

SENATE BILL NO. 1137

September 22, 2020, Introduced by Senators RUNESTAD and MACGREGOR and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 78g, 78i, 78l, and 78m (MCL 211.78g, 211.78i, 211.78l, and 211.78m), section 78g as amended by 2020 PA 33, section 78i as amended by 2015 PA 190, section 78l as amended by 2003 PA 263, and section 78m as amended by 2014 PA 501, and by adding section 78t.

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

1 property that is delinquent for taxes, interest, penalties, and
2 fees for the immediately preceding 12 months or more is forfeited
3 to the county treasurer for the total amount of those unpaid
4 delinquent taxes, interest, penalties, and fees. If property is
5 forfeited to a county treasurer under this subsection, the
6 foreclosing governmental unit does not have a right to possession
7 of the property until the April 1 immediately succeeding the entry
8 of a judgment foreclosing the property under section 78k or in a
9 contested case until 22 days after the entry of a judgment
10 foreclosing the property under section 78k. If property is
11 forfeited to a county treasurer under this subsection, the county
12 treasurer shall add a \$175.00 fee to each ~~parcel of~~ property for
13 which those delinquent taxes, interest, penalties, and fees remain
14 unpaid. **The fee added under this subsection must be used by the**
15 **foreclosing governmental unit and the fee added under section 78d**
16 **must be used by the county treasurer for the administration of**
17 **sections 78 to 79a, including, but not limited to, costs associated**
18 **with providing required notices and with the forfeiture,**
19 **foreclosure, sale, maintenance, repair, and remediation of**
20 **property.** A county treasurer shall withhold a ~~parcel of~~ property
21 from forfeiture for any reason determined by the state tax
22 commission. The state tax commission shall determine the procedure
23 for withholding a ~~parcel of~~ property from forfeiture under this
24 subsection.

25 (2) Not more than 45 days after property is forfeited under
26 subsection (1), the county treasurer shall record with the county
27 register of deeds a certificate in a form determined by the
28 department of treasury for each ~~parcel of~~ property forfeited to the
29 county treasurer, specifying that the property has been forfeited

1 to the county treasurer and not redeemed and that absolute title to
 2 the property **and any equity associated with an interest in the**
 3 **property** will vest in the ~~county treasurer~~ **foreclosing governmental**
 4 **unit** on the March 31 immediately succeeding the entry of a judgment
 5 foreclosing the property under section 78k or in a contested case
 6 21 days after the entry of a judgment foreclosing the property
 7 under section 78k. **The certificate must include an explanation of**
 8 **the right of a person with an interest in the property at the time**
 9 **a judgment of foreclosure of the property is effective under**
 10 **section 78k to claim that person's interest in any remaining**
 11 **proceeds pursuant to section 78t after a sale or transfer of the**
 12 **property under section 78m.** If a certificate of forfeiture is
 13 recorded in error, the county treasurer shall record with the
 14 county register of deeds a certificate of error in a form
 15 prescribed by the department of treasury. A certificate submitted
 16 to the county register of deeds for recording under this subsection
 17 need not be notarized and may be authenticated by a digital
 18 signature of the county treasurer or by other electronic means. If
 19 the county has elected under section 78 to have this state
 20 foreclose property under this act forfeited to the county treasurer
 21 under this section, the county treasurer shall immediately transmit
 22 to the department of treasury a copy of each certificate recorded
 23 under this subsection. The county treasurer shall upon collection
 24 transmit to the department of treasury within 30 days the fee added
 25 to each ~~parcel~~ **property** under subsection (1), which may be paid
 26 from the county's delinquent tax revolving fund and **upon receipt**
 27 must be deposited **by the department of treasury** in the land
 28 reutilization fund created under section 78n.

29 (3) Property forfeited to the county treasurer under

1 subsection (1) may be redeemed at any time on or before the March
2 31 immediately succeeding the entry of a judgment foreclosing the
3 property under section 78k or in a contested case within 21 days of
4 the entry of a judgment foreclosing the property under section 78k
5 upon payment to the county treasurer of all of the following:

6 (a) The total amount of unpaid delinquent taxes, interest,
7 penalties, and fees for which the property was forfeited or the
8 reduced amount of unpaid delinquent taxes, interest, penalties, and
9 fees payable under subsection (8), if applicable.

10 (b) Except as otherwise provided in this subdivision and
11 subdivision (c), in addition to the interest calculated under
12 sections 60a(1) or (2) and 78a(3), additional interest computed at
13 a noncompounded rate of 1/2% per month or fraction of a month on
14 the taxes that were originally returned as delinquent, computed
15 from the March 1 preceding the forfeiture. The county treasurer may
16 waive the additional interest under this subdivision if the
17 property is withheld from the petition for foreclosure under
18 section 78h(3)(c).

19 (c) If the property is classified as residential real property
20 under section 34c, the property is a principal residence exempt
21 from the tax levied by a local school district for school operating
22 purposes under section 7cc, and a tax foreclosure avoidance
23 agreement is in effect for the property under section 78q(5), while
24 the tax foreclosure avoidance agreement is effective, all of the
25 following apply:

26 (i) The property must be withheld from the petition for
27 foreclosure under section 78h.

28 (ii) The additional interest under subdivision (b) does not
29 apply and interest computed at a noncompounded rate of 1/2% per

1 month or fraction of a month on the taxes that were originally
2 returned as delinquent, computed from the date that the taxes
3 originally were returned as delinquent, applies to the property.

