

MMTA Treasurer-to-Treasurer

July 8, 2020

House Bills 5761 & 5810 Senate Bill 943

Where are they in the process?

Both House Bills were passed on June 30, 2020 by the same vote of 33-4 (one excused). The bills were presented to Governor Whitmer. She has 14 days to address them by signing or veto. Senate Bill 943 is back in committee with revisions being recommended to address outstanding issues not addressed by the house bill.

What is the biggest hurdle that may stop this from moving forward?

The biggest hurdle is financing the advanced payments to local units. The Department of Treasury has objected to the bills as the financing component is “not workable”. The question of who has the legal authority to issue bonds (tax anticipatory notes) to provide the funds to local units in a timely manner. Projections are that a minimum of \$1B of bonds would be issued if 10% of taxpayers apply for deferment.

What could happen with the Governor signing or vetoing the bills?

1. Veto – the legislature is on recess and will not be back in session until July 21. If the house bills are vetoed, the senate bill is in committee. Changes can be made to this bill to correct the concerns. The revised bill could then be approved in the legislature and moved on to Governor Whitmer.
2. Signed – the house bills take effect and we have to prepare to handle the deferments. The senate bill would then become a revision bill to address clean up issues.

The bills are signed. What happens then?

- Department of Treasury will provide a COVID 19 Deferment form by July 28th.
 - If forms come earlier, you would be able to accept them sooner.
- Provide an interest/penalty free deferment for summer, real ad valorem, property taxes.
- Taxpayers impacted by COVID-19 including Governor’s executive order to shut down.
 - Excludes escrowed properties.
 - Excludes properties with other deferments.
- Applications need to include a statement of intent and a signed affidavit showing hardship.
 - Applications up to 11:59 pm on August 28th.
 - Possibility of electronic filing – local unit decision.
 - No postmarks – recommendation.
- Local units submitting for advanced funding must complete this no later than September 11.
- Advanced funding would go directly to the local units no later than December 1; however, we are pushing for November 15. Local unit would then distribute to the taxing authorities.
- On March 2, local units would turn over delinquent parcels to the county. County would assume collection role. No change to the 2020 Winter property taxes.