

OGEMAW COUNTY BOARD OF COMMISSIONERS

**RESOLUTION TO APPROVE A  
DELINQUENT TAX REVOLVING FUND POLICY**

**RESOLUTION NUMBER 25-63  
ADOPTED JUNE 12, 2025**

WHEREAS Section 87.b of the General Property Tax Act requires the County Treasurer to annually disburse any or all delinquent taxes which are due and payable to the county and any school district, intermediate school district, community college district, city, township special assessment district, or any other political unit (MCL 211.87b); and

WHEREAS the Board of Commissioners has established a Delinquent Tax Revolving Fund (DTRF), also known as the “100% Tax Payment Fund,” to account for the annual purchase of delinquent real property taxes for each of the local taxing units within the County, and the ultimate collection from property owners of the delinquent taxes with penalty and interest; and

WHEREAS any surplus funds earned in the DTRF, after any borrowing is paid off, may be accumulated to reduce or avoid future borrowings, or may be transferred to the county general fund by appropriate action of the Board (MCL 211.87b); and

WHEREAS the Board and Treasurer seek to establish a comprehensive framework for management of the DTRF that details the roles and responsibilities of those involved and the various factors that go into making the decisions about the use of DTRF funds; and

WHEREAS adherence to well-defined policy provisions will ensure DTRF sustainability.

THEREFORE, BE IT RESOLVED that the Ogemaw County Board of Commissioners hereby adopts the attached Delinquent Tax Revolving Fund Policy.

BE IT FURTHER RESOLVED that this policy supersedes all previous policies and/or past practices regarding DTRF activities which are hereby rescinded.

BE IT FURTHER RESOLVED that this policy shall have immediate effect.

Motion by Surbrook, seconded by Mayhew, to approve the foregoing resolution.

Ayes: David, Mayhew, Wiltse, Surbrook, and Scott  
Nays: None  
Absent: None

Motion 6-2#4

**Financial  
Policy No. 314**

**Delinquent Tax Revolving Fund  
Policy**

**Approved: June 12, 2025**  
**Resolution No. 25-63**

The purpose of this policy is to establish a comprehensive framework for managing the Delinquent Tax Revolving Fund (DTRF), in accordance with applicable legislation and requirements. This policy details the roles and responsibilities of those involved and the various factors that go into making the decisions surrounding this fund. The requirements of this policy are in accordance with the General Property Tax Act, being [MCL 211.1](#), *et seq.*

A. Roles and Responsibilities. For purposes of this policy, the following roles and responsibilities shall apply.

1. County Treasurer.
  - i. Responsible for collecting delinquent taxes and maintaining accurate records.
  - ii. Administers the DTRF and ensures compliance with statutory requirements.
  - iii. Prepares reports from BS&A to support excess fund calculations.
  - iv. Reviews and recommends adjustments to the preservation factor in collaboration with the Administrator/Controller.
2. Board of Commissioners.
  - i. Establishes the policy governing the DTRF.
  - ii. Provides oversight for the utilization of excess funds, where applicable.
  - iii. Approves any borrowing measures or deviations from the declared excess funds.
3. Administrator/Controller
  - i. Assists in the calculation of excess funds and preservation factor analysis.
  - ii. Monitors the economic conditions and other relevant factors impacting the DTRF.
  - iii. Collaborates with the Treasurer to periodically review preservation factors.

B. Excess Fund Calculation.

The County may decide that there are excess funds in the DTRF, at which time those funds may be used for County operations. The following methodology shall be utilized for calculating the excess balance, if applicable.

To calculate the excess funds in the DTRF, the County Administrator/Controller and Treasurer utilize historical collection data from BS&A and calculate average collection rates, the impact of tax tribunal decisions, the impact of various tax abatements, and current economic conditions to determine the anticipated amount of funding needed within the DTRF.

Once that amount has been determined, a “preservation factor” is applied to the excess funds. This preservation factor acknowledges that the calculation of excess funds is not a precise

calculation and seeks to maintain an appropriate balance in the DTRF to reduce or eliminate the need for borrowing.

Once the preservation factor has been applied, the Treasurer will bring the proposed excess fund amount to the Board of Commissioners who, based on the roles and responsibilities above, will approve the utilization of any excess funds and the related transfers from the DTRF to the general fund.

The County will make transfers of the declared excess from the DTRF as recommended by the Administrator/Controller and Treasurer, upon approval of the Board of Commissioners.

C. Borrowing to Fund the Delinquent Tax Process.

If the funds in the DTRF are inadequate to fund the delinquent taxes throughout the County, the County may be required to borrow funds. Should this occur, the borrowing must be approved by the Board of Commissioners. Additionally, to reduce the interest costs for the County going forward, the County will repay the borrowed funds within a specified timeframe, which will be approved by the Board of Commissioners at that time. The preservation factor will be adjusted by a minimum of 10% annually, until the DTRF returns to a fully funded state.