

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

REDEMPTION AND ANNULMENT.

**211.74-211.77 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.**

**Compiler's note:** The repealed sections pertained to redemption of property following sale, annulment of certificate of redemption or tax deed, set aside of illegal tax, and evidence in action by person claiming land purchased for delinquent taxes.

**Popular name:** Act 206

**211.78 Delinquent taxes; return, forfeiture, and foreclosure of property; construction of act; election to have state foreclose property forfeited to county; resolution; rescission of prior resolution; foreclosure as voluntary; agreement for collection of taxes or enforcement and consolidation of tax liens; definitions.**

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 county board of commissioners of a county that has elected to have property forfeited under section 78g foreclosed by this state under this act 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. A county board of commissioners shall forward a copy of the resolution and any concurrence to the department of treasury not later than November 30 in the year in which the resolution is adopted. A county that rescinds its prior election under this subsection shall act as the foreclosing governmental unit under this act for all property forfeited to the county treasurer under section 78g after February 1 in the year immediately following the year in which the resolution is adopted.

(6) 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.

(7) 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.

(8) 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.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009;—Am. 2014, Act 132, Imd. Eff. May 27, 2014.

**Compiler's note:** Former section 78 was not compiled.

**Popular name:** Act 206

**211.78a Property returned as delinquent subject to forfeiture, foreclosure, and sale; unpaid taxes from preceding year; county property tax administration fee and interest; notice of return of delinquent taxes; annual fee; procedures and schedules established by ordinance.**

Sec. 78a. (1) For taxes levied after December 31, 1998, all property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the county treasurers of this state under this act, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in section 78, this section, and sections 78b to 79a. As used in section 78, this section, and sections 78b to 79a, "taxes" includes interest, penalties, and fees imposed before the taxes become delinquent and unpaid special assessments or other assessments that are due and payable up to and including the date of the foreclosure hearing under section 78k.

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

(3) A county property tax administration fee of 4% and, except as provided in section 78g(3)(c), interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally became delinquent, shall be added to property returned as delinquent under this section. A county property tax administration fee provided for under this subsection shall not be less than \$1.00.

(4) Any person with an unrecorded property interest or any other person who wishes at any time to receive notice of the return of delinquent taxes on a parcel of property may pay an annual fee not to exceed \$5.00 by February 1 to the county treasurer and specify the parcel identification number, the address of the property, and the address to which the notice shall be sent. Holders of any undischarged mortgages wishing to receive notice of the return of delinquent taxes on a parcel or parcels of property may provide a list of such parcels in a form prescribed by the county treasurer and pay an annual fee not to exceed \$1.00 per parcel to the county treasurer and specify for each parcel the parcel identification number, the address of the property, and the address to which the notice should be sent. The county treasurer shall notify the person or holders of undischarged mortgages if delinquent taxes on the property or properties are returned within that year.

(5) Notwithstanding any charter provision to the contrary, the governing body of a local governmental unit that collects delinquent taxes may establish for any property, by ordinance, procedures for the collection of delinquent taxes and the enforcement of tax liens and the schedule for the forfeiture or foreclosure of delinquent tax liens. The procedures and schedule established by ordinance shall conform at a minimum to those procedures and schedules established under sections 78a to 78l, except that those taxes subject to a payment plan approved by the treasurer of the local governmental unit as of July 1, 1999 shall not be considered delinquent if payments are not delinquent under that payment plan.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2008, Act 352, Imd. Eff. Dec. 23, 2008;—Am. 2014, Act 499, Imd. Eff. Jan. 14, 2015.

### **211.78b Notice provisions; June 1.**

Sec. 78b. Except as otherwise provided in section 79 for certified abandoned property, on or within 60 days before the June 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued under former section 71, as shown on the current records of the county treasurer:

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

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

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

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

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

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

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

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 202, Imd. Eff. Nov. 24, 2015.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

**Popular name:** Act 206

### **211.78c Notice provisions; September 1.**

Sec. 78c. Except as otherwise provided in section 79 for certified abandoned property, on or within 60 days before the September 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued under former section 71, as shown on the current records of the county treasurer:

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

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

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

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

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

(f) A schedule of the additional fees that will accrue on the immediately succeeding October 1 under section 78d if the unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

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

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

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 202, Imd. Eff. Nov. 24, 2015.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan  
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supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587.”

**Popular name:** Act 206

#### **211.78d Additional fee; October 1.**

Sec. 78d. Except as otherwise provided in section 79 for certified abandoned property, on the October 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall add a \$15.00 fee on each parcel of property for which the delinquent taxes, interest, penalties, and fees remain unpaid.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

“Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587.”

**Popular name:** Act 206

#### **211.78e List of property subject to forfeiture for delinquent taxes; determinations.**

Sec. 78e. (1) Except as otherwise provided in section 79 for certified abandoned property, on November 1 of each tax year, the county treasurer shall prepare a list of all property subject to forfeiture for delinquent taxes on the immediately succeeding March 1. The list shall include all property on which delinquent taxes, interest, penalties, and fees are unpaid on the November 1 immediately succeeding the date that taxes levied on the property were returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a. The list shall indicate for each parcel the total amount of delinquent taxes, interest, penalties, and fees, computed to the day preceding the forfeiture under section 78g.

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

(a) The street address of the property.

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

(i) The owners.

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

(iii) A subsequent purchaser under any land contract.

(iv) A person entitled to notice of the return of delinquent taxes under section 78a(5).

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999.

**Popular name:** Act 206

#### **211.78f Notice provisions; unpaid delinquent taxes; additional notices; circulation; insert.**

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

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

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

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

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

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

(f) A schedule of the additional interest, penalties, and fees that will accrue on the immediately succeeding March 1 pursuant to section 78g if those unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

(g) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid on or before

the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k, absolute title to the property shall vest in the foreclosing governmental unit.

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

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

(3) A county treasurer may insert 1 or more additional notices in a notice publication circulated in the county in which the property is located. If no notice publication is circulated in the county in which the property is located, the county treasurer may insert 1 or more additional notices in a notice publication circulated in an adjoining county. Additionally, a county treasurer may post 1 or more additional notices on a website, including, but not limited to, a website maintained by the county treasurer.

(4) The county treasurer may insert in a notice publication circulated in the county in which the property is located, notice of the street address, if available, of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes or the street address, if available, of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes and the name of the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, the name of the person identified as the owner of the property returned for delinquent taxes as shown on the current records of the county treasurer. If no notice publication is circulated in the county in which the property is located, the county treasurer may insert a notice under this subsection in a notice publication circulated in an adjoining county. Additionally, a county treasurer may post on a website, including, but not limited to, a website maintained by the county treasurer.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 95, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 190, Eff. Feb. 14, 2016.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

**Popular name:** Act 206

**211.78g Property delinquent for preceding 12 months or forfeited for total amount; right to possession by foreclosing governmental unit; limitation; recording certificate with county register of deeds; redemption; property as site of environmental contamination; payment reduction program; requirements; "local unit of government" defined.**

Sec. 78g. (1) Except as otherwise provided in this subsection, on March 1 in each tax year, certified abandoned property and property that is delinquent for taxes, interest, penalties, and fees for the immediately preceding 12 months or more is forfeited to the county treasurer for the total amount of those unpaid delinquent taxes, interest, penalties, and fees. If property is forfeited to a county treasurer under this subsection, the foreclosing governmental unit does not have a right to possession of the property until the April 1 immediately succeeding the entry of a judgment foreclosing the property under section 78k or in a contested case until 22 days after the entry of a judgment foreclosing the property under section 78k. If property is forfeited to a county treasurer under this subsection, the county treasurer shall add a \$175.00 fee to each property for which those delinquent taxes, interest, penalties, and fees remain unpaid. The fee added under this subsection must be used by the foreclosing governmental unit and the fee added under section 78d must be used by the county treasurer for the administration of sections 78 to 79a, including, but not limited to, costs associated with providing required notices and with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of property. A county treasurer shall withhold a property from forfeiture for any reason determined by the state tax commission. The state tax commission shall determine the procedure for withholding a property from forfeiture under this subsection.

(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 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 and any equity associated with an interest in the property will vest in the foreclosing governmental unit 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. The certificate must include an explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m. 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 property under subsection (1), which may be paid from the county's delinquent tax revolving fund and upon receipt must be deposited by the department of treasury in the land reutilization fund created under section 78n.

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

(a) The total amount of unpaid delinquent taxes, interest, penalties, and fees for which the property was forfeited or the reduced amount of unpaid delinquent taxes, interest, penalties, and fees payable under subsection (8), if applicable.

(b) Except as otherwise provided in this subdivision and subdivision (c), in addition to the interest calculated under sections 60a(1) or (2) and 78a(3), additional interest computed at a noncompounded rate of 1/2% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 preceding the forfeiture. The county treasurer may waive the additional interest under this subdivision if the property is withheld from the petition for foreclosure under section 78h(3)(c).

(c) If the property is classified as residential real property under section 34c, the property is a principal residence exempt from the tax levied by a local school district for school operating purposes under section 7cc, and a tax foreclosure avoidance agreement is in effect for the property under section 78q(5), while the tax foreclosure avoidance agreement is effective, all of the following apply:

(i) The property must be withheld from the petition for foreclosure under section 78h.

(ii) The additional interest under subdivision (b) does not apply and interest computed at a noncompounded rate of 1/2% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally were returned as delinquent, applies to the property.

(d) All recording fees and all fees for service of process or notice.

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

(5) If property is redeemed by a person with a legal interest in the property as provided under subsection (3), the person redeeming does not acquire a title or interest in the property greater than that person would have had if the property had not been forfeited to the county treasurer, but a person redeeming, other than the owner, is entitled to a lien for the amount paid to redeem the property in addition to any other lien or interest the person may have, which must be recorded within 30 days with the register of deeds by the person entitled to the lien. The lien acquired has the same priority as the existing lien, title, or interest.

(6) If property is redeemed as provided under subsection (3), the county treasurer shall issue a redemption certificate in quadruplicate in a form prescribed by the department of treasury. One of the quadruplicate certificates must be delivered to the person making the redemption payment, 1 must be filed in the office of the county treasurer, 1 must be recorded in the office of the county register of deeds, and 1 must be immediately transmitted to the department of treasury if this state is the foreclosing governmental unit. The county treasurer shall also make a note of the redemption certificate in the tax record kept in his or her office, with the name of the person making the final redemption payment, the date of the payment, and the amount paid. If the county treasurer accepts partial redemption payments, the county treasurer shall include in the tax record kept in his or her office the name of the person or persons making each partial redemption payment, the date of each partial redemption payment, the amount of each partial redemption payment, and the total amount of all redemption payments. A certificate and the entry of the certificate in the tax record by the county treasurer is evidence of a redemption payment in the courts of this state. 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 a redemption certificate 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 copy of a certificate of error recorded under this section must be immediately transmitted to the department of treasury if this state is the foreclosing governmental unit.