4 (d) All recording fees and all fees for service of process or
5 notice.

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

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

21 (6) If property is redeemed as provided under subsection (3),
22 the county treasurer shall issue a redemption certificate in
23 quadruplicate in a form prescribed by the department of treasury.
24 One of the quadruplicate certificates must be delivered to the
25 person making the redemption payment, 1 must be filed in the office
26 of the county treasurer, 1 must be recorded in the office of the
27 county register of deeds, and 1 must be immediately transmitted to
28 the department of treasury if this state is the foreclosing
29 governmental unit. The county treasurer shall also make a note of

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

21 (7) If a foreclosing governmental unit has reason to believe
22 that a property forfeited under this section may be the site of
23 environmental contamination, the foreclosing governmental unit
24 shall provide the department of ~~environmental quality~~ **environment,**
25 **Great Lakes, and energy** with any information in the possession of
26 the foreclosing governmental unit that suggests the property may be
27 the site of environmental contamination.

28 (8) Notwithstanding any provision of this act or charter to
29 the contrary, until July 1, ~~2023,~~ **2025**, all of the following apply

1 to property for which delinquent property taxes remain unpaid,
2 including property forfeited under this section, located in a local
3 unit of government that, pursuant to subsection (10) (b) (i) or (ii),
4 is participating in a payment reduction program authorized by this
5 subsection:

6 (a) If the property is subject to an exemption under section
7 7u and the property's owner has not previously received a payment
8 reduction under this subsection, the foreclosing governmental unit
9 may do 1 or more of the following:

10 (i) If the total amount of unpaid delinquent taxes is greater
11 than 10% of the property's taxable value for the calendar year
12 preceding the year the property was exempt from the collection of
13 taxes under section 7u, reduce the amount required to be paid under
14 section 78a(1) or required to be paid to redeem the property under
15 subsection (3) (a) to 10% of the property's taxable value for the
16 calendar year preceding the year the property was exempt from the
17 collection of taxes under section 7u. A reduction under this
18 subparagraph must be allocated to each taxing unit based on the
19 proportion that its unpaid delinquent taxes certified to the county
20 treasurer bear to the total amount of unpaid delinquent taxes
21 certified to the county treasurer in connection with the property.

22 (ii) Cancel some or all of any unpaid delinquent taxes that
23 represent charges for services that have become delinquent and have
24 been certified to the county treasurer for collection of taxes and
25 enforcement of the lien for the taxes under section 21(3) of the
26 revenue bond act of 1933, 1933 PA 94, MCL 141.121.

27 (iii) Cancel all of the interest, penalties, and fees required
28 to be paid under this act.

29 (b) If the amount required to be paid under this act is

1 reduced under subdivision (a), the foreclosing governmental unit
2 may further reduce the amount by an amount not to exceed 10% of the
3 unpaid delinquent taxes required to be paid to redeem the property
4 if the property is redeemed by a single lump-sum payment made
5 within a period to be determined by the foreclosing governmental
6 unit.

7 (c) A foreclosing governmental unit may apply the provisions
8 of this subsection to property subject to a delinquent property tax
9 installment payment plan under section 78q(1) or a tax foreclosure
10 avoidance agreement under section 78q(5). Except as provided in
11 this subdivision, the terms and conditions of a payment reduction
12 applied to property under this subsection must be consistent with
13 the terms and conditions of a delinquent property tax installment
14 payment plan under section 78q(1) or tax foreclosure agreement
15 under section 78q(5) for the property. If the owner of property
16 subject to a delinquent property tax installment payment plan under
17 section 78q(1) or a tax foreclosure avoidance agreement under
18 section 78q(5) has failed to pay any amounts owed under the plan or
19 agreement, that nonpayment does not prohibit the property owner
20 from receiving a payment reduction under this subsection.
21 Notwithstanding any provision of this act to the contrary, the full
22 amount owed by an owner of property as reduced by this subsection
23 must be payable in not more than 3 years after the date the
24 reduction is established by the foreclosing governmental unit.

25 (d) If a property owner has paid a reduced amount under this
26 subsection in accordance with the terms, conditions, and time
27 period established by the county treasurer, any remaining unpaid
28 taxes, interest, penalties, and fees otherwise payable shall be
29 canceled by the county treasurer, including, but not limited to,

1 any interest, fee, or penalty payment requirements set forth in a
2 delinquent property tax installment payment plan under section
3 78q(1) or a tax foreclosure avoidance agreement under section
4 78q(5) with respect to the property. A county treasurer shall not
5 impose any additional interest, penalties, fees, or other charges
6 of any kind in connection with a payment reduction program under
7 this subsection.

8 (e) If the owner of property subject to a payment reduction
9 under this subsection fails to pay the full reduced amount of
10 delinquent taxes, penalties, and fees under this subsection in
11 accordance with the terms, conditions, and time period established
12 by the county treasurer, all of the following apply:

13 (i) The amount required to be paid to redeem the property is
14 the sum of both of the following:

15 (A) The full amount of any unpaid delinquent taxes on the
16 property.

17 (B) Interest under ~~section 78g(3)(b)~~ **subsection (3)(b)** and any
18 additional interest, fees, charges, and penalties otherwise
19 applicable to any unpaid taxes on the property, including, but not
20 limited to, interest, fees, charges, and penalties canceled under
21 subdivision (d).

22 (ii) The property must be included in the immediately
23 succeeding petition for foreclosure under section 78h.

