

HOUSE BILL No. 4007

January 22, 2007, Introduced by Rep. Caswell and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78g (MCL 211.78g), as amended by 2003 PA 263.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78g. (1) Except as otherwise provided in this subsection,
2 on March 1 in each tax year, certified abandoned property and
3 property that is delinquent for taxes, interest, penalties, and
4 fees for the immediately preceding 12 months or more is forfeited
5 to the county treasurer for the total amount of those unpaid
6 delinquent taxes, interest, penalties, and fees. **ON MARCH 1 IN EACH**
7 **TAX YEAR, ELIGIBLE BUSINESS PROPERTY THAT IS DELINQUENT FOR TAXES,**
8 **INTEREST, PENALTIES, AND FEES FOR THE IMMEDIATELY PRECEDING 24**
9 **MONTHS OR MORE IS FORFEITED TO THE COUNTY TREASURER FOR THE TOTAL**
10 **AMOUNT OF THOSE UNPAID DELINQUENT TAXES, INTEREST, PENALTIES, AND**

1 **FEES.** If property is forfeited to a county treasurer under this
2 subsection, the foreclosing governmental unit does not have a right
3 to possession of the property until the April 1 immediately
4 succeeding the entry of a judgment foreclosing the property under
5 section 78k or in a contested case until 22 days after the entry of
6 a judgment foreclosing the property under section 78k. If property
7 is forfeited to a county treasurer under this subsection, the
8 county treasurer shall add a \$175.00 fee to each parcel of property
9 for which those delinquent taxes, interest, penalties, and fees
10 remain unpaid. A county treasurer shall withhold a parcel of
11 property from forfeiture for any reason determined by the state tax
12 commission. The procedure for withholding a parcel of property from
13 forfeiture under this subsection shall be determined by the state
14 tax commission.

15 (2) Not more than 45 days after property is forfeited under
16 subsection (1), the county treasurer shall record with the county
17 register of deeds a certificate in a form determined by the
18 department of treasury for each parcel of property forfeited to the
19 county treasurer, specifying that the property has been forfeited
20 to the county treasurer and not redeemed and that absolute title to
21 the property shall vest in the county treasurer on the March 31
22 immediately succeeding the entry of a judgment foreclosing the
23 property under section 78k or in a contested case 21 days after the
24 entry of a judgment foreclosing the property under section 78k. If
25 a certificate of forfeiture is recorded in error, the county
26 treasurer shall record with the county register of deeds a
27 certificate of error in a form prescribed by the department of

1 treasury. A certificate submitted to the county register of deeds
2 for recording under this subsection need not be notarized and may
3 be authenticated by a digital signature of the county treasurer or
4 by other electronic means. If the county has elected under section
5 78 to have this state foreclose property under this act forfeited
6 to the county treasurer under this section, the county treasurer
7 shall immediately transmit to the department of treasury a copy of
8 each certificate recorded under this subsection. The county
9 treasurer shall upon collection transmit to the department of
10 treasury within 30 days the fee added to each parcel under
11 subsection (1), which may be paid from the county's delinquent tax
12 revolving fund and shall be deposited in the land reutilization
13 fund created under section 78n.

14 (3) Property forfeited to the county treasurer under
15 subsection (1) may be redeemed at any time on or before the March
16 31 immediately succeeding the entry of a judgment foreclosing the
17 property under section 78k or in a contested case within 21 days of
18 the entry of a judgment foreclosing the property under section 78k
19 upon payment to the county treasurer of all of the following:

20 (a) The total amount of unpaid delinquent taxes, interest,
21 penalties, and fees for which the property was forfeited.

22 (b) In addition to the interest calculated under sections
23 60a(1) or (2) and 78a(3), additional interest computed at a
24 noncompounded rate of 1/2% per month or fraction of a month on the
25 taxes that were originally returned as delinquent, computed from
26 the March 1 preceding the forfeiture.

27 (c) All recording fees and all fees for service of process or

1 notice.

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

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

16 (6) If property is redeemed as provided under subsection (3),
17 the county treasurer shall issue a redemption certificate in
18 quadruplicate in a form prescribed by the department of treasury.
19 One of the quadruplicate certificates shall be delivered to the
20 person making the redemption payment, 1 shall be filed in the
21 office of the county treasurer, 1 shall be recorded in the office
22 of the county register of deeds, and 1 shall be immediately
23 transmitted to the department of treasury if this state is the
24 foreclosing governmental unit. The county treasurer shall also make
25 a note of the redemption certificate in the tax record kept in his
26 or her office, with the name of the person making the final
27 redemption payment, the date of the payment, and the amount paid.

1 If the county treasurer accepts partial redemption payments, the
2 county treasurer shall include in the tax record kept in his or her
3 office the name of the person or persons making each partial
4 redemption payment, the date of each partial redemption payment,
5 the amount of each partial redemption payment, and the total amount
6 of all redemption payments. A certificate and the entry of the
7 certificate in the tax record by the county treasurer is prima
8 facie evidence of a redemption payment in the courts of this state.
9 A certificate submitted to the county register of deeds for
10 recording under this subsection need not be notarized and may be
11 authenticated by a digital signature of the county treasurer or by
12 other electronic means. If a redemption certificate is recorded in
13 error, the county treasurer shall record with the county register
14 of deeds a certificate of error in a form prescribed by the
15 department of treasury. A copy of a certificate of error recorded
16 under this section shall be immediately transmitted to the
17 department of treasury if this state is the foreclosing
18 governmental unit.

19 (7) If a foreclosing governmental unit has reason to believe
20 that a property forfeited under this section may be the site of
21 environmental contamination, the foreclosing governmental unit
22 shall provide the department of environmental quality with any
23 information in the possession of the foreclosing governmental unit
24 that suggests the property may be the site of environmental
25 contamination.

26 (8) AS USED IN THIS SECTION, "ELIGIBLE BUSINESS PROPERTY"
27 MEANS REAL PROPERTY ON WHICH BUSINESS ACTIVITY IS CONDUCTED AND FOR

1 WHICH THE TAXABLE VALUE WAS ADJUSTED UNDER SECTION 27A(3) NOT MORE
2 THAN 5 YEARS IMMEDIATELY PRECEDING THE MARCH 1 THAT THE PROPERTY IS
3 FORFEITED UNDER SUBSECTION (1).