(7) If a foreclosing governmental unit has reason to believe that a property forfeited under this section may be the site of environmental contamination, the foreclosing governmental unit shall provide the department of environment, Great Lakes, and energy with any information in the possession of the foreclosing governmental unit that suggests the property may be the site of environmental contamination.

(8) Notwithstanding any provision of this act or charter to the contrary, until July 1, 2025, all of the following apply to property for which delinquent property taxes remain unpaid, including property forfeited under this section, located in a local unit of government that, pursuant to subsection (10)(b)(i) or (ii), is participating in a payment reduction program authorized by this subsection:

(a) If the property is subject to an exemption under section 7u and the property's owner has not previously received a payment reduction under this subsection, the foreclosing governmental unit may do 1 or more of the following:

(i) If the total amount of unpaid delinquent taxes is greater than 10% of the property's taxable value for the calendar year preceding the year the property was exempt from the collection of taxes under section 7u, reduce the amount required to be paid under section 78a(1) or required to be paid to redeem the property under subsection (3)(a) to 10% of the property's taxable value for the calendar year preceding the year the property was exempt from the collection of taxes under section 7u. A reduction under this subparagraph must be allocated to each taxing unit based on the proportion that its unpaid delinquent taxes certified to the county treasurer bear to the total amount of unpaid delinquent taxes certified to the county treasurer in connection with the property.

(ii) Cancel some or all of any unpaid delinquent taxes that represent charges for services that have become delinquent and have been certified to the county treasurer for collection of taxes and enforcement of the lien for the taxes under section 21(3) of the revenue bond act of 1933, 1933 PA 94, MCL 141.121.

(iii) Cancel all of the interest, penalties, and fees required to be paid under this act.

(b) If the amount required to be paid under this act is reduced under subdivision (a), the foreclosing governmental unit may further reduce the amount by an amount not to exceed 10% of the unpaid delinquent taxes required to be paid to redeem the property if the property is redeemed by a single lump-sum payment made within a period to be determined by the foreclosing governmental unit.

(c) A foreclosing governmental unit may apply the provisions of this subsection to property subject to a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5). Except as provided in this subdivision, the terms and conditions of a payment reduction applied to property under this subsection must be consistent with the terms and conditions of a delinquent property tax installment payment plan under section 78q(1) or tax foreclosure agreement under section 78q(5) for the property. If the owner of property subject to a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5) has failed to pay any amounts owed under the plan or agreement, that nonpayment does not prohibit the property owner from receiving a payment reduction under this subsection. Notwithstanding any provision of this act to the contrary, the full amount owed by an owner of property as reduced by this subsection must be payable in not more than 3 years after the date the reduction is established by the foreclosing governmental unit.

(d) If a property owner has paid a reduced amount under this subsection in accordance with the terms, conditions, and time period established by the county treasurer, any remaining unpaid taxes, interest, penalties, and fees otherwise payable shall be canceled by the county treasurer, including, but not limited to, any interest, fee, or penalty payment requirements set forth in a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5) with respect to the property. A county treasurer shall not impose any additional interest, penalties, fees, or other charges of any kind in connection with a payment reduction program under this subsection.

(e) If the owner of property subject to a payment reduction under this subsection fails to pay the full reduced amount of delinquent taxes, penalties, and fees under this subsection in accordance with the terms, conditions, and time period established by the county treasurer, all of the following apply:

(i) The amount required to be paid to redeem the property is the sum of both of the following:

(A) The full amount of any unpaid delinquent taxes on the property.

(B) Interest under subsection (3)(b) and any additional interest, fees, charges, and penalties otherwise applicable to any unpaid taxes on the property, including, but not limited to, interest, fees, charges, and penalties canceled under subdivision (d).

(ii) The property must be included in the immediately succeeding petition for foreclosure under section 78h.

(f) A foreclosing governmental unit may not approve a reduction in the amount required to redeem property under this subsection if the reduction would cause noncompliance with section 87c(7) or otherwise impermissibly impair an outstanding debt of the county or any taxing unit.

(g) All payments collected in connection with property under this subsection must be distributed to each taxing unit that has certified to the county treasurer unpaid delinquent taxes for the property in an amount based on the proportion that the taxing unit's unpaid delinquent taxes certified to the county treasurer bear to the total amount of unpaid delinquent taxes certified to the county treasurer in connection with the property.

(h) A county treasurer shall set forth the terms and benefits of a payment reduction program available under this subsection in a plan available upon request to the department of treasury. The plan must set forth which of the reductions described in subdivisions (a) and (b) are available under the program and must include any other information determined to be necessary or appropriate in the discretion of the county treasurer.

(9) If a payment reduction under subsection (8) is in effect for property for which a county has issued notes under this act that are secured by the delinquent taxes and interest on that property, at any time within 2 years after the date that those taxes were returned as delinquent, the county treasurer may charge back to any taxing unit the face amount of the delinquent taxes that were owed to that taxing unit on the date those taxes were returned as delinquent, less the amount of any payments received by the county treasurer on that property. All subsequent payments of delinquent taxes and interest on that property must be retained by the county treasurer in a separate account and either paid to or credited to the account of that taxing unit.

(10) A foreclosing governmental unit's authority to apply any of the payment-reduction measures otherwise available under subsection (8) is subject to all of the following:

(a) A foreclosing governmental unit that seeks to implement a program under subsection (8) shall provide written notice to the treasurer of each affected local unit of government within the county in which the property is located of the foreclosing governmental unit's intent to implement the program and state that the local unit of government has the option of participating in the program. The notice must contain all of the terms and conditions to be offered under the program, in addition to any other information that the foreclosing governmental unit considers necessary or appropriate.

(b) Not later than 21 days after the foreclosing governmental unit provides the written notice described in subdivision (a), the treasurer of any affected local unit of government may provide the foreclosing governmental unit with 1 of the following, as applicable:

(i) Written notice of nonparticipation in the program, if the local unit of government is located in a county with a population of more than 1,500,000 according to the most recent population estimate produced by the United States Census Bureau's Population Estimates Program (PEP). All property within a local unit of government that provides written notice of nonparticipation under this subparagraph will be excluded from the program. Any affected local unit of government whose treasurer does not provide written notice of nonparticipation under this subparagraph is conclusively presumed to have consented to participation in the program, and all property within that local unit of government will be included in the program.

(ii) Written notice of participation in the program, if the local unit of government is located in a county other than one described in subparagraph (i) and the governing body of the local unit of government has approved a resolution to participate in the program. All property within a local unit of government that provides written notice of participation under this subparagraph will be included in the program. Any affected local unit of government whose treasurer does not provide written notice of participation under this subparagraph is conclusively presumed to have declined to participate in the program, and all property within that local unit of government will be excluded from the program.

(11) As used in this section, "local unit of government" means a city, township, or village.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2014, Act 500, Imd. Eff. Jan. 14, 2015;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020;—Am. 2020, Act 256, Eff. Jan. 1, 2021.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in *Smith v Cliffs on the Bay Condominium Association*, docket no. 111587."

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

**Popular name:** Act 206

## **211.78h Petition for foreclosure; filing in circuit court; removal of property from petition; withholding property by foreclosing governmental unit; hearing date.**



Sec. 78h. (1) Not later than June 15 in each tax year, the foreclosing governmental unit shall file a single petition with the clerk of the circuit court of that county listing all property forfeited and not redeemed to the county treasurer under section 78g to be foreclosed under section 78k for the total of the forfeited unpaid delinquent taxes, interest, penalties, and fees. If available to the foreclosing governmental unit, the petition shall include the street address of each parcel of property set forth in the petition. The petition shall seek a judgment in favor of the foreclosing governmental unit for the forfeited unpaid delinquent taxes, interest, penalties, and fees listed against each parcel of property. The petition shall request that a judgment be entered vesting absolute title to each parcel of property in the foreclosing governmental unit, without right of redemption.

(2) If property is redeemed after the petition for foreclosure is filed under this section, the foreclosing governmental unit shall request that the circuit court remove that property from the petition for foreclosure before entry of judgment foreclosing the property under section 78k.

(3) The foreclosing governmental unit may withhold the following property from the petition for foreclosure filed under this section:

(a) Property the title to which is held by minor heirs or persons who are incompetent, persons without means of support, or persons unable to manage their affairs due to age or infirmity, until a guardian is appointed to protect that person's rights and interests.

(b) Property the title to which is held by a person undergoing substantial financial hardship, as determined under a written policy developed and adopted by the foreclosing governmental unit. The foreclosing governmental unit shall make available to the public the written policy adopted under this subdivision. The written policy adopted under this subdivision shall include, but is not limited to, all of the following:

(i) The person requesting that the property be withheld from the petition for foreclosure holds the title to the property.

(ii) The total household resources of the person requesting that the property be withheld from the petition for foreclosure meets the federal poverty income standards as defined and determined annually by the United States office of management and budget or alternative guidelines adopted by the foreclosing governmental unit, provided that the alternative guidelines include all persons who would otherwise meet the federal poverty income standards under this subparagraph. As used in this subparagraph, "total household resources" means that term as defined in section 508 of the income tax act of 1967, 1967 PA 281, MCL 206.508.

(c) Property the title to which is held by a person subject to a delinquent property tax installment payment plan or tax foreclosure avoidance agreement under section 78q.

(4) If a foreclosing governmental unit withholds property from the petition for foreclosure under subsection (3), a taxing unit's lien for taxes due or the foreclosing governmental unit's right to include the property in a subsequent petition for foreclosure is not prejudiced.

(5) The clerk of the circuit court in which the petition is filed shall immediately set the date, time, and place for a hearing on the petition for foreclosure, which hearing shall be held not more than 30 days before the March 1 immediately succeeding the date the petition for foreclosure is filed.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 96, Imd. Eff. July 30, 2001;—Am. 2014, Act 499, Imd. Eff. Jan. 14, 2015.

**Popular name:** Act 206

**211.78i Identification of owners of property interest; title search; personal visit to determine occupancy; publication of notice; sources of identification; notice provisions; prohibited assertions if failure to redeem property; noncompliance; "authorized representative" defined; applicability of other requirements.**

Sec. 78i. (1) Not later than May 1 immediately succeeding the forfeiture of property to the county treasurer under section 78g, the foreclosing governmental unit shall initiate a search of records identified in subsection (6) to identify the persons with a property interest in the property entitled to notice under this section of the show cause hearing under section 78j and the foreclosure hearing under section 78k. The foreclosing governmental unit may enter into a contract with 1 or more authorized representatives to perform a title search or may request from 1 or more authorized representatives another title search product to identify the persons with a property interest in the property as required under this subsection or to perform other functions required for the collection of delinquent taxes under this act, including, but not limited to, the administration of sections 78 to 79a.

