

HOUSE BILL No. 4412

February 24, 2009, Introduced by Reps. Sheltroun, Neumann, Schuitmaker, Mayes, Constan, Stanley, Bauer, Leland, Meadows, Geiss, Polidori and Dean and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78a, 78e, 78f, and 78g (MCL 211.78a, 211.78e, 211.78f, and 211.78g), section 78a as amended by 2008 PA 352, section 78e as added by 1999 PA 123, and sections 78f and 78g as amended by 2003 PA 263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78a. (1) For taxes levied after December 31, 1998, all
2 property returned for delinquent taxes, and upon which taxes,
3 interest, penalties, and fees remain unpaid after the property is
4 returned as delinquent to the county treasurers of this state under
5 this act, is subject to forfeiture, foreclosure, and sale for the
6 enforcement and collection of the delinquent taxes as provided in
7 section 78, this section, and sections 78b to 79a. As used in

1 section 78, this section, and sections 78b to 79a, "taxes" includes
2 interest, penalties, and fees imposed before the taxes become
3 delinquent and unpaid special assessments or other assessments that
4 are due and payable up to and including the date of the foreclosure
5 hearing under section 78k.

6 (2) On March 1 in each year, taxes levied in the immediately
7 preceding year that remain unpaid shall be returned as delinquent
8 for collection. However, if the last day in a year that taxes are
9 due and payable before being returned as delinquent is on a
10 Saturday, Sunday, or legal holiday, the last day taxes are due and
11 payable before being returned as delinquent is on the next business
12 day and taxes levied in the immediately preceding year that remain
13 unpaid shall be returned as delinquent on the immediately
14 succeeding business day. Except as otherwise provided in section 79
15 for certified abandoned property, property delinquent for taxes
16 levied in the ~~second~~**THIRD** year preceding the forfeiture under
17 section 78g or in a prior year to which this section applies shall
18 be forfeited to the county treasurer for the total of the unpaid
19 taxes, interest, penalties, and fees for those years as provided
20 under section 78g.

21 (3) A county property tax administration fee of 4% and
22 interest computed at a noncompounded rate of 1% per month or
23 fraction of a month on the taxes that were originally returned as
24 delinquent, computed from the date that the taxes originally became
25 delinquent, shall be added to property returned as delinquent under
26 this section. A county property tax administration fee provided for
27 under this subsection shall not be less than \$1.00.

1 (4) Any person with an unrecorded property interest or any
2 other person who wishes at any time to receive notice of the return
3 of delinquent taxes on a parcel of property may pay an annual fee
4 not to exceed \$5.00 by February 1 to the county treasurer and
5 specify the parcel identification number, the address of the
6 property, and the address to which the notice shall be sent.

7 Holders of any undischarged mortgages wishing to receive notice of
8 the return of delinquent taxes on a parcel or parcels of property
9 may provide a list of such parcels in a form prescribed by the
10 county treasurer and pay an annual fee not to exceed \$1.00 per
11 parcel to the county treasurer and specify for each parcel the
12 parcel identification number, the address of the property, and the
13 address to which the notice should be sent. The county treasurer
14 shall notify the person or holders of undischarged mortgages if
15 delinquent taxes on the property or properties are returned within
16 that year.

17 (5) Notwithstanding any charter provision to the contrary, the
18 governing body of a local governmental unit that collects
19 delinquent taxes may establish for any property, by ordinance,
20 procedures for the collection of delinquent taxes and the
21 enforcement of tax liens and the schedule for the forfeiture or
22 foreclosure of delinquent tax liens. The procedures and schedule
23 established by ordinance shall conform at a minimum to those
24 procedures and schedules established under ~~sections 78a~~ **THIS**
25 **SECTION AND SECTIONS 78B** to 78I, except that those taxes subject to
26 a payment plan approved by the treasurer of the local governmental
27 unit as of July 1, 1999 shall not be considered delinquent if

1 payments are not delinquent under that payment plan.

2 Sec. 78e. (1) Except as otherwise provided in section 79 for
3 certified abandoned property, on November 1 of each tax year, the
4 county treasurer shall prepare a list of all property subject to
5 forfeiture for delinquent taxes on the immediately succeeding March
6 1. The list shall include all property on which delinquent taxes,
7 interest, penalties, and fees are unpaid on the November 1
8 ~~immediately succeeding~~ **IN THE YEAR 2 YEARS AFTER** the date that
9 taxes levied on the property were returned to the county treasurer
10 for forfeiture, foreclosure, and sale under section 60a(1) or (2)
11 or returned to the county treasurer as delinquent under section
12 78a. The list shall indicate for each parcel the total amount of
13 delinquent taxes, interest, penalties, and fees, computed to the
14 day preceding the forfeiture under section 78g.