24 (f) A foreclosing governmental unit may not approve a
25 reduction in the amount required to redeem property under this
26 subsection if the reduction would cause noncompliance with section
27 87c(7) or otherwise impermissibly impair an outstanding debt of the
28 county or any taxing unit.

29 (g) All payments collected in connection with property under

1 this subsection must be distributed to each taxing unit that has
2 certified to the county treasurer unpaid delinquent taxes for the
3 property in an amount based on the proportion that the taxing
4 unit's unpaid delinquent taxes certified to the county treasurer
5 bear to the total amount of unpaid delinquent taxes certified to
6 the county treasurer in connection with the property.

7 (h) A county treasurer shall set forth the terms and benefits
8 of a payment reduction program available under this subsection in a
9 plan available upon request to the department of treasury. The plan
10 must set forth which of the reductions described in subdivisions
11 (a) and (b) are available under the program and must include any
12 other information determined to be necessary or appropriate in the
13 discretion of the county treasurer.

14 (9) If a payment reduction under subsection (8) is in effect
15 for property for which a county has issued notes under this act
16 that are secured by the delinquent taxes and interest on that
17 property, at any time within 2 years after the date that those
18 taxes were returned as delinquent, the county treasurer may charge
19 back to any taxing unit the face amount of the delinquent taxes
20 that were owed to that taxing unit on the date those taxes were
21 returned as delinquent, less the amount of any payments received by
22 the county treasurer on that property. All subsequent payments of
23 delinquent taxes and interest on that property must be retained by
24 the county treasurer in a separate account and either paid to or
25 credited to the account of that taxing unit.

26 (10) A foreclosing governmental unit's authority to apply any
27 of the payment-reduction measures otherwise available under
28 subsection (8) is subject to all of the following:

29 (a) A foreclosing governmental unit that seeks to implement a

1 program under subsection (8) shall provide written notice to the
2 treasurer of each affected local unit of government within the
3 county in which the property is located of the foreclosing
4 governmental unit's intent to implement the program and state that
5 the local unit of government has the option of participating in the
6 program. The notice must contain all of the terms and conditions to
7 be offered under the program, in addition to any other information
8 that the foreclosing governmental unit considers necessary or
9 appropriate.

10 (b) Not later than 21 days after the foreclosing governmental
11 unit provides the written notice described in subdivision (a), the
12 treasurer of any affected local unit of government may provide the
13 foreclosing governmental unit with 1 of the following, as
14 applicable:

15 (i) Written notice of nonparticipation in the program, if the
16 local unit of government is located in a county with a population
17 of more than 1,500,000 according to the most recent population
18 estimate produced by the United States Census Bureau's Population
19 Estimates Program (PEP). All property within a local unit of
20 government that provides written notice of nonparticipation under
21 this subparagraph will be excluded from the program. Any affected
22 local unit of government whose treasurer does not provide written
23 notice of nonparticipation under this subparagraph is conclusively
24 presumed to have consented to participation in the program, and all
25 property within that local unit of government will be included in
26 the program.

27 (ii) Written notice of participation in the program, if the
28 local unit of government is located in a county other than one
29 described in subparagraph (i) and the governing body of the local

1 unit of government has approved a resolution to participate in the
2 program. All property within a local unit of government that
3 provides written notice of participation under this subparagraph
4 will be included in the program. Any affected local unit of
5 government whose treasurer does not provide written notice of
6 participation under this subparagraph is conclusively presumed to
7 have declined to participate in the program, and all property
8 within that local unit of government will be excluded from the
9 program.

10 (11) As used in this section, "local unit of government" means
11 a city, township, or village.

12 Sec. 78i. (1) Not later than May 1 immediately succeeding the
13 forfeiture of property to the county treasurer under section 78g,
14 the foreclosing governmental unit shall initiate a search of
15 records identified in subsection (6) to identify the ~~owners of~~
16 **persons with** a property interest in the property ~~who are~~ entitled
17 to notice under this section of the show cause hearing under
18 section 78j and the foreclosure hearing under section 78k. The
19 foreclosing governmental unit may enter into a contract with 1 or
20 more authorized representatives to perform a title search or may
21 request from 1 or more authorized representatives another title
22 search product to identify the ~~owners of~~ **persons with** a property
23 interest in the property as required under this subsection or to
24 perform other functions required for the collection of delinquent
25 taxes under this act, **including, but not limited to, the**
26 **administration of sections 78 to 79a.**

27 (2) After conducting the search of records under subsection
28 (1), the foreclosing governmental unit or its authorized
29 representative shall determine the address reasonably calculated to

1 apprise ~~those owners of a~~ **each person with a** property interest **in a**
 2 **forfeited property** of the show cause hearing under section 78j and
 3 the foreclosure hearing under section 78k and shall send notice of
 4 the show cause hearing under section 78j and the foreclosure
 5 hearing under section 78k to those ~~owners,~~ **persons**, and to a person
 6 entitled to notice of the return of delinquent taxes under section
 7 78a(4), by certified mail, return receipt requested, not less than
 8 30 days before the show cause hearing. If after conducting the
 9 search of records under subsection (1) the foreclosing governmental
 10 unit is unable to determine an address reasonably calculated to
 11 inform a person with an interest in a forfeited property, or if the
 12 foreclosing governmental unit discovers a deficiency in notice
 13 under subsection (4), the following ~~shall be considered~~ **are**
 14 reasonable steps by the foreclosing governmental unit or its
 15 authorized representative to ascertain the address of a person **with**
 16 **an interest in property** entitled to notice under this section or to
 17 ascertain an address necessary to correct the deficiency in notice
 18 under subsection (4):

19 (a) For an individual, a search of the records of the probate
 20 court for the county in which the property is located.