(2) After conducting the search of records under subsection (1), the foreclosing governmental unit or its authorized representative shall determine the address reasonably calculated to apprise each person with a property interest in a forfeited property of the show cause hearing under section 78j and the foreclosure hearing under section 78k and shall send notice of the show cause hearing under section 78j and the

foreclosure hearing under section 78k to those persons, and to a person entitled to notice of the return of delinquent taxes under section 78a(4), by certified mail, return receipt requested, not less than 30 days before the show cause hearing. If after conducting the search of records under subsection (1) the foreclosing governmental unit is unable to determine an address reasonably calculated to inform a person with an interest in a forfeited property, or if the foreclosing governmental unit discovers a deficiency in notice under subsection (4), the following are reasonable steps by the foreclosing governmental unit or its authorized representative to ascertain the address of a person with an interest in property entitled to notice under this section or to ascertain an address necessary to correct the deficiency in notice under subsection (4):

(a) For an individual, a search of the records of the probate court for the county in which the property is located.

(b) For an individual, a search of the qualified voter file established under section 509o of the Michigan election law, 1954 PA 116, MCL 168.509o. A search of the qualified voter file is authorized by this subdivision.

(c) For a partnership, a search of partnership records filed with the county clerk.

(d) For a business entity other than a partnership, a search of business entity records filed with the department of licensing and regulatory affairs.

(3) The foreclosing governmental unit or its authorized representative or authorized agent shall make a personal visit to each property forfeited to the county treasurer under section 78g to ascertain whether or not the property is occupied. If the property appears to be occupied, the foreclosing governmental unit or its authorized representative shall do all of the following:

(a) Attempt to personally serve upon a person occupying the property notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k.

(b) If a person occupying the property is personally served, verbally inform the occupant that the property will be foreclosed and the occupants will be required to vacate unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid, of the time within which all forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and of agencies or other resources that may be available to assist in avoiding loss of the property interest and any equity associated with the interest in the property.

(c) If the occupant appears to lack the ability to understand the information provided, notify the department of health and human services or provide the occupant with the names and telephone numbers of the agencies that may be able to assist the occupant, or both.

(d) If the foreclosing governmental unit or its authorized representative does not personally meet with the occupant, the foreclosing governmental unit or its authorized representative shall place in a conspicuous location on the property a notice that explains, in plain English, that the property will be foreclosed unless forfeited unpaid delinquent taxes, interest, penalties, and fees owed on the property are paid, the time within which forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and the names, addresses, and telephone numbers of agencies or other resources that may be available to assist a person with an interest in the property with avoiding the loss of the property interest and any equity associated with the property interest. The notice must include the internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service. The notice also must include an explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m. If this state is the foreclosing governmental unit within a county, the department of treasury or its authorized representative shall perform the personal visit to each property under this subsection on behalf of this state.

(4) If the foreclosing governmental unit or its authorized representative discovers any deficiency in the provision of notice, the foreclosing governmental unit shall take reasonable steps in good faith to correct that deficiency not later than 30 days before the show cause hearing under section 78j, if possible.

(5) If the foreclosing governmental unit or its authorized representative is unable to ascertain an address reasonably calculated to apprise a person with a property interest entitled to notice under this section, or is unable to notify a person with a property interest under subsection (2), the foreclosing governmental unit shall provide notice by publication as provided in this subsection and section 78s. The notice must be inserted for 2 successive weeks, once each week, in a notice publication circulated in the county in which the property is located. If a notice publication is not circulated in the county in which the property is located, the foreclosing governmental unit shall insert the notice in a notice publication circulated in an adjoining county. In addition to provision of notice in a notice publication, the foreclosing governmental unit may also post the notice under this subsection for not less than 14 days on a website, including, but not limited to, a website maintained by the foreclosing governmental unit.

(6) A person with a property interest is entitled to notice under this section of the show cause hearing under

section 78j and the foreclosure hearing under section 78k if that person's interest was identifiable by reference to any of the following sources before the date that the county treasurer records the certificate required under section 78g(2):

- (a) Land title records in the office of the county register of deeds.
- (b) Tax records in the office of the county treasurer.
- (c) Tax records in the office of the local assessor.
- (d) Tax records in the office of the local treasurer.
- (7) The notice required under subsections (2) and (3) must include all of the following:
  - (a) The date on which the property was forfeited to the county treasurer.
  - (b) A statement that the person notified may lose that person's interest in the property and any equity associated with that property interest as a result of the foreclosure proceeding under section 78k.
  - (c) A legal description or parcel number of the property and, if available, the street address of the property.
  - (d) The person to whom the notice is addressed.
  - (e) The total taxes, interest, penalties, and fees due on the property.
  - (f) The date and time of the show cause hearing under section 78j.
  - (g) The date and time of the hearing on the petition for foreclosure under section 78k, and a statement that unless the forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the property will vest absolutely in the foreclosing governmental unit and that all existing interests in oil or gas in that property will be extinguished except the following:
    - (i) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.
    - (ii) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.
  - (h) An explanation of the person's rights of redemption and notice that the rights of redemption will expire 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.
  - (i) An explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m.
  - (j) The internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service.
- (8) The published notice required under subsection (5) must include all of the following:
  - (a) A legal description or parcel number of each property.
  - (b) The street address of each property, if available.
  - (c) The name of any person entitled to notice under this section who has not been notified under subsection (2) or (3).
  - (d) The date and time of the show cause hearing under section 78j.
  - (e) The date and time of the hearing on the petition for foreclosure under section 78k.
  - (f) A statement that unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the property will vest absolutely in the foreclosing governmental unit and that all existing interests in oil or gas in that property will be extinguished except the following:
    - (i) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.
    - (ii) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.
  - (g) A statement that a person with an interest in the property may lose that interest and any equity associated with that interest as a result of the foreclosure proceeding under section 78k and that all existing interests in oil or gas in that property will be extinguished except the following:
    - (i) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.
    - (ii) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.
  - (h) An explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining

proceeds pursuant to section 78t after a sale or transfer of the property under section 78m.

(i) The internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service.

(9) A person with a property interest properly served under this section with a notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k that fails to redeem the property as provided under this act shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other person with a property interest was not also served.

(b) That the redemption period provided under this act was extended in any way on the grounds that some other person with a property interest was not also served.

(c) That the person did not receive the notice required by law of the show cause hearing under section 78j or the foreclosure hearing under section 78k.

(10) The failure of the foreclosing governmental unit to comply with any provision of this section does not invalidate any proceeding under this act if the person with a property interest is notified of the show cause hearing under section 78j and the foreclosure hearing under section 78k consistent with the minimum due process required under the state constitution of 1963 and the Constitution of the United States.

(11) As used in this section, "authorized representative" includes all of the following:

(a) A title insurance company or agent licensed to conduct business in this state.

(b) An attorney licensed to practice law in this state.

(c) A person accredited in land title search procedures by a nationally recognized organization in the field of land title searching.

(d) A person with demonstrated experience searching land title records, as determined by the foreclosing governmental unit.

(12) The provisions of this section relating to notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k are exclusive and exhaustive. Other requirements relating to notice or proof of service under other law, rule, or legal requirement are not applicable to notice and proof of service under this section.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 101, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 611, Imd. Eff. Jan. 3, 2007;—Am. 2015, Act 190, Eff. Feb. 14, 2016;—Am. 2020, Act 256, Eff. Jan. 1, 2021.

**Compiler's note:** Enacting sections 1 and 3 of Act 263 of 2003 provide:

"Enacting section 1. Section 78i(12) of the general property tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory act and section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by this amendatory act are curative and are intended to express the original intent of the legislature concerning the application of 1999 PA 123, section 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as amended by 2001 PA 101 and section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

For transfer of certain powers and duties relating to collection of delinquent taxes and forfeiture, foreclosure, and disposition of tax-delinquent or tax-reverted property from department of natural resources to department of treasury by type II transfer, see E.R.O. No. 2004-1, compiled at MCL 211.281.

Enacting section 1 of Act 611 of 2006 provides:

"Enacting section 1. Sections 78i and 78k of the general property tax act, 1893 PA 206, MCL 211.78i and 211.78k, as amended by this amendatory act apply only to property foreclosed by a judgment of foreclosure entered pursuant to section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, after the effective date of this amendatory act."

Enacting section 5 of Act 611 of 2006 provides:

"Enacting section 5. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

**Popular name:** Act 206

## **211.78j Schedule of show cause hearing by foreclosing governmental unit.**

Sec. 78j. (1) If a petition for foreclosure is filed under section 78h, the foreclosing governmental unit shall schedule a hearing not later than 7 days immediately preceding the date of the foreclosure hearing under section 78k to show cause why absolute title to the property forfeited to the county treasurer under section 78g should not vest in the foreclosing governmental unit. The foreclosing governmental unit may hold combined or separate hearings for different owners or persons with a property interest in the property forfeited to the county treasurer.

(2) The owner and any person with a property interest in the property forfeited to the county treasurer may appear at the hearing held pursuant to this section and redeem that property or show cause why absolute title to that property should not vest in the foreclosing governmental unit for any of the reasons set forth in section 78k(2).

(3) If the owner or any person with a property interest in the property forfeited to the county treasurer prevails in a hearing under subsection (1), the foreclosing governmental unit shall notify the county treasurer and the county treasurer shall correct the tax roll to reflect that determination.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999.

**Popular name:** Act 206

**211.78k Petition for foreclosure; proof of service of notice; filing with circuit court; contesting validity or correctness by person claiming property interest; filing objections; withholding property from foreclosure or extending redemption period; entry of judgment; specifications; failure to pay delinquent taxes, interest, penalties, and fees after entry of judgment; appeal to court of appeals; recording notice of judgment; cancellation; submission of certificate of error.**

Sec. 78k. (1) If a petition for foreclosure is filed under section 78h, not later than the date of the hearing, the foreclosing governmental unit shall file with the clerk of the circuit court proof of service of the notice of the show cause hearing under section 78j, proof of service of the notice of the foreclosure hearing under this section, and proof of the personal visit to the property and publication under section 78i.

(2) A person claiming an interest in a parcel of property set forth in the petition for foreclosure may contest the validity or correctness of the forfeited unpaid delinquent taxes, interest, penalties, and fees for 1 or more of the following reasons:

(a) No law authorizes the tax.

(b) The person appointed to decide whether a tax will be levied under a law of this state acted without jurisdiction, or did not impose the tax in question.

(c) The property was exempt from the tax in question, or the tax was not legally levied.

(d) The tax has been paid within the time limited by law for payment or redemption.

(e) The tax was assessed fraudulently.

(f) The description of the property used in the assessment was so indefinite or erroneous that the forfeiture was void.

(3) A person claiming an interest in a parcel of property set forth in the petition for foreclosure who desires to contest that petition shall file written objections with the clerk of the circuit court and serve those objections on the foreclosing governmental unit before the date of the hearing required under this section.

