

TAX REVERSION ADMENDMENTS

House Bill 4712

Sponsor: Rep. Julie Dennis

House Bill 4713

Sponsor: Rep. Alan Sanborn

House Bill 4715

Sponsor: Rep. Bill McConico

House Bill 4717

Sponsor: Rep. Judson Gilbert II

**Committee: Local Government and
Urban Policy**

Complete to 5-4-01

A SUMMARY OF HOUSE BILLS 4712, 4713, 4715, AND 4717 AS INTRODUCED 5-3-01

Public Act 123 of 1999 amended the General Property Tax Act to provide that property that is delinquent for taxes levied after December 31, 1998 is subject to forfeiture, foreclosure, and sale over a three-year period. Under the law, the "old tax reversion process" takes up to six years and is being phased out as the "new tax reversion process," (i.e., the provisions of Public Act 123), takes full effect. The old tax reversion process will fully expire on December 31, 2003. House Bills 4712, 4713, 4715, and 4717 would both expedite the transition to the new tax reversion process and make several technical amendments to the act.

House Bill 4713 would amend section 59 of the General Property Tax Act to ensure its consistency with the new process of forfeiture, foreclosure, and sale of tax delinquent property as established by sections 78 to 79a. Currently, section 59 allows a person, under certain conditions, to redeem tax delinquent property after the redemption period has expired under section 78g. House Bill 4713 would clarify that the redemption period expires when the tax delinquent property is sold at a tax sale or bid off to the state, if it is subject to the old tax reversion process. The redemption period would expire 21 days after a judgment of foreclosure has been entered by the circuit court if it is subject to the new tax reversion process.

House Bill 4717 would amend section 60 of the General Property Tax Act to expedite the transition from the old tax reversion process to the new process. Currently the law requires county treasurers to hold tax sales each May, except for May 2000 and May 2001, for taxes levied before January 1, 1999. (Effectively, this means that county treasurers must hold tax sales during May 2002 and May 2003.) At the tax sale, property that is delinquent for taxes assessed in the third year preceding the sale or in a prior year is to be offered for sale. The bill would prohibit counties from holding tax sales after May 1, 2001. It would also apply the new tax reversion process to any property that has been returned for delinquent taxes and that was not offered at a tax sale on or before May 1, 2001. Any tax delinquent property that was not sold on

House Bill 4712, 4713, 4714, 4715 and 4717 (5-4-01)

or before May 1, 2001 would be subject to forfeiture, foreclosure, and sale as provided in the new tax reversion process.

House Bill 4715, in conjunction with House Bill 4717, would subject to the new tax reversion process any property that is delinquent for taxes levied before January 1, 1999 and that was not sold on or before May 1, 2001.

House Bill 4712 would amend section 124 of the General Property Tax Act to transfer from the auditor general to the Department of Treasury all duties in relation to taxes levied, assessed, collected, returned as delinquent, and sold or to be sold as required under the old tax reversion process. Thus, the section would only apply to property that is delinquent for taxes levied before January 1, 1999 and that is offered for sale at a May tax sale as established by section 60. The bill would provide for the repeal of section 124 effective December 31, 2003. House Bill 4712 would also repeal sections 88, 95, 104, 106, 115, 130, 139, and 140 of the act effective December 31, 2003. These sections concern the old tax reversion process.

MCL 211.59 et al.

House Bill 4712, 4713, 4714, 4715 and 4717 (5-4-01)

Analyst: J. Caver

■This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.