15 (2) Not later than December 1 in each tax year, the county
16 treasurer shall determine, to the extent possible, all of the
17 following based exclusively on the records contained in the office
18 of the local assessor, local treasurer, and county treasurer for
19 property subject to forfeiture for delinquent taxes under section
20 78g on the immediately succeeding March 1:

21 (a) The street address of the property.

22 (b) The name and address of all of the following:

23 (i) The owners.

24 (ii) The holder of any undischarged mortgage, tax certificate
25 issued under **FORMER** section 71, or other legal interest.

26 (iii) A subsequent purchaser under any land contract.

27 ~~—— (iv) A person entitled to notice of the return of delinquent~~

1 ~~taxes under section 78a(5).~~

2 Sec. 78f. (1) Except as otherwise provided in section 79 for
3 certified abandoned property, not later than the February 1 **IN THE**
4 **YEAR 2 YEARS** immediately succeeding the date that unpaid taxes were
5 returned to the county treasurer for forfeiture, foreclosure, and
6 sale under section 60a(1) or (2) or returned to the county
7 treasurer as delinquent under section 78a, the county treasurer
8 shall send a notice by certified mail, return receipt requested, to
9 the person to whom a tax bill for property returned for delinquent
10 taxes was last sent and, if different, to the person identified as
11 the owner of property returned for delinquent taxes as shown on the
12 current records of the county treasurer and to those persons
13 identified under section 78e(2). The notice required under this
14 subsection shall include all of the following:

15 (a) The date property on which those unpaid taxes were
16 returned as delinquent will be forfeited to the county treasurer
17 for the unpaid delinquent taxes, interest, penalties, and fees.

18 (b) A statement that a person who holds a legal interest in
19 the property may lose that interest as a result of the forfeiture
20 and subsequent foreclosure proceeding.

21 (c) A legal description or parcel number of the property and
22 the street address of the property, if available.

23 (d) The person to whom the notice is addressed.

24 (e) The unpaid delinquent taxes, interest, penalties, and fees
25 due on the property.

26 (f) A schedule of the additional interest, penalties, and fees
27 that will accrue on the immediately succeeding March 1 pursuant to

1 section 78g if those unpaid delinquent taxes, interest, penalties,
2 and fees due on the property are not paid.

3 (g) A statement that unless those unpaid delinquent taxes,
4 interest, penalties, and fees are paid on or before the March 31
5 immediately succeeding the entry in an uncontested case of a
6 judgment foreclosing the property under section 78k, absolute title
7 to the property shall vest in the foreclosing governmental unit.

8 (h) A statement of the person's rights of redemption and
9 notice that the rights of redemption will expire on the March 31
10 immediately succeeding the entry in an uncontested case of a
11 judgment foreclosing the property under section 78k.

12 (2) The notice required under subsection (1) shall also be
13 mailed to the property by first-class mail, addressed to
14 "occupant", if the notice was not sent to the occupant of the
15 property pursuant to subsection (1).

16 (3) A county treasurer may insert 1 or more additional notices
17 in a newspaper published and circulated in the county in which the
18 property is located, if there is one. If no newspaper is published
19 in that county, publication may be made in a newspaper published
20 and circulated in an adjoining county.

21 (4) The county treasurer may publish the street address, if
22 available, of property subject to forfeiture under section 78g on
23 the immediately succeeding March 1 for delinquent taxes or the
24 street address, if available, of property subject to forfeiture
25 under section 78g on the immediately succeeding March 1 for
26 delinquent taxes and the name of the person to whom a tax bill for
27 property returned for delinquent taxes was last sent and, if

1 different, the name of the person identified as the owner of the
2 property returned for delinquent taxes as shown on the current
3 records of the county treasurer in a newspaper published and
4 circulated in the county in which the property is located, if there
5 is one. If no newspaper is published in that county, publication
6 may be made in a newspaper published and circulated in an adjoining
7 county.

8 Sec. 78g. (1) Except as otherwise provided in this subsection,
9 on March 1 in each tax year, certified abandoned property and
10 property that is delinquent for taxes, interest, penalties, and
11 fees for the immediately preceding ~~12-24~~ months or more is
12 forfeited to the county treasurer for the total amount of those
13 unpaid delinquent taxes, interest, penalties, and fees. If property
14 is forfeited to a county treasurer under this subsection, the
15 foreclosing governmental unit does not have a right to possession
16 of the property until the April 1 immediately succeeding the entry
17 of a judgment foreclosing the property under section 78k or in a
18 contested case until 22 days after the entry of a judgment
19 foreclosing the property under section 78k. If property is
20 forfeited to a county treasurer under this subsection, the county
21 treasurer shall add a \$175.00 fee to each parcel of property for
22 which those delinquent taxes, interest, penalties, and fees remain
23 unpaid. A county treasurer shall withhold a parcel of property from
24 forfeiture for any reason determined by the state tax commission.
25 The procedure for withholding a parcel of property from forfeiture
26 under this subsection shall be determined by the state tax
27 commission.

