

# SENATE BILL No. 632

October 22, 2013, Introduced by Senator HUNTER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 78a and 78g (MCL 211.78a and 211.78g), section 78a as amended by 2008 PA 352 and section 78g as amended by 2003 PA 263.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 78a. (1) For taxes levied after December 31, 1998, all  
2 property returned for delinquent taxes, and upon which taxes,  
3 interest, penalties, and fees remain unpaid after the property is  
4 returned as delinquent to the county treasurers of this state under  
5 this act, is subject to forfeiture, foreclosure, and sale for the  
6 enforcement and collection of the delinquent taxes as provided in  
7 section 78, this section, and sections 78b to 79a. As used in  
8 section 78, this section, and sections 78b to 79a, "taxes" includes

1 interest, penalties, and fees imposed before the taxes become  
2 delinquent and unpaid special assessments or other assessments that  
3 are due and payable up to and including the date of the foreclosure  
4 hearing under section 78k.

5 (2) On March 1 in each year, taxes levied in the immediately  
6 preceding year that remain unpaid shall be returned as delinquent  
7 for collection. However, if the last day in a year that taxes are  
8 due and payable before being returned as delinquent is on a  
9 Saturday, Sunday, or legal holiday, the last day taxes are due and  
10 payable before being returned as delinquent is on the next business  
11 day and taxes levied in the immediately preceding year that remain  
12 unpaid shall be returned as delinquent on the immediately  
13 succeeding business day. Except as otherwise provided in section 79  
14 for certified abandoned property, property delinquent for taxes  
15 levied in the second year preceding the forfeiture under section  
16 78g or in a prior year to which this section applies shall be  
17 forfeited to the county treasurer for the total of the unpaid  
18 taxes, interest, penalties, and fees for those years as provided  
19 under section 78g.

20 (3) A county property tax administration fee of 4% and  
21 interest computed at a noncompounded rate of ~~1%~~  $1\frac{1}{2}\%$  per month or  
22 fraction of a month on the taxes that were originally returned as  
23 delinquent, computed from the date that the taxes originally became  
24 delinquent, shall be added to property returned as delinquent under  
25 this section. A county property tax administration fee provided for  
26 under this subsection shall not be less than \$1.00.

27 (4) Any person with an unrecorded property interest or any

1 other person who wishes at any time to receive notice of the return  
2 of delinquent taxes on a parcel of property may pay an annual fee  
3 not to exceed \$5.00 by February 1 to the county treasurer and  
4 specify the parcel identification number, the address of the  
5 property, and the address to which the notice shall be sent.  
6 Holders of any undischarged mortgages wishing to receive notice of  
7 the return of delinquent taxes on a parcel or parcels of property  
8 may provide a list of such parcels in a form prescribed by the  
9 county treasurer and pay an annual fee not to exceed \$1.00 per  
10 parcel to the county treasurer and specify for each parcel the  
11 parcel identification number, the address of the property, and the  
12 address to which the notice should be sent. The county treasurer  
13 shall notify the person or holders of undischarged mortgages if  
14 delinquent taxes on the property or properties are returned within  
15 that year.

16 (5) Notwithstanding any charter provision to the contrary, the  
17 governing body of a local governmental unit that collects  
18 delinquent taxes may establish for any property, by ordinance,  
19 procedures for the collection of delinquent taxes and the  
20 enforcement of tax liens and the schedule for the forfeiture or  
21 foreclosure of delinquent tax liens. The procedures and schedule  
22 established by ordinance shall conform at a minimum to those  
23 procedures and schedules established under sections 78a to 78l,  
24 except that those taxes subject to a payment plan approved by the  
25 treasurer of the local governmental unit as of July 1, 1999 shall  
26 not be considered delinquent if payments are not delinquent under  
27 that payment plan.

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

21           (2) Not more than 45 days after property is forfeited under  
22 subsection (1), the county treasurer shall record with the county  
23 register of deeds a certificate in a form determined by the  
24 department of treasury for each parcel of property forfeited to the  
25 county treasurer, specifying that the property has been forfeited  
26 to the county treasurer and not redeemed and that absolute title to  
27 the property shall vest in the county treasurer on the March 31

1 immediately succeeding the entry of a judgment foreclosing the  
2 property under section 78k or in a contested case 21 days after the  
3 entry of a judgment foreclosing the property under section 78k. If  
4 a certificate of forfeiture is recorded in error, the county  
5 treasurer shall record with the county register of deeds a  
6 certificate of error in a form prescribed by the department of  
7 treasury. A certificate submitted to the county register of deeds  
8 for recording under this subsection need not be notarized and may  
9 be authenticated by a digital signature of the county treasurer or  
10 by other electronic means. If the county has elected under section  
11 78 to have this state foreclose property under this act forfeited  
12 to the county treasurer under this section, the county treasurer  
13 shall immediately transmit to the department of treasury a copy of  
14 each certificate recorded under this subsection. The county  
15 treasurer shall upon collection transmit to the department of  
16 treasury within 30 days the fee added to each parcel under  
17 subsection (1), which may be paid from the county's delinquent tax  
18 revolving fund and shall be deposited in the land reutilization  
19 fund created under section 78n.

20 (3) Property forfeited to the county treasurer under  
21 subsection (1) may be redeemed at any time on or before the March  
22 31 immediately succeeding the entry of a judgment foreclosing the  
23 property under section 78k or in a contested case within 21 days of  
24 the entry of a judgment foreclosing the property under section 78k  
25 upon payment to the county treasurer of all of the following:

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

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

6 (B) ~~(e)~~ All recording fees and all fees for service of process  
7 or notice.

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

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

22 (6) If property is redeemed as provided under subsection (3),  
23 the county treasurer shall issue a redemption certificate in  
24 quadruplicate in a form prescribed by the department of treasury.  
25 One of the quadruplicate certificates shall be delivered to the  
26 person making the redemption payment, 1 shall be filed in the  
27 office of the county treasurer, 1 shall be recorded in the office

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

25 (7) If a foreclosing governmental unit has reason to believe  
26 that a property forfeited under this section may be the site of  
27 environmental contamination, the foreclosing governmental unit

1 shall provide the department of environmental quality with any  
2 information in the possession of the foreclosing governmental unit  
3 that suggests the property may be the site of environmental  
4 contamination.