(4) If the court determines that the owner of property subject to foreclosure is a minor heir, is incompetent, is without means of support, or is undergoing a substantial financial hardship, the court may withhold that property from foreclosure for 1 year or may enter an order extending the redemption period as the court determines to be equitable. If the court withholds property from foreclosure under this subsection, a taxing unit's lien for taxes due is not prejudiced and that property must be included in the immediately succeeding year's tax foreclosure proceeding.

(5) The circuit court shall enter final judgment on a petition for foreclosure filed under section 78h at any time after the hearing under this section but not later than the March 30 immediately succeeding the hearing with the judgment effective on the March 31 immediately succeeding the hearing for uncontested cases or 10 days after the conclusion of the hearing for contested cases. All redemption rights to the property expire on the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case 21 days after the entry of a judgment foreclosing the property under this section. The circuit court's judgment must specify all of the following:

(a) The legal description and, if known, the street address of the property foreclosed and the forfeited unpaid delinquent taxes, interest, penalties, and fees due on each parcel of property.

(b) That fee simple title to property foreclosed by the judgment will vest absolutely in the foreclosing governmental unit, except as otherwise provided in subdivisions (c) and (e), without any further rights of redemption, if all forfeited delinquent taxes, interest, penalties, and fees, which delinquent taxes, interest, penalties, and fees may be reduced by the foreclosing governmental unit in accordance with section 78g(8), are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(c) That all liens against the property, including any lien for unpaid taxes or special assessments, except



future installments of special assessments and liens recorded by this state or the foreclosing governmental unit under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, are extinguished, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(d) That, except as otherwise provided in subdivisions (c) and (e), the foreclosing governmental unit has good and marketable fee simple title to the property, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(e) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way, private deed restrictions, interests of a lessee or an assignee of an interest of a lessee under a recorded oil or gas lease, interests in oil or gas in that property that are owned by a person other than the owner of the surface that have been preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291, interests in property assessable as personal property under section 8(g), or restrictions or other governmental interests imposed under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(f) A finding that all persons entitled to notice and an opportunity to be heard have been provided that notice and opportunity. A person is considered to have been provided notice and an opportunity to be heard if the foreclosing governmental unit followed the procedures for provision of notice by mail, for visits to forfeited property, and for publication under section 78i, or if 1 or more of the following apply:

(i) The person had constructive notice of the hearing under this section by acquiring an interest in the property after the date the notice of forfeiture is recorded under section 78g.

(ii) The person appeared at the hearing under this section or filed written objections with the clerk of the circuit court under subsection (3) before the hearing.

(iii) Before the hearing under this section, the person had actual notice of the hearing.

(g) A judgment entered under this section is a final order with respect to the property affected by the judgment and except as provided in subsection (7) must not be modified, stayed, or held invalid after the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or for contested cases 21 days after the entry of a judgment foreclosing the property under this section.

(6) Except as otherwise provided in subsection (5)(c) and (e), fee simple title to property set forth in a petition for foreclosure filed under section 78h on which forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, will vest absolutely in the foreclosing governmental unit, and the foreclosing governmental unit will have absolute title to the property, including all interests in oil or gas in that property except the interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h, and interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291. The foreclosing governmental unit's title is not subject to any recorded or unrecorded lien and must not be stayed or held invalid except as provided in subsection (7) or (9).

(7) The foreclosing governmental unit or a person claiming to have a property interest under section 78i in property foreclosed under this section may appeal the circuit court's order or the circuit court's judgment foreclosing property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section is not de novo. The circuit court's judgment foreclosing property must be stayed until the court of appeals has reversed, modified, or affirmed that judgment. If an appeal under this subsection stays the circuit court's judgment foreclosing property, the circuit court's judgment is stayed only as to the property that is the subject of that appeal and the circuit court's judgment foreclosing other property that is not the subject of that appeal is not stayed. To appeal the circuit court's judgment foreclosing property, a person appealing the judgment shall pay to the county treasurer the amount determined to be due to the county treasurer under the judgment on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, together with a notice of appeal. If the circuit court's judgment foreclosing the property is affirmed on appeal, the amount determined

to be due must be refunded to the person who appealed the judgment. If the circuit court's judgment foreclosing the property is reversed or modified on appeal, the county treasurer shall refund the amount determined to be due to the person who appealed the judgment, if any, and retain the balance in accordance with the order of the court of appeals.

(8) The foreclosing governmental unit shall record a notice of judgment for each parcel of foreclosed property in the office of the register of deeds for the county in which the foreclosed property is located in a form prescribed by the department of treasury.

(9) After the entry of a judgment foreclosing the property under this section, if the property has not been transferred under section 78m to a person other than the foreclosing governmental unit, a foreclosing governmental unit may cancel the foreclosure by recording with the register of deeds for the county in which the property is located a certificate of error in a form prescribed by the department of treasury, if the foreclosing governmental unit discovers any of the following:

(a) The foreclosed property was not subject to taxation on the date of the assessment of the unpaid taxes for which the property was foreclosed.

(b) The description of the property used in the assessment of the unpaid taxes for which the property was foreclosed was so indefinite or erroneous that the forfeiture of the property was void.

(c) The taxes for which the property was foreclosed had been paid to the proper officer within the time provided under this act for the payment of the taxes or the redemption of the property.

(d) A certificate, including a certificate issued under section 135, or other written verification authorized by law was issued by the proper officer within the time provided under this act for the payment of the taxes for which the property was foreclosed or for the redemption of the property.

(e) An owner of an interest in the property entitled to notice under section 78i was not provided notice sufficient to satisfy the minimum requirements of due process required under the state constitution of 1963 and the Constitution of the United States.

(f) A judgment of foreclosure was entered under this section in violation of an order issued by a United States Bankruptcy Court.

(10) A certificate of error submitted to the county register of deeds for recording under subsection (9) need not be notarized and may be authenticated by a digital signature of the foreclosing governmental unit or by other electronic means.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 611, Imd. Eff. Jan. 3, 2007;—Am. 2016, Act 433, Eff. Mar. 29, 2017;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020

**Compiler's note:** Enacting sections 1 and 3 of Act 263 of 2003 provide:

"Enacting section 1. Section 78i(12) of the general property tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory act and section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by this amendatory act are curative and are intended to express the original intent of the legislature concerning the application of 1999 PA 123, section 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as amended by 2001 PA 101 and section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 1 of Act 611 of 2006 provides:

"Enacting section 1. Sections 78i and 78k of the general property tax act, 1893 PA 206, MCL 211.78i and 211.78k, as amended by this amendatory act apply only to property foreclosed by a judgment of foreclosure entered pursuant to section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, after the effective date of this amendatory act."

Enacting section 5 of Act 611 of 2006 provides:

"Enacting section 5. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

**Popular name:** Act 206

## **211.78/ Owner of extinguished recorded or unrecorded property interest; action for possession or recovery of property or interests; right to sue not transferable.**

Sec. 78l. (1) If a judgment for foreclosure is entered under section 78k and all existing recorded and unrecorded interests in a property are extinguished as provided in section 78k, the owner of any extinguished recorded or unrecorded interest in that property shall not bring an action, including an action for possession or recovery of the property or any interests in the property or of any proceeds from the sale or transfer of the property under this act, or other violation of this act or other law of this state, the state constitution of 1963, or the Constitution of the United States more than 2 years after the judgment of foreclosure of the property is effective under section 78k. Nothing in this section authorizes an action not otherwise authorized under the laws of this state. An action to recover any proceeds from the sale or transfer of property foreclosed for nonpayment of real property taxes under this act must be brought as provided under section 78t.

(2) The right to sue recognized by this section is not transferable except by testate or intestate succession.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2020, Act 256, Imd. Eff. Dec. 22, 2020.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in Rafaeli, LLC v Oakland County, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

**Popular name:** Act 206

**211.78m Granting state right of first refusal; election by state not to purchase property; purchase of property by city, city authority, village, township, county, or county authority; property sale at auction; notice of time and location; procedure; property not previously sold; disposition of sale proceeds; joint sale by 2 or more county treasurers; deed recording; cancellation of taxes and certain costs upon transfer or retention of property; foreclosed property defined as facility under MCL 324.20101; person convicted for executing false affidavit; definitions.**

Sec. 78m. (1) Not later than the first Tuesday in July immediately succeeding the entry of judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, this state may exercise the right of first refusal to purchase foreclosed property at the greater of the minimum bid or its fair market value by paying that amount to the foreclosing governmental unit if the foreclosing governmental unit is not this state. If this state elects not to purchase the property under its right of first refusal and 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), a city, village, township, or city authority may purchase foreclosed property located within that city, village, township, or area of the city authority included in the judgment and subject to sale under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If this state elects not to purchase the property under its right of first refusal and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), a city, village, township, or city authority may purchase the foreclosed property by paying the foreclosing governmental unit the minimum bid. If a city, village, township, or city authority does not purchase that property and 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county in which that property is located may purchase that property under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If a city, village, township, or city authority does not purchase that property and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county in which the property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If a city, village, township, city authority, or county does not purchase that property, 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), and the property is within the area of a county authority, the county authority may purchase the property under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If a city, village, township, city authority, or county does not purchase that property and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county authority in which the property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If property is purchased by a city, village, township, city authority, county, or county authority under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, city authority, county, or county authority within 30 days.

(2) Subject to subsection (1), beginning on the third Tuesday in July immediately succeeding the entry of the judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit and ending on the immediately succeeding first Tuesday in November, the foreclosing governmental unit, or its authorized agent, at the option of the foreclosing governmental unit, shall hold 1 or more property sales at 1 or more convenient locations at which property foreclosed by a judgment entered under section 78k will be sold by auction sale, which may include an auction sale conducted via an internet website. Notice of the time and location of a sale must be published not less than 30 days before a sale in a notice publication circulated in the county in which the property is located, if there is one. If no notice

publication is circulated in that county, publication must be made in a notice publication circulated in an adjoining county. Each sale must be completed before the first Tuesday in November immediately succeeding the entry of judgment under section 78k vesting absolute title to the tax delinquent property in the foreclosing governmental unit. Except as provided in this subsection and subsection (5), property must be sold to the person bidding the minimum bid, or if a bid is greater than the minimum bid, the highest amount above the minimum bid. The foreclosing governmental unit may sell properties individually or may offer 2 or more properties for sale as a group. The minimum bid for a group of properties must equal the sum of the minimum bid for each property included in the group. The foreclosing governmental unit may adopt procedures governing the conduct of the sale and the payment for conveyance of properties under this section and may cancel the sale before the issuance of a deed under this subsection if authorized under the procedures. The foreclosing governmental unit shall require full payment at the close of each day's bidding or by a date not more than 21 days after the sale. Before the foreclosing governmental unit conveys a property sold at a sale, the purchaser shall provide the foreclosing governmental unit with proof of payment to the local tax collecting unit in which the property is located of any property taxes owed on the property at the time of the sale. A foreclosing governmental unit shall cancel a sale if unpaid property taxes owed on a property or properties at the time of a sale are not paid within 21 days of the sale. If a sale is canceled under this subsection, the foreclosing governmental unit may offer the property to the next highest bidder and convey the property to that bidder under this subsection, subject to the requirements of this subsection for the highest bidder. Not more than 14 days after payment to the foreclosing governmental unit of all amounts required by the highest bidder or the next highest bidder under this subsection, the foreclosing governmental unit shall convey the property by deed to the person bidding the minimum bid, or if a bid is greater than the minimum bid, the highest amount above the minimum bid, or the next highest bidder if the sale to the highest bidder is canceled and the next highest bidder pays the amount required under this section to purchase the property. The deed must vest fee simple title to the property in the person bidding the highest amount above the minimum bid, unless the foreclosing governmental unit discovers a defect in the foreclosure of the property under sections 78 to 78l or the sale is canceled under this subsection or subsection (5). If this state is the foreclosing governmental unit within a county, the department of treasury is responsible for conducting the sale of property under this subsection and subsections (4) and (5) on behalf of this state. Before issuing a deed to a person purchasing property under this subsection or subsection (5), the foreclosing governmental unit shall require the person to execute and file with the foreclosing governmental unit an affidavit under penalty of perjury. If the person fails to execute and file the affidavit required by this subsection by the date payment for the property is required under this section, the foreclosing governmental unit shall cancel the sale. An affidavit under this section must indicate that the person meets all of the following conditions:

(a) The person does not directly or indirectly hold more than a minimal legal interest in any property with delinquent property taxes located in the same county as the property.

