



CITY of NOVI CITY COUNCIL

Agenda Item D
July 11, 2011

SUBJECT: Adoption of Property Tax Penalty Resolution (pursuant to City Charter Section 9.16 and MCL 211.44 (3) General Property Tax Act).

SUBMITTING DEPARTMENT: City Manager/Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Attached is a resolution adopting and confirming the property tax penalty provisions for late/delinquent summer and winter taxes.

Consistent with Section 9.16 of the City Charter, the resolution authorizes the City to charge 4% penalty for summer property taxes paid after August 31st, and consistent with the MCL 211.44(3) of the General Property Tax Act, it sets a 3% penalty for winter property taxes paid after February 14th.

RECOMMENDED ACTION: Adoption of Property Tax Penalty Resolution (pursuant to City Charter Section 9.16 and MCL 211.44 (3) General Property Tax Act)

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

CITY OF NOVI
COUNTY OF OAKLAND, MICHIGAN

RESOLUTION AUTHORIZING DELINQUENT PROPERTY TAX
PENALTIES/FEES

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on _____, 2011, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers _____

ABSENT:

Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS Pursuant to the General Property Tax Act, MCL 211.44(7), fees and penalties must be approved by resolution of the City Council; and

WHEREAS Section 9.16 of the City Charter authorizes the City Treasurer to impose a 4% penalty on summer property tax payments made after August 31st; and

WHEREAS MCL 211.44(3) of the General Property Tax Act authorizes the City Treasurer to impose a 3% penalty on winter property tax payments made after February 14th.

NOW THEREFORE, IT IS THEREFORE RESOLVED that the City Council authorizes the City Treasurer to impose a 4% penalty on summer property tax payments made after August 31st and to impose a 3% penalty on winter property tax payments made after February 14th.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

MARYANNE CORNELIUS, CITY CLERK

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this ____ day of _____, 2011, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Maryanne Cornelius, Clerk
City of Novi

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.44 Collection of taxes; mailing, contents, forms, and expense of tax statement; failure to send or receive notice; time and place for receiving taxes; property tax administration fees; return of excess; cost of appeals; waiver of interest, penalty charge, or property tax administration fee; use of fee; cost of treasurer's bond; enforcement of collection; seizing property or bringing action; amounts includable in return of delinquent taxes; distributions by county treasurer; local governing body authorization for imposition of fees or late penalty charges; annual statement; taxes levied after December 31, 2001 on qualified real property; definitions.

Sec. 44. (1) Upon receipt of the tax roll, the township treasurer or other collector shall proceed to collect the taxes. The township treasurer or other collector shall mail to each taxpayer at the taxpayer's last known address on the tax roll or to the taxpayer's designated agent a statement showing the description of the property against which the tax is levied, the taxable value of the property, and the amount of the tax on the property. If a tax statement is mailed to the taxpayer, a tax statement sent to a taxpayer's designated agent may be in a summary form or may be in an electronic data processing format. If the tax statement information is provided to both a taxpayer and the taxpayer's designated agent, the tax statement mailed to the taxpayer may be identified as an informational copy. A township treasurer or other collector electing to send a tax statement to a taxpayer's designated agent or electing not to include an itemization in the manner described in subsection (10)(d) in a tax statement mailed to the taxpayer shall, upon request, mail a detailed copy of the tax statement, including an itemization of the amount of tax in the manner described by subsection (10)(d), to the taxpayer without charge.

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

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

(b) The last day that taxes are due and payable before being returned as delinquent under section 78a(2).

(3) Except as provided by subsection (7), on a sum voluntarily paid before February 15 of the succeeding year, the local property tax collecting unit shall add a property tax administration fee of not more than 1% of the total tax bill per parcel. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, if a local property tax collecting unit other than a village does not also serve as the local assessing unit, the excess of the amount of property tax administration fees over the expense to the local property tax collecting unit in collecting the taxes, but not less than 80% of the fee imposed, shall be returned to the local assessing unit. A property tax administration fee is defined as a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal processes. The costs of any appeals, in excess of funds available from the property tax administration fee, may be shared by any taxing unit only if approved by the governing body of the taxing unit. Except as provided by subsection (7), on all taxes paid after February 14 and before taxes are returned as delinquent under section 78a(2) the governing body of a city or township may authorize the treasurer to add to the tax a property tax administration fee to the extent imposed on taxes paid before February 15 and the day that taxes are returned as delinquent under section 78a(2) a late penalty charge equal to 3% of the tax. The governing body of a city or township may waive interest from February 15 to the last day of February on a summer property tax that has been deferred under section 51 or any late penalty charge for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, totally and permanently disabled person, or blind person, as those persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person makes a claim before February 15 for a credit for that property provided by chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person presents a copy of the form filed for that credit to the local treasurer, and if the person has not received the credit before February 15. The governing body of a city or township may waive interest from February 15 to the day taxes are returned as delinquent under section 78a(2) on a summer property tax deferred under section 51 or any late penalty charge for a person's property that is

Resolution of Adoption for Penalties on Property Taxes

WHEREAS, the City Council authorizes the City Treasurer to authorize a 4% penalty on summer property tax payments made after August 31st pursuant to the City Charter Section 9.16; and

WHEREAS, the City Council authorizes the City Treasurer to authorize a 3% penalty on winter property tax payments made after February 14th pursuant to the Michigan General Property Tax Act MCL 211.44 (3); and

NOW, THEREFORE, BE IT RESOLVED, the Treasurer is authorized to assess penalties as described above on delinquent property taxes

I certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a regular Meeting held on this 20th day of June 2011.

Maryanne Cornelius, City Clerk