

# **Debt Management Committee**

3/23/2011

304 E. Grand River Avenue, Conference Room 4, Howell, MI 48843

10:00 AM

## **AGENDA**

- 1. CALL MEETING TO ORDER**
  - 2. APPROVAL OF MINUTES**  
Minutes Dated: February 16, 2011
  - 3. APPROVAL OF AGENDA**
  - 4. REPORTS**
  - 5. CALL TO THE PUBLIC**
  - 6. DISCUSSION**  
A: 1% Charge Back  
B: 2012-2014 Projected Charge Backs
  - 7. RESOLUTIONS FOR CONSIDERATION:**
- 
- 08 Administration**  
RESOLUTION AUTHORIZING THE CREATION OF A DEBT SERVICE SINKING FUND - BOARD OF COMMISSIONERS
- 
- 09 Administration**  
RESOLUTION IN SUPPORT OF HOUSE BILLS 4148, 4149 & 4150 - BOARD OF COMMISSIONERS
- 
- 10. ADJOURNMENT**

# MEETING MINUTES

LIVINGSTON COUNTY

FEBRUARY 16, 2011 - 3:00 PM

ADMINISTRATION BUILDING - CONFERENCE ROOM 4  
304 E. Grand River Avenue, Howell, MI 48843

## DEBT MANAGEMENT COMMITTEE

COMM. JACK LA BELLE

COMM. JIM MANTEY

COMM. CAROL GRIFFITH

TREASURER. DIANNE HARDY

CO ADMIN. BELINDA M. PETERS

OTHERS: COMM. DAVE DOMAS  
COMM. JAY DRICK

COMM. RON VANHOUTEN  
CINDY MENDOZA

JENNY NASH  
JAMIE PALMER

1. **CALL TO ORDER:** Meeting called to order by Committee Chairwoman, **CAROL GRIFFITH**, at 3:00 pm.

2. **APPROVAL OF MINUTES: MINUTES OF MEETING DATED DECEMBER 20, 2010:**

**MOTION TO APPROVE THE MINUTES, AS PRESENTED.**

**MOVED BY: MANTEY / SECONDED BY: LABELLE**

**ALL IN FAVOR - MOTION PASSED**

3. **APPROVAL OF AGENDA:**

**MOTION TO APPROVE THE AGENDA, AS PRESENTED.**

**MOVED BY: MANTEY / SECONDED BY: PETERS**

**ALL IN FAVOR - MOTION PASSED**

4. **REPORTS: None.**

5. **CALL TO THE PUBLIC: None.**

6. **DISCUSSION:**

A. **CHARGE-BACKS: No Action Taken.**

B. **DELINQUENT TAX REVOLVING FUNDS – YEAR-END PROJECTIONS**

**MOTION TO RECOMMEND THE REDEEMING OF BONDS CALLABLE IN JULY 2011:**

**MOVED BY: LABELLE / SECONDED BY: MANTEY**

**ALL IN FAVOR - MOTION PASSED**

C. **ISSUANCE OF DELINQUENT TAX NOTES TO PURCHASE THE 2010 DELINQUENT TAXES:**

**MOTION TO ALLOW THE BORROWING RESOLUTION TEMPLATE WITH ESTIMATED FIGURES TO BE PRESENTED TO FEBRUARY FINANCE MEETING:**

**MOVED BY: MANTEY / SECONDED BY: LABELLE**

**ALL IN FAVOR - MOTION PASSED**

**7. OTHER BUSINESS:**

Recap of the local real estate market and projections for 2011 presented by Comm. Carol Griffith