(b) The person is not directly or indirectly responsible for any unpaid civil fines for a violation of an ordinance authorized by section 4l of the home rule city act, 1909 PA 279, MCL 117.4l, in the local tax collection unit in which the property is located.

(3) For sales held under subsection (2), after the conclusion of that sale, and before any additional sale held under subsection (2), a city, village, township, or city authority may purchase any property not previously sold under subsection (1) or (2) by paying the foreclosing governmental unit the minimum bid. If a city, village, township, or city authority does not purchase that property, the county in which that property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If a city, village, township, city authority, or county does not purchase that property and the property is within the area of a county authority, the county authority may purchase the property under this section by paying the foreclosing governmental unit the minimum bid.

(4) If property is purchased by a city, village, township, city authority, county, or county authority under subsection (3), the foreclosing governmental unit shall convey the property to the purchasing city, village, township, city authority, county, or county authority within 30 days.

(5) All property subject to sale under subsection (2) must be offered for sale at 1 or more sales conducted as required by subsection (2). If the foreclosing governmental unit elects to hold more than 1 sale under subsection (2), the final sale held under subsection (2) must be held not less than 28 days after the immediately preceding sale under subsection (2). At the final sale held under subsection (2), the sale is subject to the requirements of subsection (2), except that the minimum bid is not required. However, the foreclosing governmental unit may establish a reasonable opening bid at the sale to recover the cost of the sale of the property or properties, and the foreclosing governmental unit shall require a person who held an interest in property sold under this subsection at the time a judgment of foreclosure was entered against the property under section 78k to pay the minimum bid for the property before issuing a deed to the person under



subsection (2). If the person fails to pay the minimum bid for the property and other amounts by the date required under this section, the foreclosing governmental unit shall cancel the sale of the property.

(6) On or before December 1 immediately succeeding the entry of judgment under section 78k, a list of all property not previously sold by the foreclosing governmental unit under this section must be transferred to the clerk of the city, village, or township in which the property is located. The city, village, or township may object in writing to the transfer of 1 or more properties. On or before December 30 immediately succeeding the entry of judgment under section 78k, all property not previously sold by the foreclosing governmental unit under this section must be transferred to the city, village, or township in which the property is located, except those properties to which the city, village, or township has objected. Property located in both a village and a township may be transferred under this subsection only to a village. The city, village, or township may make the property available under the urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for any other lawful purpose.

(7) If property not previously sold is not transferred to the city, village, or township in which the property is located under subsection (6), the foreclosing governmental unit shall retain possession of that property. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is this state, title to the property must vest in the land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is not this state, the foreclosing governmental unit may do any of the following:

(a) Transfer the property to a land bank fast track authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(b) Convey the property pursuant to section 78r.

(c) Offer the property for sale, including, but not limited to, a subsequent sale under this section.

(8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year \_\_\_\_". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. The foreclosing governmental unit shall use proceeds in that account only for the following purposes in the following order of priority:

(a) For each property that was sold or transferred for an amount equal to or greater than the minimum bid, the delinquent tax revolving fund created pursuant to section 87b or 87f by the county in which the property is located must be reimbursed for all taxes, interest, penalties, and fees on each property that was transferred or sold that year.

(b) For each property that was sold or transferred for an amount equal to or greater than the minimum bid, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of foreclosed property and the administration of this act, including costs for the defense of title actions and other legal expenses, must be paid up to the amount for which the property was sold on a property-by-property basis.

(c) Payments to claimants of remaining proceeds for the year ordered under section 78t and any other payments ordered under section 78t must be paid on a property-by-property basis.

(d) For each property that was sold or transferred for an amount less than the minimum bid or that was not sold or transferred, the delinquent tax revolving fund created pursuant to section 87b or 87f by the county in which the property is located must be reimbursed for all taxes, interest, penalties, and fees.

(e) For each property that was sold or transferred for an amount greater than the minimum bid, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act for the year but not paid under subdivision (b) must be paid.

(f) For each property that was sold or transferred for an amount less than the minimum bid or that was not sold or transferred, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act, including costs for the defense of title actions and other legal expenses, for the year must be paid.

(g) Any fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act, including costs for the defense of title actions and other legal expenses, for any prior year that have not been paid or reimbursed from a prior year's delinquent tax property sales proceeds must be paid.

(h) If the foreclosing governmental unit is this state, any remaining balance must be transferred to the land reutilization fund created under section 78n. If the foreclosing governmental unit for a county is this state, not later than September 30 of the second calendar year after foreclosure, the department of treasury shall, subject to subparagraph (xiii), submit an electronic report to the house and senate committees with jurisdiction over



taxation that includes, for each county, all of the information described in subparagraphs (i) to (xii), as follows:

(i) The total number of properties that were ordered foreclosed at the judicial hearing for that foreclosure and not redeemed.

(ii) The sum of the minimum bids for the properties described in subparagraph (i).

(iii) The total number of properties sold to a governmental entity under subsections (1) and (4).

(iv) The sum of the minimum bids for the properties described in subparagraph (iii).

(v) The total amount paid for the properties described in subparagraph (iii).

(vi) The total number of properties sold under subsections (2) and (5).

(vii) The sum of the minimum bids for the properties described in subparagraph (vi).

(viii) The total amount paid for the properties described in subparagraph (vi).

(ix) The total amount of all taxes, penalties, interest, fees, and costs owed on properties described in subsection (1).

(x) The total amount paid for all properties described in subparagraphs (iii) and (vi).

(xi) The total amount of remaining proceeds paid to persons holding a legal interest in the property described in subparagraphs (iii) and (vi).

(xii) The remaining net amount after subtracting the amount described in subparagraph (xi) from the difference of the amounts described in subparagraphs (x) and (xi).

(xiii) The reporting requirement provided for in this subdivision does not apply after December 31, 2025.

(i) If the foreclosing governmental unit is not this state, not later than September 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall, subject to subparagraph (xiii), submit a written report to its board of commissioners and the state treasurer identifying any remaining balance and any contingent costs of title, environmental remediation, or other legal claims relating to foreclosed property as determined by the foreclosing governmental unit. Any remaining balance must be used for costs incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property, the defense of title actions and other legal expenses, or the administration of this act, or for the payment of claims for remaining proceeds or other amounts ordered under section 78t. The report required under this subdivision must include, in a form determined by the department of treasury, all of the information described in subparagraphs (i) to (xii), as follows:

(i) The total number of properties that were ordered foreclosed at the judicial hearing for that foreclosure and not redeemed.

(ii) The sum of the minimum bids for the properties described in subparagraph (i).

(iii) The total number of properties sold to a governmental entity under subsections (1) and (4).

(iv) The sum of the minimum bids for the properties described in subparagraph (iii).

(v) The total amount paid for the properties described in subparagraph (iii).

(vi) The total number of properties sold under subsections (2) and (5).

(vii) The sum of the minimum bids for the properties described in subparagraph (vi).

(viii) The total amount paid for the properties described in subparagraph (vi).

(ix) The total amount of all taxes, penalties, interest, fees, and costs owed on properties described in subsection (1).

(x) The total amount paid for all properties described in subparagraphs (iii) and (vi).

(xi) The total amount of remaining proceeds paid to persons holding a legal interest in the property described in subparagraphs (iii) and (vi).

(xii) The remaining net amount after subtracting the amount described in subparagraph (xi) from the difference of the amounts described in subparagraphs (x) and (xi).

(xiii) The reporting requirement provided for in this subdivision does not apply after December 31, 2025.

(9) Two or more county treasurers of adjacent counties may elect to hold a joint sale of property as provided in this section. If 2 or more county treasurers elect to hold a joint sale, property may be sold under this section at a location outside of the county in which the property is located. The sale may be conducted by any county treasurer participating in the joint sale or by an authorized agent of each county treasurer participating in the sale. A joint sale held under this subsection may include or be an auction sale conducted via an internet website.

(10) The foreclosing governmental unit shall record a deed for any property transferred under this section with the county register of deeds. The foreclosing governmental unit may charge a fee in excess of the minimum bid and any sale proceeds for the cost of recording a deed under this subsection.

(11) For property transferred to this state, a city, a village, a township, a city authority, a county, or a county authority under subsection (1), a city, village, or township under subsection (6), or retained by a foreclosing governmental unit under subsection (7), all taxes due on the property as of the December 31

following the transfer or retention of the property are canceled effective on that December 31 and the property is exempt from the collection of taxes under this act while held by the city, village, township, city authority, county, county authority, or foreclosing governmental unit.

(12) For property sold, transferred, or retained under this section, all liens for costs of demolition, safety repairs, debris removal, or sewer or water charges due on the property as of the December 31 immediately succeeding the sale, transfer, or retention of the property are canceled effective on that December 31. This subsection does not apply to liens recorded by the department of environment, Great Lakes, and energy under this act or the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(13) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, before the sale or transfer of the property under this section, the property is subject to all of the following:

(a) Upon reasonable written notice from the department of environment, Great Lakes, and energy, the foreclosing governmental unit shall provide access to the department of environment, Great Lakes, and energy, its employees, contractors, and any other person expressly authorized by the department of environment, Great Lakes, and energy to conduct response activities at the foreclosed property. Reasonable written notice under this subdivision may include, but is not limited to, notice by electronic mail, if the foreclosing governmental unit consents to notice by electronic mail before the provision of notice by the department of environment, Great Lakes, and energy.