21 (b) For an individual, a search of the qualified voter file
 22 established under section 509o of the Michigan election law, 1954
 23 PA 116, MCL 168.509o. ~~which~~ **A search of the qualified voter file**
 24 is authorized by this subdivision.

25 (c) For a partnership, a search of partnership records filed
 26 with the county clerk.

27 (d) For a business entity other than a partnership, a search
 28 of business entity records filed with the department of ~~labor and~~
 29 ~~economic growth.~~ **licensing and regulatory affairs.**

1 (3) The foreclosing governmental unit or its authorized
2 representative or authorized agent shall make a personal visit to
3 each ~~parcel of~~ property forfeited to the county treasurer under
4 section 78g to ascertain whether or not the property is occupied.
5 If the property appears to be occupied, the foreclosing
6 governmental unit or its authorized representative shall do all of
7 the following:

8 (a) Attempt to personally serve upon a person occupying the
9 property notice of the show cause hearing under section 78j and the
10 foreclosure hearing under section 78k.

11 (b) If a person occupying the property is personally served,
12 ~~orally~~ **verbally** inform the occupant that the property will be
13 foreclosed and the occupants will be required to vacate unless all
14 forfeited unpaid delinquent taxes, interest, penalties, and fees
15 are paid, of the time within which all forfeited unpaid delinquent
16 taxes, interest, penalties, and fees must be paid, and of agencies
17 or other resources that may be available to assist ~~the owner to~~
18 **avoid in avoiding** loss of the property **interest and any equity**
19 **associated with the interest in the property.**

20 (c) If the occupant appears to lack the ability to understand
21 the ~~advice given,~~ **information provided**, notify the department of
22 **health and** human services or provide the occupant with the names
23 and telephone numbers of the agencies that may be able to assist
24 the occupant, **or both.**

25 (d) If the foreclosing governmental unit or its authorized
26 representative ~~is not able to~~ **does not** personally meet with the
27 occupant, the foreclosing governmental unit or its authorized
28 representative shall place ~~the notice in a conspicuous manner on~~
29 ~~the property and shall also place in a conspicuous manner~~ **location**

1 on the property a notice that explains, in plain English, that the
 2 property will be foreclosed unless forfeited unpaid delinquent
 3 taxes, interest, penalties, and fees **owed on the property** are paid,
 4 the time within which forfeited unpaid delinquent taxes, interest,
 5 penalties, and fees must be paid, and the names, addresses, and
 6 telephone numbers of agencies or other resources that may be
 7 available to assist ~~the occupant to avoid~~ **a person with an interest**
 8 **in the property with avoiding the** loss of the property **interest and**
 9 **any equity associated with the property interest.** The notice also
 10 must include an explanation of the right of a person with an
 11 interest in the property at the time a judgment of foreclosure of
 12 the property is effective under section 78k to claim that person's
 13 interest in any remaining proceeds pursuant to section 78t after a
 14 sale or transfer of the property under section 78m. If this state
 15 is the foreclosing governmental unit within a county, the
 16 department of treasury **or its authorized representative** shall
 17 perform the personal visit to each ~~parcel of~~ property under this
 18 subsection on behalf of this state.

19 (4) If the foreclosing governmental unit or its authorized
 20 representative discovers any deficiency in the provision of notice,
 21 the foreclosing governmental unit shall take reasonable steps in
 22 good faith to correct that deficiency not later than 30 days before
 23 the show cause hearing under section 78j, if possible.

24 (5) If the foreclosing governmental unit or its authorized
 25 representative is unable to ascertain ~~the~~ **an** address reasonably
 26 calculated to apprise ~~the owners of~~ **a person with** a property
 27 interest entitled to notice under this section, or is unable to
 28 notify ~~the owner of~~ **a person with** a property interest under
 29 subsection (2), the ~~notice shall be made~~ **foreclosing governmental**

1 **unit shall provide notice** by publication as provided in this
 2 subsection and section 78s. ~~A~~ **The** notice ~~shall~~ **must** be inserted for
 3 2 successive weeks, once each week, in a notice publication
 4 circulated in the county in which the property is located. ~~This~~
 5 ~~notice shall be instead of notice under subsection (2).~~ If a notice
 6 publication is not circulated in the county in which the property
 7 is located, the foreclosing governmental unit shall insert the
 8 notice in a notice publication circulated in an adjoining county.
 9 In addition to provision of notice in a notice publication, the
 10 foreclosing governmental unit may also post the notice under this
 11 subsection for not less than 14 days on a website, including, but
 12 not limited to, a website maintained by the foreclosing
 13 governmental unit.

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

20 (a) Land title records in the office of the county register of
 21 deeds.

22 (b) Tax records in the office of the county treasurer.

23 (c) Tax records in the office of the local assessor.

24 (d) Tax records in the office of the local treasurer.

25 (7) The notice required under subsections (2) and (3) ~~shall~~
 26 **must** include all of the following:

27 (a) The date on which the property was forfeited to the county
 28 treasurer.

29 (b) A statement that the person notified may lose ~~his or her~~

1 **that person's** interest in the property **and any equity associated**
 2 **with that property interest** as a result of the foreclosure
 3 proceeding under section 78k.

