

Act No. 512
Public Acts of 2008
Approved by the Governor
January 12, 2009
Filed with the Secretary of State
January 13, 2009
EFFECTIVE DATE: January 13, 2009

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Senator George

ENROLLED SENATE BILL No. 1433

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending sections 78, 89a, 89b, and 89c (MCL 211.78, 211.89a, 211.89b, and 211.89c), section 78 as added by 1999 PA 123, section 89a as amended and section 89b as added by 2003 PA 246, and section 89c as added by 2007 PA 31, and by adding sections 89d and 89e.

The People of the State of Michigan enact:

Sec. 78. (1) The legislature finds that there exists in this state a continuing need to strengthen and revitalize the economy of this state and its municipalities by encouraging the efficient and expeditious return to productive use of property returned for delinquent taxes. Therefore, the powers granted in this act relating to the return of property for delinquent taxes constitute the performance by this state or a political subdivision of this state of essential public purposes and functions.

(2) It is the intent of the legislature that the provisions of this act relating to the return, forfeiture, and foreclosure of property for delinquent taxes satisfy the minimum requirements of due process required under the constitution of this state and the constitution of the United States but that those provisions do not create new rights beyond those required under the state constitution of 1963 or the constitution of the United States. The failure of this state or a political subdivision of this state to follow a requirement of this act relating to the return, forfeiture, or foreclosure of property for delinquent taxes shall not be construed to create a claim or cause of action against this state or a political subdivision of this state unless the minimum requirements of due process accorded under the state constitution of 1963 or the constitution of the United States are violated.

(3) Not later than December 1, 1999, the county board of commissioners of a county, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and the county executive, if any, may elect to have this state foreclose property under this act forfeited to the county treasurer under section 78g. At any time during December 2004, the county board of commissioners

of a county, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and county executive, if any, may do either of the following:

(a) Elect to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(b) Rescind its prior resolution by which it elected to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(4) Beginning January 1, 2009 through March 1, 2009, the county board of commissioners of a county in which is located an eligible city, as that term is defined in section 89d, may, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and county executive, if any, rescind its prior resolution by which it elected to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(5) The foreclosure of forfeited property by a county is voluntary and is not an activity or service required of units of local government for purposes of section 29 of article IX of the state constitution of 1963.

(6) A county and a local governmental unit within that county may enter into an agreement for the collection of property taxes or the enforcement and consolidation of tax liens within that local governmental unit. A local governmental unit shall not establish a delinquent tax revolving fund under section 87b.

(7) As used in this section and sections 78a through 155 for purposes of the collection of taxes returned as delinquent:

(a) "Foreclosing governmental unit" means 1 of the following:

(i) The treasurer of a county.

(ii) This state if the county has elected under subsection (3) to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(b) "Forfeited" or "forfeiture" means a foreclosing governmental unit may seek a judgment of foreclosure under section 78k if the property is not redeemed as provided under this act, but does not acquire a right to possession or any other interest in the property.

Sec. 89a. (1) Notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, the city treasurer of a city with a population of 600,000 or more shall return all uncollected delinquent taxes levied on real property after December 31, 2002 on the March 1 immediately following the year in which the taxes are levied. For the purposes of this section, delinquent taxes include all interest and penalties that accrue after August 15 of the year in which all taxes billed by the city are levied if that interest and penalty remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(2) The city treasurer of a city with a population of 600,000 or more may return all uncollected delinquent taxes levied in 2001, 2002, or 2001 and 2002 to the county treasurer for collection under this section on March 1, 2004. A city treasurer shall provide the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied in 2001 or 2002 under this subsection not later than February 1, 2004. If uncollected delinquent taxes levied in 2001 or 2002 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2004.

(3) After the delinquent taxes levied on real property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes and, except for taxes levied on or before December 31, 2002, for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2003 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied.