**8. ADJOURNMENT:**

**MOTION TO ADJOURN AT 4:45 PM**  
**MOVED BY: LABELLE / SECONDED BY: MANTEY**  
**ALL IN FAVOR - MOTION PASSED**

Respectfully Submitted: **JENNIFER NASH**  
RECORDING SECRETARY

S:\WP\Minutes of Committee Meetings\Debt Management\12-20-10 DMC.doc

## Actual & Projected 1% Interest Charge-Back for Special Assessment Districts

|   | 1% Interest<br>Greater Than 10% | 1% Interest          |
|---|---------------------------------|----------------------|
| <b>Actual 2009 1% Interest Chargeback</b>           |                                 | <b>\$227,282</b>     |
| Oceola Twp.   | \$108,989                       |                      |
| Howell Twp.   | \$35,237                        |                      |
| <b>Sub-Total</b>                                    | <b>\$144,226</b>                |                      |
| <br><b>Actual 2010 1% Interest Chargeback</b>       |                                 | <br><b>\$508,540</b> |
| Hamburg Twp.  | \$ 18,752                       |                      |
| Marion Twp.   | \$ 14,082                       |                      |
| Hartland Twp.                                       | \$ 67,415                       |                      |
| Howell Twp.   | \$ 222,504                      |                      |
| <b>Sub-Total \$</b>                                 | <b>\$ 322,753</b>               |                      |
| <br><b>Total Actual \$</b>                          | <br><b>\$ 466,979</b>           | <br><b>\$735,822</b> |
| <br><b>Projected Future 1% Interest Chargeback:</b> |                                 |                      |
| Oceola Twp. - 2007 Taxes                            |                                 | \$62,546             |
| Tyrone Twp. - 2007 Taxes                            |                                 | \$118,620            |
| Handy Twp. - 2006 Taxes                             | \$96,994                        |                      |
| 2007 Taxes  | <u>\$280,149</u>                | \$377,144            |
| Brighton Twp. - 2007 Taxes                          |                                 | \$902                |
| Hartland Twp. - 2007 Taxes                          |                                 | \$43,132             |
| Green Oak Twp. - 2007 Taxes                         |                                 | \$7,158              |
| Howell Twp. - 2006 Taxes                            | \$31,748                        |                      |
| 2007 Taxes  | <u>\$81,965</u>                 | \$113,713            |
| Marion Twp. - 2006 Taxes                            | \$14,850                        |                      |
| Marion Twp. - 2007 Taxes                            | <u>\$12,188</u>                 | \$27,038             |
| Other Taxing Jurisdictions                          |                                 | <u>\$200,000</u>     |
| <b>Total Projected Future 1% Interest Chg-Backs</b> |                                 | <b>\$950,253</b>     |

**Potentially Charge-Backs  
From Delinquent SAD's  
Principal - Only**

| Local Unit                   | 2012               |                  |                    | 2013               |                  |                    | 2014               |                  |                    | Total 2012-2014     |                    |                     |
|------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|---------------------|--------------------|---------------------|
|                              | Principal          | Interest         | Total              | Principal          | Interest         | Total              | Principal          | Interest         | Total              | Principal           | Interest           | Total               |
| Oceola Township              |                    |                  |                    | \$539,517          | \$69,065         | <b>\$608,582</b>   | \$279,774          | \$100,817        | <b>\$380,591</b>   | <b>\$819,291</b>    | <b>\$169,882</b>   | <b>\$989,173</b>    |
| Tyrone Tonwhsip              | \$1,171,699        | \$198,156        | <b>\$1,369,855</b> | \$222,044          | \$28,506         | <b>\$250,551</b>   | \$17,137           | \$2,709          | <b>\$19,846</b>    | <b>\$1,410,880</b>  | <b>\$229,372</b>   | <b>\$1,640,251</b>  |
| Handy Township               | \$128,761          | \$11,343         | <b>\$140,104</b>   | \$112,888          | \$14,463         | <b>\$127,351</b>   | \$2,041,272        | \$682,034        | <b>\$2,723,306</b> | <b>\$2,282,921</b>  | <b>\$707,841</b>   | <b>\$2,990,762</b>  |
| Brighton Township            | \$22,665           | \$2,721          | <b>\$25,386</b>    | \$288,740          | \$37,913         | <b>\$326,653</b>   | \$171,198          | \$27,066         | <b>\$198,265</b>   | <b>\$482,603</b>    | <b>\$67,701</b>    | <b>\$550,303</b>    |
| Hartland Township            | \$1,189,316        | \$100,482        | <b>\$1,289,799</b> | \$295,614          | \$75,046         | <b>\$370,660</b>   | \$283,737          | \$44,859         | <b>\$328,596</b>   | <b>\$1,768,668</b>  | <b>\$220,387</b>   | <b>\$1,989,055</b>  |
| Marion Township              | \$131,989          | \$33,902         | <b>\$165,891</b>   | \$380,305          | \$48,726         | <b>\$429,031</b>   | \$36,619           | \$5,789          | <b>\$42,408</b>    | <b>\$548,913</b>    | <b>\$88,417</b>    | <b>\$637,330</b>    |
| Green Oak Township           | \$21,421           | \$1,827          | <b>\$23,248</b>    | \$2,007,282        | \$291,170        | <b>\$2,298,452</b> | \$216,778          | \$34,273         | <b>\$251,051</b>   | <b>\$2,245,480</b>  | <b>\$327,270</b>   | <b>\$2,572,750</b>  |
| Howell Township              | \$770,079          | \$159,712        | <b>\$929,791</b>   | \$400,278          | \$63,692         | <b>\$463,970</b>   | \$220,015          | \$58,646         | <b>\$278,661</b>   | <b>\$1,390,372</b>  | <b>\$282,050</b>   | <b>\$1,672,421</b>  |
| <b>rojected Charge-Backs</b> | <b>\$3,435,929</b> | <b>\$508,143</b> | <b>\$3,944,073</b> | <b>\$4,246,667</b> | <b>\$628,581</b> | <b>\$4,875,248</b> | <b>\$3,266,530</b> | <b>\$956,195</b> | <b>\$4,222,724</b> | <b>\$10,949,126</b> | <b>\$2,092,919</b> | <b>\$13,042,045</b> |