4 (c) A legal description or parcel number of the property and,
 5 **if available**, the street address of the property. ~~, if available.~~

6 (d) The person to whom the notice is addressed.

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

9 (f) The date and time of the show cause hearing under section
 10 78j.

11 (g) The date and time of the hearing on the petition for
 12 foreclosure under section 78k, and a statement that unless the
 13 forfeited unpaid delinquent taxes, interest, penalties, and fees
 14 are paid on or before the March 31 immediately succeeding the entry
 15 of a judgment foreclosing the property under section 78k, or in a
 16 contested case within 21 days of the entry of a judgment
 17 foreclosing the property under section 78k, the title to the
 18 property ~~shall~~**will** vest absolutely in the foreclosing governmental
 19 unit and that all existing interests in oil or gas in that property
 20 ~~shall~~**will** be extinguished except the following:

21 (i) The interests of a lessee or an assignee of an interest of
 22 a lessee under an oil or gas lease in effect as to that property or
 23 any part of that property if the lease was recorded in the office
 24 of the register of deeds in the county in which the property is
 25 located before the date of filing the petition for foreclosure
 26 under section 78h.

27 (ii) Interests preserved as provided in section 1(3) of 1963 PA
 28 42, MCL 554.291.

29 (h) An explanation of the person's rights of redemption and

1 notice that the rights of redemption will expire on the March 31
 2 immediately succeeding the entry of a judgment foreclosing the
 3 property under section 78k, or in a contested case 21 days after
 4 the entry of a judgment foreclosing the property under section 78k.

5 **(i) An explanation of the right of a person with an interest**
 6 **in the property at the time a judgment of foreclosure of the**
 7 **property is effective under section 78k to claim that person's**
 8 **interest in any remaining proceeds pursuant to section 78t after a**
 9 **sale or transfer of the property under section 78m.**

10 (8) The published notice required under subsection (5) ~~shall~~
 11 **must** include all of the following:

12 (a) A legal description or parcel number of each property.

13 (b) The street address of each property, if available.

14 (c) The name of any person ~~or entity~~ entitled to notice under
 15 this section who has not been notified under subsection (2) or (3).

16 (d) The date and time of the show cause hearing under section
 17 78j.

18 (e) The date and time of the hearing on the petition for
 19 foreclosure under section 78k.

20 (f) A statement that unless all forfeited unpaid delinquent
 21 taxes, interest, penalties, and fees are paid on or before the
 22 March 31 immediately succeeding the entry of a judgment foreclosing
 23 the property under section 78k, or in a contested case within 21
 24 days of the entry of a judgment foreclosing the property under
 25 section 78k, the title to the property ~~shall~~**will** vest absolutely
 26 in the foreclosing governmental unit and that all existing
 27 interests in oil or gas in that property ~~shall~~**will** be extinguished
 28 except the following:

29 (i) The interests of a lessee or an assignee of an interest of

1 a lessee under an oil or gas lease in effect as to that property or
2 any part of that property if the lease was recorded in the office
3 of the register of deeds in the county in which the property is
4 located before the date of filing the petition for foreclosure
5 under section 78h.

6 (ii) Interests preserved as provided in section 1(3) of 1963 PA
7 42, MCL 554.291.

8 (g) A statement that a person with an interest in the property
9 may lose ~~his or her that~~ interest ~~in the property and any equity~~
10 **associated with that interest** as a result of the foreclosure
11 proceeding under section 78k and that all existing interests in oil
12 or gas in that property ~~shall~~**will** be extinguished except the
13 following:

14 (i) The interests of a lessee or an assignee of an interest of
15 a lessee under an oil or gas lease in effect as to that property or
16 any part of that property if the lease was recorded in the office
17 of the register of deeds in the county in which the property is
18 located before the date of filing the petition for foreclosure
19 under section 78h.

20 (ii) Interests preserved as provided in section 1(3) of 1963 PA
21 42, MCL 554.291.

22 (h) **An explanation of the right of a person with an interest**
23 **in the property at the time a judgment of foreclosure of the**
24 **property is effective under section 78k to claim that person's**
25 **interest in any remaining proceeds pursuant to section 78t after a**
26 **sale or transfer of the property under section 78m.**

27 (9) ~~The owner of~~ **A person with** a property interest ~~who has~~
28 ~~been properly served~~ **under this section** with a notice of the show
29 cause hearing under section 78j and the foreclosure hearing under

1 section 78k ~~and who failed~~ **that fails** to redeem the property as
2 provided under this act shall not assert any of the following:

3 (a) That notice was insufficient or inadequate on the grounds
4 that some other ~~owner of~~ **person with** a property interest was not
5 also served.

6 (b) That the redemption period provided under this act was
7 extended in any way on the grounds that some other ~~owner of~~ **person**
8 **with** a property interest was not also served.

9 (c) **That the person did not receive the notice required by law**
10 **of the show cause hearing under section 78j or the foreclosure**
11 **hearing under section 78k.**

12 (10) The failure of the foreclosing governmental unit to
13 comply with any provision of this section ~~shall~~ **does** not invalidate
14 any proceeding under this act if the ~~owner of~~ **person with** a
15 property interest ~~or a person to whom a tax deed was issued is~~
16 ~~accorded~~ **is notified of the show cause hearing under section 78j**
17 **and the foreclosure hearing under section 78k consistent with** the
18 minimum due process required under the state constitution of 1963
19 and the ~~constitution~~ **Constitution** of the United States.