(b) If requested by the department of environment, Great Lakes, and energy to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall grant an easement for access to conduct response activities on the foreclosed property as authorized under chapter 7 of article II of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(c) If requested by the department of environment, Great Lakes, and energy to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall place and record deed restrictions on the foreclosed property as authorized under chapter 7 of article II of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(d) The department of environment, Great Lakes, and energy may place an environmental lien on the foreclosed property as authorized under section 20138 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20138.

(14) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, before the sale or transfer of the property under this section, the department of environment, Great Lakes, and energy shall request and the foreclosing governmental unit shall transfer the property to the state land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765, if all of the following apply:

(a) The department of environment, Great Lakes, and energy determines that conditions at a foreclosed property are an acute threat to the public health, safety, and welfare, to the environment, or to other property.

(b) The department of environment, Great Lakes, and energy proposes to undertake or is undertaking state-funded response activities at the property.

(c) The department of environment, Great Lakes, and energy determines that the sale, retention, or transfer of the property other than under this subsection would interfere with response activities by the department of environment, Great Lakes, and energy.

(15) A person convicted for executing a false affidavit under subsection (5) is prohibited from bidding for a property or purchasing a property at any sale under this section.

(16) As used in this section:

(a) "City authority" means a land bank fast track authority created under section 23(5) of the land bank fast track act, 2003 PA 258, MCL 124.773.

(b) "County authority" means a land bank fast track authority created under section 23(4) of the land bank fast track act, 2003 PA 258, MCL 124.773.

(c) "Minimum bid" is the minimum amount established by the foreclosing governmental unit for which property may be sold or transferred under subsections (1) to (3). The minimum bid must include all of the delinquent taxes, interest, penalties, and fees due on the property, and may include any additional expenses incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, maintenance, repair, or remediation of the property or the administration of this act for the property, including, but not limited to, foreclosure avoidance, mailing, publication, personal service, legal, personnel, outside contractor, and auction expenses.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 99, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 498, Imd. Eff. Dec. 29, 2006;—Am. 2014, Act 501, Imd. Eff. Jan. 14, 2015;—Am. 2020, Act 255, Eff. Jan. 1, 2021.

**Compiler's note:** Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

For transfer of certain powers and duties relating to collection of delinquent taxes and forfeiture, foreclosure, and disposition of tax-delinquent or tax-reverted property from department of natural resources to department of treasury by type II transfer, see E.R.O. No. 2004-1, compiled at MCL 211.281.

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Enacting section 3 of Act 255 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

**Popular name:** Act 206

### **211.78n Land reutilization fund.**

Sec. 78n. (1) The land reutilization fund is created within the department of treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund, including a transfer of funds from the delinquent property tax administration fund as provided in subsection (5). The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.

(4) Subject to subsection (6), the department of treasury may expend money from the fund for 1 or more of the following purposes:

(a) Contracts with title insurance companies under section 78i.

(b) Costs of determining addresses, service of notices, and recording fees incurred under section 78i.

(c) Defense of title actions as determined by the state treasurer.

(d) Other costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.

(5) The state treasurer may transfer to the fund any balance remaining in the delinquent property tax administration fund of this state created in section 59.

(6) For the fiscal year ending September 30, 2020 only, \$9,150,000.00 of the money in the fund is transferred to and must be deposited into the general fund.

(7) As used in this section, "fund" means the land reutilization fund created in this section.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2006, Act 626, Imd. Eff. Jan. 3, 2007;—Am. 2020, Act 168, Imd. Eff. Oct. 1, 2020.

**Popular name:** Act 206

### **211.78o Forms.**

Sec. 78o. (1) Not later than October 1, 2000, the state treasurer shall prescribe the form of all of the following to be used in the administration of the collection of taxes under sections 78 to 78n:

(a) The notice and the proof of service required under section 78i.

(b) The judgment of foreclosure required under section 78k.

(2) In prescribing the forms required under subsection (1), the state treasurer shall actively solicit recommendations from the county treasurers and other interested parties.

**History:** Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001.

**Popular name:** Act 206

### **211.78p Conveyance of property to Indian tribe; liability for delinquent taxes.**

Sec. 78p. (1) Any provision of this act to the contrary notwithstanding, if property for which taxes have been returned as delinquent under section 78a and on which delinquent taxes are due is sold, transferred, or otherwise conveyed to an Indian tribe recognized by the United States, an enrolled member of an Indian tribe recognized by the United States, a tribal corporation that is either incorporated under the tribe's own laws or under federal law, or an unincorporated tribal entity that is owned exclusively by the tribe, its members, or any combination of the tribe and its members and, as a result of that sale, transfer, or conveyance, the property is exempt under federal law from forfeiture, foreclosure, and sale under this act for those delinquent taxes, the

taxes that were returned as delinquent and that were due on that property at the time of that sale, transfer, or conveyance are a personal liability of the transferor to whom the delinquent taxes were originally billed.

(2) If taxes returned as delinquent are determined to be a personal liability of the transferor under subsection (1), the transferor is subject to the collection of those delinquent taxes as provided in section 47.

**History:** Add. 2012, Act 234, Imd Eff. June 29, 2012.

**Compiler's note:** Former MCL 211.78p, which pertained to adjustment of fees to parcels of land for which taxes are unpaid, was repealed by Act 263 of 2003, Imd. Eff. Jan. 5, 2004.

**Popular name:** Act 206

## **211.78q Delinquent property tax installment payment plan; tax foreclosure avoidance agreement.**

Sec. 78q. (1) Notwithstanding any provision of this act or charter to the contrary, a foreclosing governmental unit may create a delinquent property tax installment payment plan for eligible property, the title to which is held by a financially distressed person. A delinquent property tax installment payment plan created under this subsection may be combined with and made subject to a delinquent property tax payment reduction under section 78g(8)(c). Any payment under that delinquent property tax installment payment plan made during a calendar year in which an owner of property is subject to a payment reduction under section 78g(8) must be credited to the amount owed under section 78g(8) and the credit must not exceed the amount owed under section 78g(8).

(2) If a financially distressed person agrees to participate in a delinquent property tax installment payment plan created under subsection (1) and makes the initial payment required under that delinquent property tax installment payment plan, the foreclosing governmental unit may remove eligible property the title to which is held by that financially distressed person from the petition for foreclosure as provided in section 78h(3)(c).

(3) If a financially distressed person successfully completes a delinquent property tax installment payment plan created under subsection (1), interest under section 78g(3)(b) and any additional interest otherwise applicable must be waived.

(4) If a financially distressed person does not successfully complete a delinquent property tax installment payment plan created under subsection (1), both of the following apply:

(a) Interest under section 78g(3)(b) and any additional interest otherwise applicable apply to any unpaid taxes on the property.

(b) The eligible property must be included in the immediately succeeding petition for foreclosure under section 78h.

(5) Notwithstanding any provision of this act or charter to the contrary, until June 30, 2026, a county treasurer may enter into a tax foreclosure avoidance agreement for a term of up to 5 years with an owner of property returned as delinquent to the county treasurer under this act or forfeited to the county treasurer under section 78g if the property is classified as residential real property under section 34c, if the property is eligible property, and if the owner makes an initial payment of the delinquent taxes owed on the property in an amount determined by the county treasurer. A tax foreclosure avoidance agreement entered into under this subsection may be combined with and made subject to a delinquent property tax payment reduction under section 78g(8)(c). Any payment under that tax foreclosure avoidance agreement made during a calendar year in which an owner of property is subject to a payment reduction under section 78g(8) must be credited to the amount owed under section 78g(8) and the credit must not exceed the amount owed under section 78g(8). While a tax foreclosure avoidance agreement is effective, the property must be withheld or removed from the petition for foreclosure as provided under section 78h(3)(c), interest at the rate provided in section 78g(3)(c)(ii) applies, and the owner shall make timely payments as provided under the tax foreclosure avoidance agreement, including timely payment of all nondelinquent taxes on the property. A tax foreclosure avoidance agreement must require regular periodic installment payments. The final payment must not be disproportionately larger than a regular periodic installment payment and regular periodic installment payments in the final year must not be disproportionately larger than regular periodic installment payments in prior years. A county treasurer may refuse to enter into a tax foreclosure avoidance agreement with an owner under this subsection if that owner is not in compliance with another tax foreclosure avoidance agreement with the county treasurer or with a delinquent property tax installment plan with the county treasurer under this section. A county treasurer may not enter into more than 2 tax foreclosure avoidance agreements with an owner. If an owner fails to comply with a tax foreclosure avoidance agreement or if the tax foreclosure avoidance agreement is no longer effective, all of the following apply:

(a) Interest under section 78g(3)(b) and any additional interest otherwise applicable apply to any unpaid taxes on the property.

(b) The property must be included in the immediately succeeding petition for foreclosure under section

78h.

(c) The owner shall not bid on property subject to sale under section 78m, if that property was subject to the tax foreclosure avoidance agreement.

(6) A delinquent property tax installment payment plan or a tax foreclosure avoidance agreement may not be approved under this section if the delinquent property tax installment payment plan or tax foreclosure avoidance agreement would impermissibly impair an outstanding debt of the county.

(7) If a foreclosing governmental unit has created a delinquent property tax installment payment plan under this section, the department of treasury may audit the books and records of that foreclosing governmental unit concerning the details of that delinquent property tax installment payment plan.

(8) Property classified as industrial real property under section 34c that is occupied at less than 10% of its facility capacity for more than 3 years and that is located in a county with a population of more than 1,500,000 according to the most recent federal decennial census is not eligible to participate in a delinquent property tax installment payment plan and is subject to section 78m, including sale under section 78m(2) to the person bidding the highest amount above the minimum bid.

(9) If a delinquent property tax installment payment plan is in effect for property for which a county has issued notes under this act that are secured by the delinquent taxes and interest on that property, at any time 2 years after the date that those taxes were returned as delinquent, the county treasurer may charge back to any taxing unit the face amount of the delinquent taxes that were owed to that taxing unit on the date those taxes were returned as delinquent, less the amount of any principal installments received by the county treasurer on that property under the delinquent property tax installment payment plan. All subsequent payments of delinquent taxes and interest on that property must be retained by the county treasurer in a separate account and either paid to or credited to the account of that taxing unit.

(10) As used in this section:

(a) "Eligible property" means property that is a principal residence exempt from the tax levied by a local school district for school operating purposes under section 7cc.

(b) "Financially distressed person" means a person who meets all of the following conditions:

(i) Is eligible to have property to which he or she holds title withheld from a petition for foreclosure under section 78h(3)(b).

(ii) Is not delinquent in satisfying a delinquent property tax installment payment plan or tax foreclosure avoidance agreement under this section for any other property within the foreclosing governmental unit.

**History:** Add. 2014, Act 499, Imd. Eff. Jan. 14, 2015;—Am. 2016, Act 518, Eff. Mar. 29, 2017;—Am. 2019, Act 35, Imd. Eff. June 26, 2019;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020.

