

HOUSE BILL No. 4482

March 27, 2003, Introduced by Rep. DeRossett and referred to the Committee on Land Use and Environment.

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to clarify the ownership of certain parcels of property; to prescribe the powers and duties of certain local government officials; and to provide penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "tax reverted clean title act".

3 Sec. 2. As used in this act:

4 (a) "Commission" means the state tax commission created by
5 1927 PA 360, MCL 209.101 to 209.107.

6 (b) "Eligible tax reverted property" means property that is
7 exempt under section 7gg of the general property tax act, 1893
8 PA 206, MCL 211.7gg.

1 (c) "Eligible tax reverted property specific tax" means the
2 specific tax levied under this act.

3 (d) "Taxable value" means the value determined under section
4 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

5 Sec. 3. Eligible tax reverted property is exempt from ad
6 valorem property taxes collected under the general property tax
7 act, 1893 PA 206, MCL 211.1 to 211.157, as provided under
8 section 7gg of the general property tax act, 1893 PA 206,
9 MCL 211.7gg.

10 Sec. 4. The assessor of each local tax collecting unit in
11 which there is eligible tax reverted property shall determine
12 annually as of December 31 the value and taxable value of each
13 parcel of eligible tax reverted property and shall furnish that
14 information to the legislative body of the local tax collecting
15 unit.

16 Sec. 5. (1) There is levied upon every owner of eligible
17 tax reverted property a specific tax to be known as the eligible
18 tax reverted property specific tax.

19 (2) The amount of the eligible tax reverted property specific
20 tax in each year is the amount of tax that would have been
21 collected on that parcel under the general property tax act, 1893
22 PA 206, MCL 211.1 to 211.157, if that parcel was not exempt under
23 section 3.

24 (3) The eligible tax reverted property specific tax shall be
25 collected, disbursed, and assessed in accordance with this act.

26 (4) The eligible tax reverted property specific tax is an
27 annual tax, payable at the same times, in the same installments,

1 and to the same officer or officers as taxes imposed under the
2 general property tax act, 1893 PA 206, MCL 211.1 to 211.157, are
3 payable. Except as otherwise provided in this section, the
4 officer or officers shall disburse the eligible tax reverted
5 property specific tax payments received by the officer or
6 officers each year as follows:

7 (a) Fifty percent of the eligible tax reverted property
8 specific tax to and among this state, cities, school districts,
9 counties, and authorities, at the same times and in the same
10 proportions as required by law for the disbursement of taxes
11 collected under the general property tax act, 1893 PA 206,
12 MCL 211.1 to 211.157.

13 (b) Fifty percent of the eligible tax reverted property
14 specific tax to the local tax collecting unit in which the
15 eligible tax reverted property is located. The eligible tax
16 reverted property specific tax disbursed under this subdivision
17 shall be used to clear title on eligible tax reverted property in
18 that local tax collecting unit or to repay a loan made to the
19 local tax collecting unit under section 2e of 1855 PA 105, MCL
20 21.142e.

21 (5) For intermediate school districts receiving state aid
22 under sections 56, 62, and 81 of the state school aid act of
23 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the
24 amount of eligible tax reverted property specific tax that would
25 otherwise be disbursed to an intermediate school district, all or
26 a portion, to be determined on the basis of the tax rates being
27 utilized to compute the amount of state aid, shall be paid to the

1 state treasury to the credit of the state school aid fund
2 established by section 11 of article IX of the state constitution
3 of 1963.

4 (6) The amount of eligible tax reverted property specific tax
5 described in subsection (2) that would otherwise be disbursed to
6 a local school district for school operating purposes shall be
7 paid instead to the state treasury and credited to the state
8 school aid fund established by section 11 of article IX of the
9 state constitution of 1963.

10 (7) The officer or officers shall send a copy of the amount
11 of disbursement made to each unit under this section to the
12 commission on a form provided by the commission.

13 (8) Eligible tax reverted property located in a renaissance
14 zone under the Michigan renaissance zone act, 1996 PA 376,
15 MCL 125.2681 to 125.2696, is exempt from the eligible tax
16 reverted property specific tax levied under this act to the
17 extent and for the duration provided pursuant to the Michigan
18 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696,
19 except for that portion of the eligible tax reverted property
20 specific tax attributable to a tax described in section 7ff(2) of
21 the general property tax act, 1893 PA 206, MCL 211.7ff. The
22 eligible tax reverted property specific tax calculated under this
23 subsection shall be disbursed proportionately to the taxing unit
24 or units that levied the tax described in section 7ff(2) of the
25 general property tax act, 1893 PA 206, MCL 211.7ff.

26 Sec. 6. The amount of the eligible tax reverted property
27 specific tax applicable to real property, until paid, is a lien

1 upon that real property. Proceedings upon the lien as provided
2 by law for the foreclosure in the circuit court of mortgage liens
3 upon real property may commence only upon the filing by the
4 appropriate collecting officer of a certificate of nonpayment of
5 the eligible tax reverted property specific tax applicable to
6 real property, together with an affidavit of proof of service of
7 the certificate of nonpayment upon the owner of that property by
8 certified mail, with the register of deeds of the county in which
9 the property is situated.

10 Enacting section 1. This act does not take effect unless
11 all of the following bills of the 92nd Legislature are enacted
12 into law:

13 (a) Senate Bill No. _____ or House Bill No. 4480 (request
14 no. 00032'03).

15 (b) Senate Bill No. _____ or House Bill No. 4481 (request
16 no. 00033'03).

17 (c) Senate Bill No. _____ or House Bill No. 4488 (request
18 no. 00034'03).

19 (d) Senate Bill NO. _____ or House Bill No. 4483 (request
20 no. 00035'03).