20 (11) As used in this section, "authorized representative"
21 includes all of the following:

22 (a) A title insurance company or agent licensed to conduct
23 business in this state.

24 (b) An attorney licensed to practice law in this state.

25 (c) A person accredited in land title search procedures by a
26 nationally recognized organization in the field of land title
27 searching.

28 (d) A person with demonstrated experience searching land title
29 records, as determined by the foreclosing governmental unit.

1 (12) The provisions of this section relating to notice of the
2 show cause hearing under section 78j and the foreclosure hearing
3 under section 78k are exclusive and exhaustive. Other requirements
4 relating to notice or proof of service under other law, rule, or
5 legal requirement are not applicable to notice and proof of service
6 under this section.

7 Sec. 78l. (1) If a judgment for foreclosure is entered under
8 section 78k and all existing recorded and unrecorded interests in a
9 ~~parcel of property~~ are extinguished as provided in section 78k, the
10 owner of any extinguished recorded or unrecorded interest in that
11 property ~~who claims that he or she did not receive any notice~~
12 ~~required under this act~~ shall not bring an action, **including an**
13 **action** for possession **or recovery** of the property ~~against any~~
14 ~~subsequent owner, but may only bring an action to recover monetary~~
15 ~~damages as provided in this section.~~ **or any interests in the**
16 **property or of any proceeds from the sale or transfer of the**
17 **property under this act, or other violation of this act or other**
18 **law of this state, the state constitution of 1963, or the**
19 **Constitution of the United States more than 2 years after the**
20 **judgment of foreclosure of the property is effective under section**
21 **78k.**

22 ~~(2) The court of claims has original and exclusive~~
23 ~~jurisdiction in any action to recover monetary damages under this~~
24 ~~section.~~

25 ~~(3) An action to recover monetary damages under this section~~
26 ~~shall not be brought more than 2 years after a judgment for~~
27 ~~foreclosure is entered under section 78k.~~

28 ~~(4) Any monetary damages recoverable under this section shall~~
29 ~~be determined as of the date a judgment for foreclosure is entered~~

1 ~~under section 78k and shall not exceed the fair market value of the~~
 2 ~~interest in the property held by the person bringing the action~~
 3 ~~under this section on that date, less any taxes, interest,~~
 4 ~~penalties, and fees owed on the property as of that date.~~

5 (2) ~~(5)~~—The right to sue ~~for monetary damages under~~ **recognized**
 6 **by** this section is not transferable except by testate or intestate
 7 succession.

8 Sec. 78m. (1) Not later than the first Tuesday in July ~~7~~
 9 immediately succeeding the entry of judgment under section 78k
 10 vesting absolute title to tax delinquent property in the
 11 foreclosing governmental unit, this state ~~is granted~~ **may exercise**
 12 the right of first refusal to purchase **foreclosed** property at the
 13 greater of the minimum bid or its fair market value by paying that
 14 amount to the foreclosing governmental unit if the foreclosing
 15 governmental unit is not this state. If this state elects not to
 16 purchase the property under its right of first refusal, a city,
 17 village, ~~or township,~~ **or local authority** may purchase ~~for a public~~
 18 ~~purpose any~~ **foreclosed** property located within that city, village,
 19 ~~or township, set forth~~ **or area of the local authority included** in
 20 the judgment and subject to sale under this section by ~~payment to~~
 21 **paying** the foreclosing governmental unit ~~of the~~ **greater of the**
 22 **minimum bid or the fair market value of the property.** If a city,
 23 village, ~~or township,~~ **or local authority** does not purchase that
 24 property, the county in which that property is located may purchase
 25 that property under this section by ~~payment to~~ **paying** the
 26 foreclosing governmental unit ~~of the~~ **greater of the** minimum bid **or**
 27 **the fair market value of the property.** If property is purchased by
 28 a city, village, township, **local authority,** or county under this
 29 subsection, the foreclosing governmental unit shall convey the

1 property to the purchasing city, village, township, **local**
 2 **authority**, or county within 30 days. ~~If property purchased by a~~
 3 ~~city, village, township, or county under this subsection is~~
 4 ~~subsequently sold for an amount in excess of the minimum bid and~~
 5 ~~all costs incurred relating to demolition, renovation,~~
 6 ~~improvements, or infrastructure development, the excess amount~~
 7 ~~shall be returned to the delinquent tax property sales proceeds~~
 8 ~~account for the year in which the property was purchased by the~~
 9 ~~city, village, township, or county or, if this state is the~~
 10 ~~foreclosing governmental unit within a county, to the land~~
 11 ~~reutilization fund created under section 78n. Upon the request of~~
 12 ~~the foreclosing governmental unit, a city, village, township, or~~
 13 ~~county that purchased property under this subsection shall provide~~
 14 ~~to the foreclosing governmental unit without cost information~~
 15 ~~regarding any subsequent sale or transfer of the property. This~~
 16 ~~subsection applies to the purchase of property by this state, a~~
 17 ~~city, village, or township, or a county prior to a sale held under~~
 18 ~~subsection (2).~~

19 (2) Subject to subsection (1), beginning on the third Tuesday
 20 in July immediately succeeding the entry of the judgment under
 21 section 78k vesting absolute title to tax delinquent property in
 22 the foreclosing governmental unit and ending on the immediately
 23 succeeding first Tuesday in November, the foreclosing governmental
 24 unit, or its authorized agent, at the option of the foreclosing
 25 governmental unit, shall hold 1 or more property sales at 1 or more
 26 convenient locations at which property foreclosed by ~~the a~~ judgment
 27 entered under section 78k ~~shall~~**will** be sold by auction sale, which
 28 may include an auction sale conducted via an internet website.
 29 Notice of the time and location of a sale ~~shall~~**must** be published