RESOLUTION

NO:

LIVINGSTON COUNTY

DATE:

---

---

**RESOLUTION AUTHORIZING THE CREATION OF A DEBT SERVICE SINKING FUND - BOARD OF COMMISSIONERS**

**WHEREAS,** Livingston County's property values continue to decline; home foreclosures are at a record high; and a majority of our local units are experiencing increased delinquent property taxes; most notable in Special Assessment Districts where the revenue stream is intended to make annual debt payments; and

**WHEREAS,** At the request of local communities, Livingston County has over the years, pledged its full, faith and credit by issuing limited tax general obligation bonds to finance the installation of utilities;

**WHEREAS,** In agreeing to issue bonds Livingston County has secured a contractual pledge of the community's tax collections and state shared revenues to the extent permitted by statute; and

**WHEREAS,** It may be necessary for Livingston County to assist with a portion of annual debt payments; however, in accordance with the Act 185 contracts, each local unit is mandated to reimburse the County for any amounts paid including interest; and

**WHEREAS,** In order to protect the fiscal integrity of Livingston County it is recommended to establish and fund a Debt Service Sinking Fund in the amount of \$2.0 million; and

**THEREFORE BE IT RESOLVED** that the Livingston County Board of Commissioners hereby creates a Debt Service Sinking Fund.

**BE IT FURTHER RESOLVED** that the Livingston County Board of Commissioners authorizes a transfer of the fund balance, approximately, \$1,645,895 from Fund 466 Corrections Facility to the newly created Debt Service Sinking Fund.

**BE IT FURTHER RESOLVED** that the Livingston County Board of Commissioners authorizes a budget amendment to the General Fund for approximately \$354,105 and transfer of same into the newly created Debt Service Sinking Fund, for a balance of \$2.0 million.

#

#

#

**MOVED:**

**SECONDED:**

**CARRIED:**

**RESOLUTION**

**NO:**

**LIVINGSTON COUNTY**

**DATE:**

---

---

**RESOLUTION IN SUPPORT OF HOUSE BILLS 4148, 4149 & 4150 - BOARD OF COMMISSIONERS**

**WHEREAS,** Livingston County's property values continue to decline; home foreclosures are at a record high; and a majority of our local units are experiencing increased delinquent property taxes; most notable in Special Assessment Districts where their revenue stream is intended to make annual debt payments; and

**WHEREAS,** House Bills #4148, #4149 & #4150 seek to provide some relief to property owners and local municipalities to pay the delinquent taxes and make annual debt payments; and

**WHEREAS,** House Bill #4148 is a bill to create the delinquent special assessment revolving loan fund; to provide for the administration of the fund; to prescribe requirements for loans from the fund; to prescribe duties of certain state and local officials; and, to make appropriations; and

**WHEREAS,** House Bill #4149 is a bill to amend "The General Property Tax Act" (1893 PA 206), by amending Section 78a (MCL 211.78a), as amended by 2008 PA 352, whereby allowing the County Board of Commissioners, by Resolution, to determine the amount of interest to be added to property returned as delinquent under this section; at a non-compounded rate of not more than 1% per month; and

**WHEREAS,** House Bill #4150 is also a bill to amend "The General Property Tax Act" (1893 PA 206), by amending section 87b (MCL 211.87b), as amended by 2002 PA 198, whereby allowing the County Board of Commissioners, by Resolution, to determine the amount of interest to be added to the delinquent taxes (for charge-back to local units) under this subsection; at a non-compounded rate of not more than 1% per month; and

**THEREFORE BE IT RESOLVED** that the Livingston County Board of Commissioners hereby urges Michigan Legislators to immediately support House Bills 4148, 4149 & 4150 with minor modifications: "Allowing the State Tax Commission to annually set the amount of interest to be added to the delinquent taxes at a non-compounded rate of not more than 1% per month".

