Summary of Amendment to City Charter Section 9.16 – Collection Fees

The City Council has proposed an amendment to Section 9.16 of the Charter which would modify the date after which collection fees are due for Summer Property Taxes from August 31st to September 14th of each year in accordance with the Michigan General Property Tax Act. This was unanimously approved by the City Council at its July 11th meeting.

Why has the summer tax due date changed from September 14th to August 31st this year?

In our recent history the city had tax collections due September 14th, the City Charter which governs Grosse Pointe Park states Tax Collections for Summer rolls are due August 31st. City Administration and the City Attorney while reviewing future charter modifications noted this discrepancy. While we exhausted every effort to keep the date to September 14th, the City Charter explicitly requires August 31st.

What happens to deferment of Summer Taxes?

Per the General Property Tax Act, specifically MCL 211.51(2) and (7), residents who are eligible for the deferment of their summer property taxes may still file their intent to defer by September 15th . Additionally, as part of a procedural requirement of MCL 211.44(7) of the General Property Tax Act, a Resolution needs to be on file with the City for the proper authorization of certain provisions regarding collection activities as provided in Section 9.16 of the City's Charter. The City Council at its June 12 meeting approved the resolution authorizing the deferment date of September 15th.

How long will this August 31st Summer Collection Date continue in future years?

Their will be a question on the November ballot asking voters whether we should follow the Michigan General Property Tax Act which includes the September 14th date or keeping our City Charter date of August 31st. If the charter amendment is in favor of following the Michigan Tax Act the 2024 Summer taxes will go to September 14th. If voters do not approve of a charter amendment, summer taxes will be due on August 31st as stated in the City Charter.

What modifications will be made to the summer collection through a charter vote of residents?

Besides the date going back to the September 14th tax collection date from August 31st, the proposed amendments eliminates the collection fee of one-half of one per cent (1/2%) of said taxes which is charged monthly beginning October first. In accordance with the Michigan General Property Tax Act, taxpayers would be charged an administration fee of not more than 1% of the total tax bill per parcel and 3% for a late penalty charge. Amendments also remove gendered references.

If I pay on September 1st my Summer Taxes instead of August 31st what will my penalties be?

The City Charter provides that a collection fee of 1% of the amount of the taxes owed "shall" be added. City Charter, Section 9.16(a). A collection fee must be added to any payment of taxes made on or after September 1. Under State law, the city is bound to follow its voter approved City Charter. As such, the imposition of a collection fee is set and mandated by the City Charter. In relevant part, Section 9.16 of the Charter states: "Collection fees. (a) All taxes paid on or before August thirty-first (31st) of each year shall be collected by the Treasurer without collection fee. On September first (1st) he shall add to all taxes paid thereafter a collection fee of one per cent (1%) of the amount of said taxes and on the first

(1st) day of October and of each succeeding month he shall add an additional one-half of one per cent (1/2%) of said taxes as a collection fee." The addition of a collection fee for all tax payments made after August 31 is mandatory and the City has no authority under the Charter to waive collection fees.