1 not less than 30 days before a sale in a ~~newspaper published and~~
2 **notice publication** circulated in the county in which the property
3 is located, if there is one. If no ~~newspaper is published~~ **notice**
4 **publication is circulated** in that county, publication ~~shall~~ **must** be
5 made in a ~~newspaper published and~~ **notice publication** circulated in
6 an adjoining county. Each sale ~~shall~~ **must** be completed before the
7 first Tuesday in November immediately succeeding the entry of
8 judgment under section 78k vesting absolute title to the tax
9 delinquent property in the foreclosing governmental unit. Except as
10 provided in this subsection and subsection (5), property ~~shall~~ **must**
11 be sold to the person bidding the minimum bid, or if a bid is
12 greater than the minimum bid, the highest amount above the minimum
13 bid. The foreclosing governmental unit may sell ~~parcels~~ **properties**
14 individually or may offer 2 or more ~~parcels~~ **properties** for sale as
15 a group. The minimum bid for a group of ~~parcels~~ **properties**
16 **must** equal the sum of the minimum bid for each ~~parcel~~ **property**
17 included in the group. The foreclosing governmental unit may adopt
18 procedures governing the conduct of the sale and the **payment for**
19 conveyance of ~~parcels~~ **properties** under this section and may cancel
20 the sale ~~prior to~~ **before** the issuance of a deed under this
21 subsection if authorized under the procedures. The foreclosing
22 governmental unit shall require full payment at the close of each
23 day's bidding or by a date not more than 21 days after the sale.
24 Before the foreclosing governmental unit conveys a ~~parcel~~ **property**
25 sold at a sale, the purchaser shall provide the foreclosing
26 governmental unit with proof of payment to the local tax collecting
27 unit in which the property is located of any property taxes owed on
28 the ~~parcel~~ **property** at the time of the sale. A foreclosing
29 governmental unit shall cancel a sale if unpaid property taxes owed

1 on a ~~parcel or parcels~~ **property or properties** at the time of a sale
2 are not paid within 21 days of the sale. If a sale is canceled
3 under this subsection, the foreclosing governmental unit may offer
4 the property to the next highest bidder and convey the property to
5 that bidder under this subsection, subject to the requirements of
6 this subsection for the highest bidder. Not more than 14 days after
7 payment to the foreclosing governmental unit of all amounts
8 required by the highest bidder or the next highest bidder under
9 this subsection, the foreclosing governmental unit shall convey the
10 property by deed to the person bidding the minimum bid, or if a bid
11 is greater than the minimum bid, the highest amount above the
12 minimum bid, or the next highest bidder if the sale to the highest
13 bidder is canceled and the next highest bidder pays the amount
14 required under this section to purchase the property. The deed
15 ~~shall~~ **must** vest fee simple title to the property in the person
16 bidding the highest amount above the minimum bid, unless the
17 foreclosing governmental unit discovers a defect in the foreclosure
18 of the property under sections 78 to 78I or the sale is canceled
19 under this subsection or subsection (5). If this state is the
20 foreclosing governmental unit within a county, the department of
21 treasury ~~shall be~~ **is** responsible for conducting the sale of
22 property under this subsection and subsections (4) and (5) on
23 behalf of this state. Before issuing a deed to a person purchasing
24 property under this subsection or subsection (5), the foreclosing
25 governmental unit shall require the person to execute and file with
26 the foreclosing governmental unit an affidavit under penalty of
27 perjury. If the person fails to execute and file the affidavit
28 required by this subsection by the date payment for the property is
29 required under this section, the foreclosing governmental unit

1 shall cancel the sale. An affidavit under this section ~~shall~~**must**
 2 indicate that the person meets all of the following conditions:

3 (a) The person does not directly or indirectly hold more than
 4 a ~~de minimis~~**minimal** legal interest in any property with delinquent
 5 property taxes located in the same county as the property.

6 (b) The person is not directly or indirectly responsible for
 7 any unpaid civil fines for a violation of an ordinance authorized
 8 by section 41 of the home rule city act, 1909 PA 279, MCL 117.41, in
 9 the local tax collection unit in which the property is located.

10 (3) For sales held under subsection (2), after the conclusion
 11 of that sale, and ~~prior to~~**before** any additional sale held under
 12 subsection (2), a city, village, ~~or~~**township, or local authority**
 13 may purchase any property not previously sold under subsection (1)
 14 or (2) by paying the minimum bid to the foreclosing governmental
 15 unit. If a city, village, or township does not purchase that
 16 property, the county in which that property is located may purchase
 17 that property under this section by payment to the foreclosing
 18 governmental unit of the minimum bid.

19 (4) If property is purchased by a city, village, township,
 20 **local authority**, or county under subsection (3), the foreclosing
 21 governmental unit shall convey the property to the purchasing city,
 22 village, township, or county within 30 days.