**BE IT FURTHER RESOLVED** that the Livingston County Board of Commissioners urges all local units within the County to contact their Michigan State Senators and State Representatives and urge them to act immediately and that the Livingston County Clerk be directed to forward copies of this resolution to Governor Rick Snyder, Michigan State Senators and State Representatives, Michigan Association of Counties, and the other 82 Counties in the State of Michigan.

#

#

#

**MOVED:**

**SECONDED:**

**CARRIED:**

# HOUSE BILL No. 4148

January 26, 2011, Introduced by Reps. Denby, Hughes and Rogers and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to create the delinquent special assessment revolving loan fund; to provide for the administration of the fund; to prescribe requirements for loans from the fund; to prescribe duties of certain state and local officials; and to make appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "delinquent special assessment revolving loan fund".

3           Sec. 3. As used in this act:

4           (a) "Department" means the department of treasury.

5           (b) "Eligible local governmental unit" means a city, village,  
6 township, or county that meets all of the following requirements:

7           (i) Has issued bonds, or has pledged its full faith and credit  
8 for bonds, for infrastructure improvements financed by a special  
9 assessment.

1           (ii) Is unable to make necessary payments on those bonds  
2 because special assessment payments on properties benefited by the  
3 infrastructure improvements have been delinquent for a period of 6  
4 months or more.

5           (c) "Fund" means the delinquent special assessment revolving  
6 loan fund created in section 5.

7           Sec. 5. (1) The delinquent special assessment revolving loan  
8 fund is created within the state treasury.

9           (2) The state treasurer may receive money or other assets from  
10 any source for deposit into the fund. The state treasurer shall  
11 direct the investment of the fund. The state treasurer shall credit  
12 to the fund interest and earnings from fund investments.

13           (3) Money in the fund at the close of the fiscal year shall  
14 remain in the fund and shall not lapse to the general fund.

15           (4) The department of treasury shall be the administrator of  
16 the fund for auditing purposes.

17           (5) The department of treasury shall expend money from the  
18 fund only for loans to eligible local tax governmental units to  
19 permit necessary bond payments for infrastructure improvements as  
20 provided in this act.

21           Sec. 7. (1) An eligible local governmental unit may apply for  
22 a loan from the delinquent special assessment revolving loan fund  
23 as provided in this section. If a county has pledged its full faith  
24 and credit for bonds issued by a city, village, or township, any  
25 loan application submitted by a city, village, or township under  
26 this section shall first be approved by that county.

27           (2) An application for a loan from the fund shall be in a form

1 prescribed by the department.

2 (3) The department shall review an application for a loan from  
3 the fund submitted by an eligible local governmental unit and shall  
4 notify the eligible local governmental unit in writing within 30  
5 days of receipt of the application whether the loan has been  
6 approved or disapproved.

7 (4) The department shall consider loan applications under this  
8 act on a first-come, first-served basis.

9 Sec. 9. (1) A loan under this act shall not exceed an amount  
10 equal to 1 year's bond payment.

11 (2) A loan under this act shall be for a period not to exceed  
12 5 years after the bond expires.

13 (3) Interest on a loan under this act shall be at a rate  
14 prescribed by the department of treasury. The department shall not  
15 charge a rate of interest greater than that rate necessary to  
16 ensure that the fund remains actuarially sound.

17 Sec. 11. As a condition for any loan under this act, the  
18 eligible local governmental unit shall require any property  
19 connecting to the infrastructure improvements for which the bond  
20 was issued to pay to the eligible local governmental unit the full  
21 amount of all delinquent and all future special assessment payments  
22 levied on that property for the infrastructure improvements for  
23 which the bond was issued.

24 Sec. 13. If an eligible local governmental unit does not make  
25 payments to this state as prescribed under the terms of the loan,  
26 any amount delinquent shall be withheld from any payments made to  
27 the eligible local governmental unit under the Glenn Steil state

1 revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

2       Sec. 15. There is appropriated from the general fund to the  
3 department for deposit into the delinquent special assessment  
4 revolving loan fund the sum of \$5,000,000.00 for the purpose of  
5 making loans to eligible local governmental units as prescribed in  
6 this act.