(2) Not more than 45 days after property is forfeited under subsection (1), the county treasurer shall record with the county register of deeds a certificate in a form determined by the department of treasury for each parcel of property forfeited to the county treasurer, specifying that the property has been forfeited to the county treasurer and not redeemed and that absolute title to the property shall vest in the county treasurer on the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k or in a contested case 21 days after the entry of a judgment foreclosing the property under section 78k. If a certificate of forfeiture is recorded in error, the county treasurer shall record with the county register of deeds a certificate of error in a form prescribed by the department of treasury. A certificate submitted to the county register of deeds for recording under this subsection need not be notarized and may be authenticated by a digital signature of the county treasurer or by other electronic means. If the county has elected under section 78 to have this state foreclose property under this act forfeited to the county treasurer under this section, the county treasurer shall immediately transmit to the department of treasury a copy of each certificate recorded under this subsection. The county treasurer shall upon collection transmit to the department of treasury within 30 days the fee added to each parcel under subsection (1), which may be paid from the county's delinquent tax revolving fund and shall be deposited in the land reutilization fund created under section 78n.

(3) Property forfeited to the county treasurer under

1 subsection (1) may be redeemed at any time on or before the March
2 31 immediately succeeding the entry of a judgment foreclosing the
3 property under section 78k or in a contested case within 21 days of
4 the entry of a judgment foreclosing the property under section 78k
5 upon payment to the county treasurer of all of the following:

6 (a) The total amount of unpaid delinquent taxes, interest,
7 penalties, and fees for which the property was forfeited.

8 (b) In addition to the interest calculated under sections
9 60a(1) or (2) and 78a(3), additional interest computed at a
10 noncompounded rate of 1/2% per month or fraction of a month on the
11 taxes that were originally returned as delinquent, computed from
12 the March 1 **IN THE YEAR 2 YEARS IMMEDIATELY** preceding the
13 forfeiture.

14 (c) All recording fees and all fees for service of process or
15 notice.

16 (4) If property is redeemed by a person with a legal interest
17 as provided under subsection (3), any unpaid taxes not returned as
18 delinquent to the county treasurer under section 78a are not
19 extinguished.

20 (5) If property is redeemed by a person with a legal interest
21 as provided under subsection (3), the person redeeming does not
22 acquire a title or interest in the property greater than that
23 person would have had if the property had not been forfeited to the
24 county treasurer, but the person redeeming, other than the owner,
25 is entitled to a lien for the amount paid to redeem the property in
26 addition to any other lien or interest the person may have, which
27 shall be recorded within 30 days with the register of deeds by the

1 person entitled to the lien. The lien acquired shall have the same
2 priority as the existing lien, title, or interest.

3 (6) If property is redeemed as provided under subsection (3),
4 the county treasurer shall issue a redemption certificate in
5 quadruplicate in a form prescribed by the department of treasury.
6 One of the quadruplicate certificates shall be delivered to the
7 person making the redemption payment, 1 shall be filed in the
8 office of the county treasurer, 1 shall be recorded in the office
9 of the county register of deeds, and 1 shall be immediately
10 transmitted to the department of treasury if this state is the
11 foreclosing governmental unit. The county treasurer shall also make
12 a note of the redemption certificate in the tax record kept in his
13 or her office, with the name of the person making the final
14 redemption payment, the date of the payment, and the amount paid.
15 If the county treasurer accepts partial redemption payments, the
16 county treasurer shall include in the tax record kept in his or her
17 office the name of the person or persons making each partial
18 redemption payment, the date of each partial redemption payment,
19 the amount of each partial redemption payment, and the total amount
20 of all redemption payments. A certificate and the entry of the
21 certificate in the tax record by the county treasurer is prima
22 facie evidence of a redemption payment in the courts of this state.
23 A certificate submitted to the county register of deeds for
24 recording under this subsection need not be notarized and may be
25 authenticated by a digital signature of the county treasurer or by
26 other electronic means. If a redemption certificate is recorded in
27 error, the county treasurer shall record with the county register

1 of deeds a certificate of error in a form prescribed by the
2 department of treasury. A copy of a certificate of error recorded
3 under this section shall be immediately transmitted to the
4 department of treasury if this state is the foreclosing
5 governmental unit.

6 (7) If a foreclosing governmental unit has reason to believe
7 that a property forfeited under this section may be the site of
8 environmental contamination, the foreclosing governmental unit
9 shall provide the department of environmental quality with any
10 information in the possession of the foreclosing governmental unit
11 that suggests the property may be the site of environmental
12 contamination.