**Popular name:** Act 206

**211.78r Foreclosing governmental unit for county other than this state; acquisition of property owned by this state, federal government, or other governmental entity; methods; conveyance of real property owned by authority to foreclosing governmental unit; execution and recording of conveyance documents; sale of property; deposit of net proceeds; powers, duties, functions, or responsibilities of authority under land bank fast track act; "authority" defined.**

Sec. 78r. (1) A foreclosing governmental unit for a county other than this state may acquire property owned by this state, the federal government, or other governmental entity to facilitate the sale of tax reverted property under section 78m with the consent of this state, the federal government, or other governmental entity that owns the property. Methods of acquisition may include, but are not limited to, an exchange of property owned by the county for property of approximately equal value that is owned by this state, the federal government, or other governmental entity. For purposes of this subsection, "governmental entity" includes an authority.

(2) If the foreclosing governmental unit for a county is not this state, an authority may, with the consent of the foreclosing governmental unit, convey real property owned by the authority to the foreclosing governmental unit as provided in section 7 of the land bank fast track act, 2003 PA 258, MCL 124.757, including for no monetary consideration.

(3) The conveyance of property to a foreclosing governmental unit under subsection (1) or (2), costs incurred by the foreclosing governmental unit relating to that property, and a subsequent sale or transfer of that property by the foreclosing governmental unit shall be deemed to represent a fair exchange of value for value.

(4) A party to a conveyance under subsection (1) or (2) shall execute and record all documents necessary to effectuate the conveyance, including, but not limited to, a quitclaim deed or affidavit of jurisdictional transfer



with the register of deeds in the county in which the property is located.

(5) Property acquired by a foreclosing governmental unit under subsection (1) or (2) shall be offered for sale by the foreclosing governmental unit at a property sale under section 78m(2) and may be offered for sale as a group with 1 or more other parcels under section 78m(2). Property acquired by a foreclosing governmental unit under subsection (1) or (2) may not be conveyed or transferred to a city, village, township, or county under section 78m(1) or (3). Any net proceeds from the sale of property acquired by a foreclosing governmental unit under subsection (1) or (2) shall be deposited into the account designated under section 78m(8) as the delinquent tax property sales proceeds for the year in which the property is sold by the foreclosing governmental unit.

(6) This section does not alter the powers, duties, functions, or responsibilities of an authority under the land bank fast track act, 2003 PA 258, MCL 124.751 TO 124.774.

(7) As used in this section, "authority" means a land bank fast track authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

**History:** Add. 2014, Act 502, Imd. Eff. Jan. 14, 2015.

**Popular name:** Act 206

### **211.78s Applicability of MCL 211.78a to 211.78r; notice in separate insert; definitions.**

Sec. 78s. (1) For insertion of a notice in a notice publication under sections 78a to 78r, this section and sections 78a to 78r apply, notwithstanding any other law to the contrary.

(2) A requirement for insertion of a notice publication under sections 78a to 78r is satisfied by including the notice in a separate insert within the notice publication. A foreclosing governmental unit may exercise its discretion in selecting the notice publication in which the notice shall be inserted based on the notice publication's cost and circulation.

(3) As used in this section and sections 78a to 78r:

(a) "Internet" means that term as defined in 47 USC 230.

(b) "Notice publication" includes a newspaper, as that term is defined under section 1 of 1963 PA 247, MCL 691.1051, a legal newspaper, or other print publication for the dissemination of news, editorial content, and other information of a public character or nature, including, but not limited to, a print publication to which all of the following apply:

(i) The print publication is published and distributed in not less than weekly intervals.

(ii) Not less than 50% of the words in the print publication are in the English language.

(iii) The print publication has a bona fide list of subscribers in 1 or more counties in this state or is available to the public at newsstands or other retail locations in 1 or more counties in this state, or both.

(iv) The print publication accepts and publishes official and other notices.

(v) The print publication annually averages not less than 25% news and editorial content per issue. As used in this subparagraph, "news and editorial content" means any printed matter other than advertising.

(vi) The print publication has been published or distributed for not less than 1 year.

(c) "Website" means a collection of pages of the Internet, usually in HTML format, with clickable or hypertext links to enable navigation from 1 page or section to another, that often uses associated graphics files to provide illustration and may contain other clickable or hypertext links.

**History:** Add. 2015, Act 190, Eff. Feb. 14, 2016.

**Popular name:** Act 206

### **211.78t Notice of intent to claim interest; form and contents; procedures; hearing; definitions.**

Sec. 78t. (1) A claimant may submit a notice of intention to claim an interest in any applicable remaining proceeds from the transfer or sale of foreclosed property under section 78m, subject to the following:

(a) For foreclosed property transferred or sold under section 78m after July 17, 2020, the notice of intention must be submitted pursuant to subsection (2).

(b) For foreclosed property transferred or sold under section 78m before July 18, 2020, both of the following:

(i) A claim may be made only if the Michigan supreme court orders that its decision in *Rafaelli, LLC v Oakland County*, docket no. 156849, applies retroactively.

(ii) Subject to subparagraph (i), the notice of intention must be submitted pursuant to subsection (6).

(2) For foreclosed property transferred or sold under section 78m after July 17, 2020, by the July 1 immediately following the effective date of the foreclosure of the property, a claimant seeking remaining proceeds for the property must notify the foreclosing governmental unit using a form prescribed by the department of treasury. The department of treasury shall make the form available to the public on an internet

website maintained by the department of treasury. A foreclosing governmental unit shall make the form available to the public on an internet website maintained by the foreclosing governmental unit if the foreclosing governmental unit maintains an internet website. Notice to a foreclosing governmental unit under this subsection must be by personal service acknowledged by the foreclosing governmental unit or by certified mail, return receipt requested. The notice must be notarized and include all of the following:

- (a) The name of the claimant.
- (b) The telephone number of the claimant.
- (c) The address at which the claimant wants to receive service.
- (d) The parcel identification number of the property, and, if available, the address of the property.
- (e) An explanation of the claimant's interest in the property.
- (f) A description of any other interest in the property immediately before the foreclosure under section 78k held by other persons and known by the claimant, including a lien or a mortgage.

(g) A sworn statement or affirmation by the claimant that the information included in the notice is accurate.

(3) Not later than the January 31 immediately succeeding the sale or transfer of the property under section 78m, the foreclosing governmental unit shall send by certified mail, return receipt requested, a notice in a form prescribed by the department of treasury to each claimant that notified the foreclosing governmental unit pursuant to subsection (2). The notice must include the following information:

- (a) The parcel identification number of the property.
- (b) The legal description of the property.
- (c) The address for the property if an address is available for the property.
- (d) The date on which the property was sold or transferred under section 78m or, if the property was not sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.
- (e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.

(f) The amount for which the property was sold or transferred under section 78m.

(g) The amount of the sale cost recovery for the property, which must be equal to 5% of the amount under subdivision (f).

(h) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the records of the foreclosing governmental unit.

(i) The total amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred by the foreclosing governmental unit in foreclosing and selling the property under section 78m exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.

(j) The name and address provided by each claimant for the property pursuant to subsection (2).

(k) A statement that a claimant must file pursuant to subsection (4) a motion with the circuit court in the same proceeding in which the judgment of foreclosure of the property was effective under section 78k to claim any remaining proceeds payable to the claimant. The statement must include the case number assigned to the proceeding, the name of the judge assigned to the proceeding, and contact information for the clerk of the circuit court.

(4) For a claimant seeking remaining proceeds from the transfer or sale of a foreclosed property transferred or sold under section 78m after July 17, 2020, after receipt of a notice under subsection (3), the claimant may file a motion with the circuit court in the same proceeding in which the judgment of foreclosure of the property was effective under section 78k to claim any portion of the remaining proceeds that the claimant is entitled to under this section. A motion under this subsection must be filed during the period beginning on February 1 immediately succeeding the date on which the property was sold or transferred under section 78m and ending on the immediately succeeding May 15, and may not be filed after that May 15 if notice was provided under section 78i of the show cause hearing under section 78j and the foreclosure hearing under section 78k before the show cause hearing and the foreclosure hearing, notwithstanding section 78l. The motion must indicate both of the following:

(a) Whether the claimant or an entity in which the claimant held a direct or indirect interest purchased the property under section 78m.

(b) Whether the claimant does or does not hold a direct or indirect interest in the property at the time the motion is filed.

(5) At the end of the claim period described in subsection (4), the foreclosing governmental unit shall file with the circuit court proof of service of the notice required under subsection (3) and, for each property for which a claimant provided notice under subsection (2), a list of all of the following information:

- (a) The parcel identification number of the property.

- (b) The legal description of the property.
  - (c) The address for the property if an address is available for the property.
  - (d) The date on which the property was sold or transferred under section 78m or, if the property was not sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.
  - (e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.
  - (f) The amount for which the property was sold or transferred under section 78m.
  - (g) The amount of the sale commission for the property, which must be equal to 5% of the amount under subdivision (f).
  - (h) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the records of the county treasurer.
  - (i) The amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred in foreclosing and selling the property exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.
  - (j) The name and address provided by each claimant for the property pursuant to subsection (2).
- (6) For a claimant seeking remaining proceeds from the transfer or sale of a foreclosed property transferred or sold under section 78m pursuant to this subsection, the claimant must notify the foreclosing governmental unit using the form prescribed by the department of treasury under subsection (2) in the manner prescribed under subsection (2) by the March 31 at least 180 days after any qualified order. By the following July 1, the foreclosing governmental unit shall provide each claimant seeking remaining proceeds for the property and notifying the foreclosing governmental unit under this subsection with a notice relating to the foreclosed property in the form and manner provided under subsection (3). To claim any applicable remaining proceeds to which the claimant is entitled, the claimant must file a motion with the circuit court in the same proceeding in which a judgement of foreclosure was effective under section 78k by the following October 1. The motion must be certified and include all of the following:
- (a) The name of the claimant filing the motion.
  - (b) The telephone number of the claimant.
  - (c) The address at which the claimant wants to receive service.
  - (d) The parcel identification number of the property, and, if available, the address of the property.
  - (e) An explanation of the claimant's interest in the property.
  - (f) A description of any other interest in the property, including a lien or a mortgage, immediately before the foreclosure under section 78k held by any other person or entity and known by the claimant.
  - (g) A statement indicating that the claimant or an entity in which the claimant held a direct or indirect interest did or did not purchase the property under section 78m.
  - (h) A statement indicating that the claimant does or does not hold a direct or indirect interest in the property at the time the motion is filed.
  - (i) A sworn statement or affirmation by the claimant that the information included in the motion is accurate.
- (7) At the end of the claim period described in subsection (4) or after receipt of a motion under subsection (6), the foreclosing governmental unit shall file with the circuit court proof of service of the notice required under subsection (3) and, for each property for which a claimant provided notice under subsection (2) or filed a motion under subsection (6), a list of all of the following information:
- (a) The parcel identification number of the property.
  - (b) The legal description of the property.
  - (c) The address for the property if an address is available for the property.
  - (d) The date on which the property was sold or transferred under section 78m or, if the property was not sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.
  - (e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.
  - (f) The amount for which the property was sold or transferred under section 78m.
  - (g) The amount of the sale commission for the property, which must be equal to 5% of the amount under subsection (f).
  - (h) The amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred in foreclosing and selling the property exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.
  - (i) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the

records of the county treasurer.

