

**SUBSTITUTE FOR
HOUSE BILL NO. 5058**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78 (MCL 211.78), as amended by 2008 PA 512.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78. (1) The legislature finds that there exists in this
2 state a continuing need to strengthen and revitalize the economy of
3 this state and its municipalities by encouraging the efficient and
4 expeditious return to productive use of property returned for
5 delinquent taxes. Therefore, the powers granted in this act
6 relating to the return of property for delinquent taxes constitute
7 the performance by this state or a political subdivision of this
8 state of essential public purposes and functions.

9 (2) It is the intent of the legislature that the provisions of
10 this act relating to the return, forfeiture, and foreclosure of
11 property for delinquent taxes satisfy the minimum requirements of

1 due process required under the constitution of this state and the
2 constitution of the United States but that those provisions do not
3 create new rights beyond those required under the state
4 constitution of 1963 or the constitution of the United States. The
5 failure of this state or a political subdivision of this state to
6 follow a requirement of this act relating to the return,
7 forfeiture, or foreclosure of property for delinquent taxes shall
8 not be construed to create a claim or cause of action against this
9 state or a political subdivision of this state unless the minimum
10 requirements of due process accorded under the state constitution
11 of 1963 or the constitution of the United States are violated.

12 (3) Not later than December 1, 1999, the county board of
13 commissioners of a county, by a resolution adopted at a meeting
14 held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to
15 15.275, and with the written concurrence of the county treasurer
16 and the county executive, if any, may elect to have this state
17 foreclose property under this act forfeited to the county treasurer
18 under section 78g. At any time during December 2004, the county
19 board of commissioners of a county, by a resolution adopted at a
20 meeting held pursuant to the open meetings act, 1976 PA 267, MCL
21 15.261 to 15.275, and with the written concurrence of the county
22 treasurer and county executive, if any, may do either of the
23 following:

24 (a) Elect to have this state foreclose property under this act
25 forfeited to the county treasurer under section 78g.

26 (b) Rescind its prior resolution by which it elected to have
27 this state foreclose property under this act forfeited to the

1 county treasurer under section 78g.

2 (4) Beginning January 1, 2009 through March 1, 2009, the
3 county board of commissioners of a county in which is located an
4 eligible city, as that term is defined in section 89d, may, by a
5 resolution adopted at a meeting held pursuant to the open meetings
6 act, 1976 PA 267, MCL 15.261 to 15.275, and with the written
7 concurrence of the county treasurer and county executive, if any,
8 rescind its prior resolution by which it elected to have this state
9 foreclose property under this act forfeited to the county treasurer
10 under section 78g.

11 (5) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
12 ADDED THIS SUBSECTION THROUGH NOVEMBER 30, 2014, THE COUNTY BOARD
13 OF COMMISSIONERS OF A COUNTY THAT HAS ELECTED TO HAVE PROPERTY
14 FORFEITED UNDER SECTION 78G FORECLOSED BY THIS STATE UNDER THIS ACT
15 MAY, BY A RESOLUTION ADOPTED AT A MEETING HELD PURSUANT TO THE OPEN
16 MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, AND WITH THE
17 WRITTEN CONCURRENCE OF THE COUNTY TREASURER AND COUNTY EXECUTIVE,
18 IF ANY, RESCIND ITS PRIOR RESOLUTION BY WHICH IT ELECTED TO HAVE
19 THIS STATE FORECLOSE PROPERTY UNDER THIS ACT FORFEITED TO THE
20 COUNTY TREASURER UNDER SECTION 78G. A COUNTY BOARD OF COMMISSIONERS
21 SHALL FORWARD A COPY OF THE RESOLUTION AND ANY CONCURRENCE TO THE
22 DEPARTMENT OF TREASURY NOT LATER THAN NOVEMBER 30, 2014. A COUNTY
23 THAT RESCINDS ITS PRIOR ELECTION UNDER THIS SECTION BY JANUARY 30,
24 2014 SHALL ACT AS THE FORECLOSING GOVERNMENTAL UNIT UNDER THIS ACT
25 FOR ALL PROPERTY FORFEITED TO THE COUNTY TREASURER UNDER SECTION
26 78G AFTER FEBRUARY 1, 2014. A COUNTY THAT RESCINDS ITS PRIOR
27 ELECTION UNDER THIS SECTION BETWEEN JANUARY 31, 2014 AND NOVEMBER

1 30, 2014 SHALL ACT AS THE FORECLOSING GOVERNMENTAL UNIT UNDER THIS
2 ACT FOR ALL PROPERTY FORFEITED UNDER SECTION 78G AFTER FEBRUARY 1,
3 2015.

4 (6) ~~(5)~~—The foreclosure of forfeited property by a county is
5 voluntary and is not an activity or service required of units of
6 local government for purposes of section 29 of article IX of the
7 state constitution of 1963.

8 (7) ~~(6)~~—A county and a local governmental unit within that
9 county may enter into an agreement for the collection of property
10 taxes or the enforcement and consolidation of tax liens within that
11 local governmental unit. A local governmental unit shall not
12 establish a delinquent tax revolving fund under section 87b.

13 (8) ~~(7)~~—As used in this section and sections 78a through 155
14 for purposes of the collection of taxes returned as delinquent:

15 (a) "Foreclosing governmental unit" means 1 of the following:

16 (i) The treasurer of a county.

17 (ii) This state if the county has elected under subsection (3)
18 to have this state foreclose property under this act forfeited to
19 the county treasurer under section 78g.

20 (b) "Forfeited" or "forfeiture" means a foreclosing
21 governmental unit may seek a judgment of foreclosure under section
22 78k if the property is not redeemed as provided under this act, but
23 does not acquire a right to possession or any other interest in the
24 property.