# HOUSE BILL No. 4149

January 26, 2011, Introduced by Reps. Denby, Hughes, Rogers and McMillin and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78a (MCL 211.78a), as amended by 2008 PA 352.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 78a. (1) For taxes levied after December 31, 1998, all  
2 property returned for delinquent taxes, and upon which taxes,  
3 interest, penalties, and fees remain unpaid after the property is  
4 returned as delinquent to the county treasurers of this state under  
5 this act, is subject to forfeiture, foreclosure, and sale for the  
6 enforcement and collection of the delinquent taxes as provided in  
7 section 78, this section, and sections 78b to 79a. As used in  
8 section 78, this section, and sections 78b to 79a, "taxes" includes  
9 interest, penalties, and fees imposed before the taxes become  
10 delinquent and unpaid special assessments or other assessments that

1 are due and payable up to and including the date of the foreclosure  
2 hearing under section 78k.

3 (2) On March 1 in each year, taxes levied in the immediately  
4 preceding year that remain unpaid shall be returned as delinquent  
5 for collection. However, if the last day in a year that taxes are  
6 due and payable before being returned as delinquent is on a  
7 Saturday, Sunday, or legal holiday, the last day taxes are due and  
8 payable before being returned as delinquent is on the next business  
9 day and taxes levied in the immediately preceding year that remain  
10 unpaid shall be returned as delinquent on the immediately  
11 succeeding business day. Except as otherwise provided in section 79  
12 for certified abandoned property, property delinquent for taxes  
13 levied in the second year preceding the forfeiture under section  
14 78g or in a prior year to which this section applies shall be  
15 forfeited to the county treasurer for the total of the unpaid  
16 taxes, interest, penalties, and fees for those years as provided  
17 under section 78g.

18 (3) A county property tax administration fee of 4% and  
19 interest computed at a noncompounded rate of **NOT MORE THAN** 1% per  
20 month or fraction of a month on the taxes that were originally  
21 returned as delinquent, computed from the date that the taxes  
22 originally became delinquent, shall be added to property returned  
23 as delinquent under this section. A county property tax  
24 administration fee provided for under this subsection shall not be  
25 less than \$1.00. **THE COUNTY BOARD OF COMMISSIONERS, BY RESOLUTION,**  
26 **SHALL DETERMINE THE AMOUNT OF INTEREST TO BE ADDED TO PROPERTY**  
27 **RETURNED AS DELINQUENT UNDER THIS SECTION.**

1           (4) Any person with an unrecorded property interest or any  
2 other person who wishes at any time to receive notice of the return  
3 of delinquent taxes on a parcel of property may pay an annual fee  
4 not to exceed \$5.00 by February 1 to the county treasurer and  
5 specify the parcel identification number, the address of the  
6 property, and the address to which the notice shall be sent.  
7 Holders of any undischarged mortgages wishing to receive notice of  
8 the return of delinquent taxes on a parcel or parcels of property  
9 may provide a list of such parcels in a form prescribed by the  
10 county treasurer and pay an annual fee not to exceed \$1.00 per  
11 parcel to the county treasurer and specify for each parcel the  
12 parcel identification number, the address of the property, and the  
13 address to which the notice should be sent. The county treasurer  
14 shall notify the person or holders of undischarged mortgages if  
15 delinquent taxes on the property or properties are returned within  
16 that year.

17           (5) Notwithstanding any charter provision to the contrary, the  
18 governing body of a local governmental unit that collects  
19 delinquent taxes may establish for any property, by ordinance,  
20 procedures for the collection of delinquent taxes and the  
21 enforcement of tax liens and the schedule for the forfeiture or  
22 foreclosure of delinquent tax liens. The procedures and schedule  
23 established by ordinance shall conform at a minimum to those  
24 procedures and schedules established under sections 78a to 78l,  
25 except that those taxes subject to a payment plan approved by the  
26 treasurer of the local governmental unit as of July 1, 1999 shall  
27 not be considered delinquent if payments are not delinquent under

1 that payment plan.

