



# HOUSE BILL No. 5371

November 7, 1995, Introduced by Rep. Bullard and referred to the Committee on Tax Policy.

A bill to amend section 131e of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

as amended by Act No. 291 of the Public Acts of 1993, being section 211.131e of the Michigan Compiled Laws; and to add section 44c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 131e of Act No. 206 of the Public Acts  
2 of 1893, as amended by Act No. 291 of the Public Acts of 1993,  
3 being section 211.131e of the Michigan Compiled Laws, is amended  
4 and section 44c is added to read as follows:

5 SEC. 44C. AN AD VALOREM SPECIAL ASSESSMENT LEVIED ON PROP-  
6 ERTY AFTER JULY 1995 SHALL BE LEVIED ON THE PROPERTY'S TAXABLE  
7 VALUE AS DETERMINED UNDER SECTION 27A.

1       Sec. 131e. (1) The redemption period on ~~those lands~~  
2 PROPERTY deeded to the state ~~pursuant to~~ UNDER section 67a that  
3 ~~have~~ HAS a ~~state equalized valuation~~ TAXABLE VALUE of  
4 \$1,000.00 or more shall be extended until THE owners of a signif-  
5 icant property interest in the ~~lands~~ PROPERTY have been noti-  
6 fied of a hearing before the department of treasury. Proof of  
7 ~~notice to those persons and~~ THE notice of the hearing shall be  
8 recorded with the register of deeds in the county in which the  
9 property is located.

10       (2) The hearing shall be held to allow ~~these~~ THE owners to  
11 show cause ~~as to~~ why the tax sale and the deed to the state  
12 should be canceled for any ~~of the reasons~~ REASON specified in  
13 section 98. The hearing shall be held after the expiration of  
14 the redemption periods provided ~~by~~ IN section 131c.

15       (3) ~~Following~~ AFTER expiration of the redemption periods  
16 provided ~~by~~ IN section 131c, property may be redeemed ~~up to~~  
17 WITHIN 30 days ~~following~~ AFTER the ~~date of~~ hearing provided  
18 ~~by this section~~ IN SUBSECTION (2) by ~~the~~ payment of the  
19 amounts ~~provided for~~ SET FORTH in subsection (4) and in section  
20 131c(1), plus an additional penalty of 50% of the tax ~~upon~~ ON  
21 which foreclosure was made. ~~This~~ THE additional penalty shall  
22 be credited to the delinquent property tax administration fund.  
23 A redemption under this section shall reinstate title as provided  
24 in section 131c(4).

25       (4) If property redeemed ~~pursuant to~~ UNDER this section  
26 has been exempt from taxes levied in any year ~~following~~ AFTER  
27 the year ~~in which~~ OF foreclosure ~~was made due to the issuance~~

1 ~~of~~ BECAUSE a deed TO THAT PROPERTY WAS ISSUED to the state, an  
2 amount equal to the sum of the following amounts shall be paid,  
3 as required by subsection (3), before redemption of the  
4 property:

5       (a) ~~An~~ FOR TAXES LEVIED BEFORE 1995 AND SPECIAL ASSESS-  
6 MENTS LEVIED BEFORE AUGUST 1995, AN amount computed by applying  
7 the special assessment and ad valorem property tax rates levied  
8 by taxing units in which the property is located in the years the  
9 property was exempt against the most recently established state  
10 equalized valuation of the property. FOR TAXES LEVIED AFTER 1994  
11 AND SPECIAL ASSESSMENTS LEVIED AFTER JULY 1995, AN AMOUNT COM-  
12 PUTED BY APPLYING THE AD VALOREM PROPERTY TAX RATES LEVIED BY  
13 TAXING UNITS IN WHICH THE PROPERTY IS LOCATED IN THE YEARS THE  
14 PROPERTY WAS EXEMPT AGAINST THE MOST RECENTLY ESTABLISHED TAXABLE  
15 VALUE OF THE PROPERTY. For purposes of this subsection, special  
16 assessments ~~does~~ DO not include special assessments or special  
17 assessment installments deferred ~~pursuant to~~ UNDER  
18 section 67a.

19       (b) Interest on the delinquent taxes or special assessments  
20 to be computed from the date title vested in the state to the  
21 date of the application to redeem ~~pursuant to~~ UNDER this  
22 section.

23       (c) Interest and penalties on taxes and special assessments  
24 identified by subdivision (a) that would have been imposed by law  
25 or charter and would have accrued if the property had not been  
26 exempt, ~~as of~~ COMPUTED FROM THE DATE TITLE VESTED IN THE STATE

1 TO the date of the application to redeem ~~pursuant to~~ UNDER this  
2 section.

3 (5) The department shall give preference to notification and  
4 scheduling of hearings for property identified as certified spe-  
5 cial residential property under section 55a.