(j) The name and address provided by each claimant for the property pursuant to subsection (2) or (6).

(8) A motion by a claimant under this section must provide the specific basis for the claimant's asserted interest in some or all of the remaining proceeds, including the claimant's interest in the property immediately before its foreclosure under section 78k and documentation evidencing that interest. The claimant also shall affirm that the claimant did not transfer and was not otherwise divested of the claimant's interest in the property before the judgment of foreclosure was effective under section 78k. If a claimant had a lien or other security interest in the property at the time the judgment of foreclosure was effective under section 78k, the claimant shall indicate the amount owed to the claimant pursuant to the lien or security interest and the priority of the claimant's lien or security interest. The motion must be verified and include a sworn statement or affirmation by the claimant of its accuracy. A claimant filing a motion under this section must serve a copy of the motion on the foreclosing governmental unit.

(9) After the foreclosing governmental unit responds to a claimant's motion under this section, the court shall set a hearing date and time for each property for which 1 or more claimants filed a motion under this section and notify each claimant and the foreclosing governmental unit of the hearing date at least 21 days before the hearing date. At the hearing, the court shall determine the relative priority and value of the interest of each claimant in the foreclosed property immediately before the foreclosure was effective. The foreclosing governmental unit may appear at the hearing. The burden of proof of a claimant's interest in any remaining proceeds for a claimant is on the claimant. The court shall require payment to the foreclosing governmental unit of a sale commission equal to 5% of the amount for which the property was sold by the foreclosing governmental unit. The court shall allocate any remaining proceeds based upon its determination and order that the foreclosing governmental unit pay applicable remaining proceeds to 1 or more claimants consistent with its determination under this subsection. An order for the payment of remaining proceeds must not unjustly enrich a claimant at the expense of the public. If a claimant indicated in the motion that the claimant or an entity in which the claimant held a direct or indirect interest purchased the property under section 78m or if the claimant indicated in the motion that the claimant held a direct or indirect interest in the property at the time the motion was filed, the order must require remaining proceeds to be applied to any unpaid obligations payable to a tenant at the time the foreclosure was effective or any unpaid civil fines relating to the property owed at the time the foreclosure was effective for violation of an ordinance authorized by section 4l of the home rule city act, 1909 PA 279, MCL 117.4l, in the local tax collecting unit in which the property is located. The order must provide for the payment of any unpaid amounts not otherwise payable to another claimant owed by a claimant to satisfy a state, federal, or local tax collecting unit tax lien on the property immediately preceding the effective date of the foreclosure under section 78k if the lien had priority over the claimant's interest in the property. The order also must provide that any further claim by a claimant under this act relating to the foreclosed property is barred.

(10) The foreclosing governmental unit shall pay the amounts ordered by the court to the claimants and any other persons ordered by the court under subsection (9) within 21 days of the order pursuant to section 78m.

(11) This section is the exclusive mechanism for a claimant to claim and receive any applicable remaining proceeds under the laws of this state. A right to claim remaining proceeds under this section is not transferable except by testate or intestate succession.

(12) As used in this section:

(a) "Claimant" means a person with a legal interest in property immediately before the effectiveness of a judgment of foreclosure of the property under section 78k who seeks pursuant to this section recognition of its interest in any remaining proceeds associated with the property.

(b) "Remaining proceeds" means the amount equal to the difference between the amount paid to the foreclosing governmental unit for a property due to the sale or transfer of the property under section 78m and the sum of all of the following:

(i) The minimum bid under section 78m.

(ii) All other fees and expenses incurred by the foreclosing governmental unit pursuant to section 78m in connection with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of the property not included in the minimum bid.

(iii) A sale commission payable to the foreclosing governmental unit equal to 5% of the amount paid to the foreclosing governmental unit for the property.

**History:** Add. 2020, Act 256, Imd. Eff. Dec. 22, 2020.

**Compiler's note:** Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real  
Rendered Monday, July 7, 2025

property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

**Popular name:** Act 206

### **211.79 Certified abandoned property; definition.**

Sec. 79. (1) For taxes levied after December 31, 1998, certified abandoned property is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in this section and sections 78, 78a, and 78g to 78p.

(2) As used in this act, "certified abandoned property" means property that has been returned as delinquent to the county treasurer on March 1 of each tax year and is certified as certified abandoned property under the certification of abandoned property for accelerated forfeiture act.

**History:** Add. 1999, Act 133, Imd. Eff. July 23, 1999.

**Popular name:** Act 206

### **211.79a Abandoned property; action to quiet title.**

Sec. 79a. (1) A person who holds a tax deed issued on abandoned property may quiet title to that abandoned property in the circuit court of the county in which the abandoned property is located by doing all of the following:

(a) The tax deed holder or his or her authorized agent conducts a title search on the abandoned property.

(b) After conducting the title search as provided in subdivision (a), the tax deed holder or his or her authorized agent sends notice by certified mail, return receipt requested, to the owner and to all persons with a legal interest in each parcel of abandoned property subject to accelerated foreclosure under this section, as determined by the records in the office of the register of deeds and in records maintained by the county treasurer and the state treasurer. If, for any reason, the notice cannot be delivered to the last recorded address of the owner or persons with a legal interest in the abandoned property, notice shall be made by publication. The notice shall be published for 4 successive weeks, once each week, in a newspaper published and circulated in the county in which the parcel is located, if there is one. If no newspaper is published in the county where the parcel is located, publication shall be made in a newspaper published and circulated in an adjoining county. Publication under this subdivision is subject to the requirements set forth in section 65.

(c) At the request of the tax deed holder, the building inspector of the municipality in which the property is located inspects the property and executes an affidavit attesting that the abandoned property is vacant, dilapidated, or open to entrance or trespass. The cost of the inspection shall be paid by the tax deed holder and shall be included in the amount necessary to redeem the property.

(d) The tax deed holder or his or her authorized agent posts a notice on the abandoned property not less than 90 days before a foreclosure action is brought under this subsection.

(e) The notice required under this subsection shall include, but is not limited to, all of the following:

(i) The legal description, parcel number, and, if known, the street address of the abandoned property.

(ii) A statement of the total amount that must be paid to the county treasurer to redeem the abandoned property within 90 days of receipt of the notice, including fees to cover the cost of a title search, publication, and inspection by the municipal building inspector.

(iii) A statement of the person's rights of redemption and notice that the rights of redemption will expire 90 days after the person has received notice by mail or publication.

(iv) A statement that unless the taxes, interest, penalties, and fees are paid before the 90-day redemption period expires and a judgment of foreclosure is entered, title to the abandoned property shall vest absolutely in the petitioning tax deed holder.

(f) If the abandoned property is not redeemed by the owner or a person with a legal interest in the abandoned property by payment to the county treasurer within 90 days of service of the notice, the tax deed holder may bring an action in the circuit court of the county in which the abandoned property is located and petition the court to issue a judgment to quiet title in favor of the tax deed holder. The tax deed holder shall provide all of the following to the circuit court:

(i) An affidavit from the building inspector of the municipality as provided in subdivision (c).

(ii) A title search on the abandoned property that identifies all owners and persons with a legal interest in the abandoned property as determined by the records maintained in the office of the register of deeds, the county treasurer, and the state treasurer.

(iii) Proofs of service required under this section. If a tax deed holder fails to serve notice on 1 or more persons with a legal interest in the abandoned property as required under this section, service on any other person is not invalidated and the redemption period for any other person is not stayed or extended.



(iv) An affidavit from the county treasurer certifying to the lack of payment within the 90-day redemption period.

(2) If the circuit court enters a judgment in favor of the petitioning tax deed holder, the circuit court shall foreclose the abandoned property as requested in the petition for foreclosure. The circuit court's judgment shall specify all of the following:

(a) The legal description and, if known, the street address and parcel number of the abandoned property foreclosed.

(b) That fee simple title to the abandoned property foreclosed by the judgment is vested absolutely in the petitioning tax deed holder without any further rights of redemption.

(c) That, as of the date of the judgment, all delinquent property taxes, demolition liens, and all other municipal liens of any kind, except future installments of special assessments, are extinguished.

(d) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way.

(e) That the petitioning tax deed holder has good and marketable fee simple title to the property.

(3) If a judgment for foreclosure is entered under subsection (2) and all existing recorded and unrecorded interests in a parcel of property are extinguished as provided in the judgment, the owners of any extinguished recorded or unrecorded interest in that property shall not bring an action for possession of the property against any subsequent owner, but may only bring an action to recover monetary damages. An action to recover monetary damages under this subsection shall not be brought more than 2 years after a judgment for foreclosure is entered under subsection (2). Monetary damages shall be determined as of the date a judgment for foreclosure is entered under subsection (2).

(4) For purposes of this section, property shall be considered abandoned if all of the following requirements are satisfied:

(a) Within 30 days before the commencement of foreclosure proceedings under this section, the tax deed holder mails by certified mail, return receipt requested, to the last known address of the owner and all persons with a legal interest in the abandoned property a notice that the property is abandoned and that the tax deed holder intends to foreclose it.

(b) Before commencement of foreclosure proceedings under this section, the tax deed holder executes and records an affidavit in the office of the register of deeds in the county in which the abandoned property is located that states all of the following:

(i) That the tax deed holder has mailed to the last known address of the owner and all persons with a legal interest in the abandoned property a notice of abandonment and intention to foreclose pursuant to subdivision (a) and that the owner or any person with a legal interest in the abandoned property has not responded to the notice.

(ii) That the tax deed holder or his or her authorized agent has made a personal inspection of the abandoned property and that the inspection did not reveal that the owner or any person with a legal interest in the abandoned property is presently occupying or intends to occupy the abandoned property.

(c) The tax deed holder mails by certified mail, return receipt requested, a copy of the affidavit recorded under subdivision (b) to the owner or any person with a legal interest in the abandoned property at his or her last known address before commencing foreclosure proceedings under this section.

(d) The owner or any person with a legal interest in the abandoned property, before the judgment of foreclosure is entered, does not give a written affidavit to the tax deed holder and record a duplicate original in the office of the register of deeds of the county in which the abandoned property is located stating that the owner or person with a legal interest in the abandoned property is occupying or intends to occupy the abandoned property.

**History:** Add. 1999, Act 133, Imd. Eff. July 23, 1999.

**Popular name:** Act 206