# HOUSE BILL No. 4150

January 26, 2011, Introduced by Reps. Rogers, Hughes, Denby and McMillin and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 87b (MCL 211.87b), as amended by 2002 PA 198.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 87b. (1) The county board of commissioners of any county  
2 may create a delinquent tax revolving fund that, at the option of  
3 the county treasurer, may be designated as the "100% tax payment  
4 fund". Upon the establishment of the fund, all delinquent taxes,  
5 except taxes on personal property, due and payable to the taxing  
6 units in the county, except those units that collect their own  
7 delinquent taxes after March 1 by charter or otherwise, are due and  
8 payable to the county. The primary obligation to pay to the county  
9 the amount of taxes and the interest on the taxes shall rest with  
10 the local taxing units and the state for the state education tax

1 under the state education tax act, 1993 PA 331, MCL 211.901 to  
2 211.906. If the delinquent taxes that are due and payable to the  
3 county are not received by the county for any reason, the county  
4 has full right of recourse against the taxing unit or to the state  
5 for the state education tax under the state education tax act, 1993  
6 PA 331, MCL 211.901 to 211.906, to recover the amount of the  
7 delinquent taxes and interest at the rate of **NOT MORE THAN** 1% per  
8 month or fraction of a month until repaid to the county by the  
9 taxing unit. **THE COUNTY BOARD OF COMMISSIONERS, BY RESOLUTION,**  
10 **SHALL DETERMINE THE AMOUNT OF INTEREST TO BE ADDED TO THE**  
11 **DELINQUENT TAXES UNDER THIS SUBSECTION.** However, if the county  
12 borrows to provide funds for those payments, the interest rate  
13 shall not exceed the highest interest rate paid on that borrowing.  
14 A resolution or agreement previously executed or adopted to this  
15 effect is validated and confirmed. For delinquent state education  
16 taxes under the state education tax act, 1993 PA 331, MCL 211.901  
17 to 211.906, the county may offset uncollectible delinquent taxes  
18 against collections of the state education tax under the state  
19 education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by  
20 the county and owed to this state under this act. The fund shall be  
21 segregated into separate funds or accounts for each year's  
22 delinquent taxes.

23 (2) If a delinquent tax revolving fund is established, the  
24 county treasurer shall be the agent for the county and, without  
25 further action by the county board of commissioners, may enter into  
26 contracts with other municipalities, this state, or private  
27 persons, firms, or corporations in connection with any transaction

1 relating to the fund or any borrowing made by the county pursuant  
2 to section 87c or 87d, including all services necessary to complete  
3 this borrowing.

4 (3) The county treasurer shall pay from the fund any or all  
5 delinquent taxes that are due and payable to the county and any  
6 school district, intermediate school district, community college  
7 district, city, township, special assessment district, this state,  
8 or any other political unit for which delinquent tax payments are  
9 due within 20 days after sufficient funds are deposited within the  
10 delinquent tax revolving fund or, if the county treasurer is  
11 treasurer for a county with a population greater than 1,500,000  
12 persons, within 30 days after sufficient funds are deposited within  
13 the delinquent tax revolving fund. In a county with a delinquent  
14 tax revolving fund where the county does not borrow pursuant to  
15 section 87c or 87d, if the county treasurer does not make payment  
16 of the delinquent taxes to the local units within 10 days after the  
17 completion of county settlement with all local units under section  
18 55, the county shall pay interest on the unpaid delinquent taxes  
19 from the date of actual county settlement at the rate of 12% per  
20 annum for the number of days involved.

21 (4) Except as provided in subsection (5), the county treasurer  
22 shall pay from the fund directly to a school district its share of  
23 the fund when a single school district exists within a political  
24 unit.

25 (5) If a local taxing unit has borrowed money in anticipation  
26 of collecting taxes for any school district or other municipality  
27 and the county treasurer has been so notified in writing, the

1 county treasurer shall pay to the local taxing unit the shares of  
2 the fund for that school district or municipality. For purposes of  
3 this subsection, "local taxing unit" means a city, village, or  
4 township.

5 (6) The interest charges, penalties, and county property tax  
6 administration fee rates established under this act shall remain in  
7 effect and shall be payable to the county delinquent tax revolving  
8 fund.

9 (7) Any surplus in the fund may be transferred to the county  
10 general fund by appropriate action of the county board of  
11 commissioners.

12 (8) A county board of commissioners may borrow money to create  
13 a delinquent tax revolving fund as provided in section 87c or 87d,  
14 or both.

15 (9) This section shall not supersede section 87 but is an  
16 alternative method for paying delinquent taxes to local units.  
17 However, where this section is used by a county, section 87 shall  
18 not be used.