. Please see STC Bulletin 7 of 2004 regarding the calculation of millage rollbacks. This can be found on the Treasury Department Web site at www.michigan.gov/treasury. When you reach the site, click on **Local Government** and then click on **State Tax Commission**.

3) **Apportionment.**

PA 357 of 2004 **DOES NOT AFFECT** the Apportionment process required by MCL 211.37. The levy of part of the County tax on July 1 should be handled in the same manner as other summer levies.

A question has arisen about whether the July 2005 millage needs to be included in the October **2004** apportionment report required by section 37 of the General Property Tax Act. The July 2005 levy should **not be included** in the 2004 apportionment report. It should be included in the **October 2005** apportionment report. Similarly, the county millage levied in July 2006 should be included in the October 2006 apportionment report and the millage levied in July 2007 should be included in the October 2007 apportionment report. This procedure is consistent with the current procedure for other summer levies such as local school district operating taxes.

Change in the Collection of Certain County Taxes

If a county has already adopted a 2004 apportionment report that includes the July 2005 millage, it should be amended to exclude the July 2005 millage.

If a county has a question about the apportionment process, the county is advised to seek the advice of the County Prosecutor as directed by MCL 211.37.