(5) If a city treasurer returns uncollected delinquent taxes levied on real property on or before December 31, 2002 to the county treasurer for collection under this section, the county treasurer shall remit to the city treasurer after each month the taxes and interest collected during that month.

Sec. 89b. For taxes levied after December 31, 2003, notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, a city with a population of 600,000 or more shall do all of the following:

(a) Prepare and submit to each taxpayer a statement indicating the amount of tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

(b) Collect the tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

Sec. 89c. (1) In any local tax collecting unit in a city with a population of 600,000 or more, the local tax collecting unit may treat as delinquent under sections 87b, 87c, and 87d a solid waste fee that is delinquent under the terms of any ordinance authorizing the solid waste fee, if that solid waste fee was included in the tax statement under section 44.

(2) If a solid waste fee is delinquent on the March 1 immediately preceding the date that the solid waste fee is returned as delinquent to the county treasurer under subsection (1), a county treasurer may include that solid waste fee in the county's delinquent tax revolving fund.

(3) If a solid waste fee is returned to a county treasurer as delinquent under subsection (2), that solid waste fee shall be a fee treated as a delinquent tax for purposes of sections 87b, 87c, and 87d and the property on which the fee is assessed is subject to forfeiture, foreclosure, and sale for delinquent taxes as provided in this act if the local tax collecting unit has also returned to that county treasurer uncollected delinquent taxes levied on the property on which the solid waste fee is assessed.

(4) If an owner redeems property that is his or her principal residence that is returned to the county treasurer for delinquent taxes and a delinquent solid waste fee is assessed to that owner's principal residence, the owner may redeem his or her principal residence without payment of the delinquent solid waste fee. As used in this subsection, principal residence means property exempt under section 7cc.

(5) This section applies to any fee that was delinquent on or after March 1, 2007 and that was included in the delinquent tax roll delivered to a county treasurer at the same time as delinquent taxes for a year in which the fee is assessed.

(6) As used in this section, "solid waste fee" means that term as defined in the ordinance or resolution of the local tax collecting unit authorizing the assessment of the solid waste fee and includes all interest, penalties, and fees imposed on that solid waste fee.

Sec. 89d. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, the city treasurer of an eligible city shall return to the county treasurer all uncollected delinquent taxes levied on real property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) The city treasurer of an eligible city may return all uncollected delinquent taxes levied on real property prior to December 31, 2008 to the county treasurer for collection on March 1, 2010. A city treasurer shall provide written notice to the county treasurer of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1, 2010. If uncollected delinquent taxes levied prior to December 31, 2008 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2010.

(3) After the uncollected delinquent taxes levied on real property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes and for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2009 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied.

(5) As used in this section:

(a) "Delinquent taxes" or "uncollected delinquent taxes" includes the following:

(i) Any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the eligible city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(ii) Any liens for unpaid tax and assessment liability acquired by the eligible city after December 31, 1999 and prior to January 1, 2009 pursuant to provisions contained within the eligible city's charter.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000 as determined by the most recent federal decennial census.

Sec. 89e. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, and with the agreement of the county treasurer, the city treasurer of an eligible city may return to the county treasurer all uncollected delinquent taxes levied on personal property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) With the agreement of the county treasurer, the city treasurer of an eligible city may return all uncollected delinquent taxes levied on personal property prior to December 31, 2008 to the county treasurer for collection on March 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this

subsection. A city treasurer shall provide to the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this subsection. If those uncollected delinquent taxes are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in that same year.

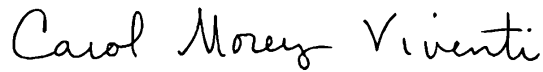
(3) After the uncollected delinquent taxes levied on personal property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes.

(4) As used in this section:

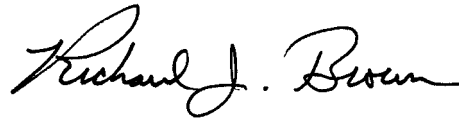
(a) "Delinquent taxes" or "uncollected delinquent taxes" includes any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor