

HB 4718, As Passed Senate, July 11, 2001

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4718**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78i (MCL 211.78i), as added by 1999 PA 123.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78i. (1) Not later than May 1 immediately succeeding
2 the forfeiture of property to the county treasurer under section
3 78g, the foreclosing governmental unit shall ~~conduct~~ INITIATE a
4 title search to identify the owners of a property interest in the
5 property who are entitled to notice under this section of the
6 show cause hearing under section 78j and the foreclosure hearing
7 under section 78k. The foreclosing governmental unit may enter
8 into a contract with 1 or more ~~title insurance companies or~~
9 ~~agents licensed to conduct business in this state~~ AUTHORIZED
10 REPRESENTATIVES to perform the title search required under this

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1 subsection and to perform the other functions set forth in this
2 section.

3 (2) The foreclosing governmental unit or its authorized rep-
4 resentative shall determine the address reasonably calculated to
5 apprise those owners of a property interest of the pendency of
6 the show cause hearing under section 78j and the foreclosure
7 hearing under section 78k and shall send notice of the show cause
8 hearing under section 78j and the foreclosure hearing under
9 section 78k to those owners, to a person entitled to notice of
10 the return of delinquent taxes under section 78a(4), and to a
11 person to whom a tax deed for property returned for delinquent
12 taxes was issued pursuant to section 72 as determined by the
13 records of the state treasurer, by certified mail, return receipt
14 requested, not less than 30 days before the show cause hearing.
15 The failure of the foreclosing governmental unit to comply with
16 any provision of this section shall not invalidate any proceeding
17 under this act if the owner of a property interest or a person to
18 whom a tax deed was issued is accorded the minimum due process
19 required under the state constitution of 1963 and the constitu-
20 tion of the United States.

21 (3) The foreclosing governmental unit or its authorized rep-
22 resentative shall make a personal visit to each parcel of prop-
23 erty forfeited to the county treasurer under section 78g to
24 ascertain whether or not the property is occupied. If the prop-
25 erty appears to be occupied, the foreclosing governmental unit or
26 its authorized representative shall do all of the following:

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

4 (b) If a person occupying the property is personally served,
5 orally inform the occupant that the property will be foreclosed
6 and the occupants will be required to vacate unless all forfeited
7 unpaid delinquent taxes, interest, penalties, and fees are paid,
8 of the time within which all forfeited unpaid delinquent taxes,
9 interest, penalties, and fees must be paid, and of agencies or
10 other resources that may be available to assist the owner to
11 avoid loss of the property.

12 (c) If the occupant appears to lack the ability to under-
13 stand the advice given, notify the family independence agency or
14 provide the occupant with the names and telephone number of the
15 agencies that may be able to assist the occupant.

16 (d) If the foreclosing governmental unit or its authorized
17 representative is not able to personally meet with the occupant,
18 the foreclosing governmental unit or its authorized representa-
19 tive shall place the notice in a conspicuous manner on the prop-
20 erty and shall also place in a conspicuous manner on the property
21 a notice that explains, in plain English, that the property will
22 be foreclosed unless forfeited unpaid delinquent taxes,
23 ~~penalties,~~ interest, PENALTIES, and fees are paid, the time
24 within which forfeited unpaid delinquent taxes, interest, penal-
25 ties, and fees must be paid, and the names, addresses, and tele-
26 phone numbers of agencies or other resources that may be
27 available to assist the occupant to avoid loss of the property.

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1 If this state is the foreclosing governmental unit within a
2 county, the department of natural resources shall perform the
3 personal visit to each parcel of property under this subsection
4 on behalf of this state.

5 ~~(4) The foreclosing governmental unit or its authorized~~
6 ~~representative shall record the proof of service of the notice of~~
7 ~~the show cause hearing under section 78j, the foreclosure hearing~~
8 ~~under section 78k, and the personal visit to the property~~
9 ~~required under this section with the register of deeds in the~~
10 ~~county in which the property is located.~~

11 (4) ~~(5) If the foreclosing governmental unit entered into a~~
12 ~~contract with a title insurance company or agent licensed to do~~
13 ~~business in this state under subsection (1), the foreclosing gov=~~
14 ~~ernmental unit shall provide the proof of service recorded under~~
15 ~~subsection (4) to the title insurance company or agent. Within~~
16 ~~10 days after receipt of the proof of service of the notice of~~
17 ~~the show cause hearing under section 78j, the foreclosure hearing~~
18 ~~under section 78k, and the personal visit to the property, the~~
19 ~~title insurance company or agent shall notify the foreclosing~~
20 ~~governmental unit in writing of any deficiency in service. If~~
21 ~~the foreclosing governmental unit is notified of OR ITS AUTHO-~~
22 ~~RIZED REPRESENTATIVE DISCOVERS any deficiency in service THE~~
23 ~~PROVISION OF NOTICE, the foreclosing governmental unit shall TAKE~~
24 ~~REASONABLE STEPS IN GOOD FAITH TO correct that deficiency and~~
25 ~~provide proof of that correction to the title insurance company~~
26 ~~or agent NOT LATER THAN 30 DAYS BEFORE THE SHOW CAUSE HEARING~~
27 ~~UNDER SECTION 78J.~~

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1 (5) ~~(6)~~ If the foreclosing governmental unit or its
2 authorized representative is unable to ascertain the address rea-
3 sonably calculated to apprise the owners of a property interest
4 entitled to notice under this section, or is unable to serve the
5 owner of a property interest, service of the notice shall be made
6 by publication. ~~The~~ A notice shall be published for 3 succes-
7 sive weeks, once each week, in a newspaper published and circu-
8 lated in the county in which the property is located, if there is
9 one. If no paper is published in that county, publication shall
10 be made in a newspaper published and circulated in an adjoining
11 county. ~~, and proof of publication, by affidavit of the printer~~
12 ~~or publisher of the newspaper, shall be recorded with the regis-~~
13 ~~ter of deeds in the county in which the property is located.~~
14 This publication shall be instead of service under
15 subsection (2). ~~Publication under this subsection is subject to~~
16 ~~the requirements set forth in section 65.~~

17 (6) ~~(7)~~ The owner of a property interest is entitled to
18 notice under this section of the show cause hearing under section
19 78j and the foreclosure hearing under section 78k if that owner's
20 interest was identifiable by reference to any of the following
21 sources before the date that the county treasurer records the
22 certificate required under section 78g(2):

- 23 (a) Records in the office of the county register of deeds.
24 (b) Tax records in the office of the county treasurer.
25 (c) Records in the office of the local assessor.
26 (d) Records in the office of the local treasurer.

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1 (7) ~~(8)~~ The notice required under ~~this section~~

2 SUBSECTIONS (1) AND (3) shall include all of the following:

3 (a) The date on which the property was forfeited to the
4 county treasurer.

5 (b) A statement that the person notified may lose his or her
6 interest in the property as a result of the foreclosure proceed-
7 ing under section 78k.

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

10 (d) ~~All persons~~ THE PERSON to whom the notice is
11 addressed.

12 (e) The total taxes, interest, penalties, and fees due on
13 the property.

14 (f) The date and time of the show cause hearing under sec-
15 tion 78j.

16 (g) The date and time of the hearing on the petition for
17 foreclosure under section 78k, and a statement that unless the
18 forfeited unpaid delinquent taxes, interest, penalties, and fees
19 are paid within 21 days after judgment is entered in the foreclo-
20 sure proceeding under section 78k, the title to the property
21 shall vest absolutely in the foreclosing governmental unit.

22 (h) An explanation of the person's rights of redemption and
23 notice that the rights of redemption will expire 21 days after
24 judgment is entered in the foreclosure proceeding under section
25 78k.

26 (8) THE PUBLISHED NOTICE REQUIRED UNDER SUBSECTION (5) SHALL
27 INCLUDE ALL OF THE FOLLOWING:

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1 (A) A LEGAL DESCRIPTION OR PARCEL NUMBER OF EACH PROPERTY.

2 (B) THE STREET ADDRESS OF EACH PROPERTY, IF POSSIBLE.

3 (C) THE NAME OF ANY PERSON OR ENTITY ENTITLED TO NOTICE

4 UNDER THIS SECTION WHO HAS NOT BEEN NOTIFIED UNDER SUBSECTION (1)

5 OR (3).

6 (D) THE DATE AND TIME OF THE SHOW CAUSE HEARING UNDER

7 SECTION 78J.

8 (E) THE DATE AND TIME OF THE HEARING ON THE PETITION FOR

9 FORECLOSURE UNDER SECTION 78K.

10 (F) A STATEMENT THAT UNLESS ALL FORFEITED UNPAID DELINQUENT

11 TAXES, INTEREST, PENALTIES, AND FEES ARE PAID WITHIN 21 DAYS

12 AFTER JUDGMENT IS ENTERED IN THE FORECLOSURE PROCEEDING UNDER

13 SECTION 78K, THE TITLE TO THE PROPERTY SHALL VEST ABSOLUTELY IN

14 THE FORECLOSING GOVERNMENTAL UNIT.

15 (G) A STATEMENT THAT A PERSON WITH AN INTEREST IN THE PROP-

16 ERTY MAY LOSE HIS OR HER INTEREST IN THE PROPERTY AS A RESULT OF

17 THE FORECLOSURE PROCEEDING UNDER SECTION 78K.

18 (9) The owner of a property interest who has been properly

19 served with a notice of the show cause hearing under section 78j

20 and the foreclosure hearing under section 78k and who failed to

21 redeem the property as provided under this act shall not assert

22 any of the following:

23 (a) That notice was insufficient or inadequate on the

24 grounds that some other owner of a property interest was not also

25 served.

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

4 (10) AS USED IN THIS SECTION, "AUTHORIZED REPRESENTATIVE"
5 INCLUDES ALL OF THE FOLLOWING:

6 (A) A TITLE INSURANCE COMPANY OR AGENT LICENSED TO CONDUCT
7 BUSINESS IN THIS STATE.

8 (B) AN ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE.

9 (C) A PERSON ACCREDITED IN TITLE SEARCH PROCEDURES BY A
10 NATIONALLY RECOGNIZED ORGANIZATION IN THE FIELD OF TITLE
11 SEARCHING.

12 (D) A PERSON WITH DEMONSTRATED EXPERIENCE IN THE FIELD OF
13 TITLE SEARCHING, AS DETERMINED BY THE FORECLOSING GOVERNMENTAL UNIT.