23 (5) All property subject to sale under subsection (2) ~~shall~~
 24 **must** be offered for sale at 1 or more sales conducted as required
 25 by subsection (2). If the foreclosing governmental unit elects to
 26 hold more than 1 sale under subsection (2), the final sale held
 27 under subsection (2) ~~shall~~**must** be held not less than 28 days after
 28 the immediately preceding sale under subsection (2). At the final
 29 sale held under subsection (2), the sale is subject to the

1 requirements of subsection (2), except that the minimum bid ~~shall~~
 2 **is** not ~~be~~ required. However, the foreclosing governmental unit may
 3 establish a reasonable opening bid at the sale to recover the cost
 4 of the sale of the ~~parcel or parcels,~~ **property or properties**, and
 5 the foreclosing governmental unit shall require a person who held
 6 an interest in property sold under this subsection at the time a
 7 judgment of foreclosure was entered against the property under
 8 section 78k to pay the minimum bid for the property before issuing
 9 a deed to the person under subsection (2). If the person fails to
 10 pay the minimum bid for the property and other amounts by the date
 11 required under this section, the foreclosing governmental unit
 12 shall cancel the sale of the property.

13 (6) On or before December 1 immediately succeeding the entry
 14 of judgment under section 78k, a list of all property not
 15 previously sold by the foreclosing governmental unit under this
 16 section ~~shall~~ **must** be transferred to the clerk of the city,
 17 village, or township in which the property is located. The city,
 18 village, or township may object in writing to the transfer of 1 or
 19 more ~~parcels of property set forth on that list.~~ **properties**. On or
 20 before December 30 immediately succeeding the entry of judgment
 21 under section 78k, all property not previously sold by the
 22 foreclosing governmental unit under this section ~~shall~~ **must** be
 23 transferred to the city, village, or township in which the property
 24 is located, except those ~~parcels of property~~ **properties** to which
 25 the city, village, or township has objected. Property located in
 26 both a village and a township may be transferred under this
 27 subsection only to a village. The city, village, or township may
 28 make the property available under the urban homestead act, 1999 PA
 29 127, MCL 125.2701 to 125.2709, or for any other lawful purpose.

1 (7) If property not previously sold is not transferred to the
 2 city, village, or township in which the property is located under
 3 subsection (6), the foreclosing governmental unit shall retain
 4 possession of that property. If the foreclosing governmental unit
 5 retains possession of the property and the foreclosing governmental
 6 unit is this state, title to the property ~~shall~~**must** vest in the
 7 land bank fast track authority created under section 15 of the land
 8 bank fast track act, 2003 PA 258, MCL 124.765. **If the foreclosing**
 9 **governmental unit retains possession of the property and the**
 10 **foreclosing governmental unit is not this state, the foreclosing**
 11 **governmental unit may do any of the following:**

12 (a) **Transfer the property to a land bank fast track authority**
 13 **created under the land bank fast track act, 2003 PA 258, MCL**
 14 **124.751 to 124.774, with the consent of the land bank fast track**
 15 **authority.**

16 (b) **Convey the property pursuant to section 78r.**

17 (c) **Offer the property for sale, including, but not limited**
 18 **to, a subsequent sale under this section.**

19 (8) A foreclosing governmental unit shall deposit the proceeds
 20 from the sale of property under this section into a restricted
 21 account designated as the "delinquent tax property sales proceeds
 22 for the year ____". The foreclosing governmental unit shall
 23 direct the investment of the account. The foreclosing governmental
 24 unit shall credit to the account interest and earnings from account
 25 investments. ~~Proceeds~~**The foreclosing governmental unit shall use**
 26 **proceeds** in that account ~~shall only be used by the foreclosing~~
 27 ~~governmental unit~~ for the following purposes in the following order
 28 of priority:

29 (a) ~~The~~**For each property that was sold or transferred for an**

1 amount equal to or greater than the minimum bid, the delinquent tax
2 revolving fund ~~shall created pursuant to section 87b or 87f by the~~
3 county in which the property is located must be reimbursed for all
4 taxes, interest, penalties, and fees on all of the each property, ~~7~~
5 ~~whether or not all of the property was sold. that was transferred or~~
6 sold that year.

7 (b) ~~All costs of the sale of property for the year shall be~~
8 ~~paid. For each property that was sold or transferred for an amount~~
9 equal to or greater than the minimum bid, fees incurred by the
10 foreclosing governmental unit in connection with the forfeiture,
11 foreclosure, sale, maintenance, repair, and remediation of
12 foreclosed property and the administration of this act must be paid
13 up to the amount for which the property was sold on a property-by-
14 property basis.

15 (c) ~~Any costs of the foreclosure proceedings for the year,~~
16 ~~including, but not limited to, costs of mailing, publication,~~
17 ~~personal service, and outside contractors shall be paid.~~

18 (c) Payments to claimants of remaining proceeds for the year
19 ordered under section 78t and any other payments ordered under
20 section 78t must be paid on a property-by-property basis.

21 (d) For each property that was sold or transferred for an
22 amount less than the minimum bid or that was not sold or
23 transferred, the delinquent tax revolving fund created pursuant to
24 section 87b or 87f by the county in which the property is located
25 must be reimbursed for all taxes, interest, penalties, and fees.

26 (e) For each property that was sold or transferred for an
27 amount greater than the minimum bid, fees incurred by the
28 foreclosing governmental unit in connection with the forfeiture,
29 foreclosure, sale, maintenance, repair, or remediation of

1 foreclosed property or the administration of this act for the year
2 but not paid under subdivision (b) must be paid.

3 (f) For each property that was sold or transferred for an
4 amount less than the minimum bid or that was not sold or
5 transferred, fees incurred by the foreclosing governmental unit in
6 connection with the forfeiture, foreclosure, sale, maintenance,
7 repair, or remediation of foreclosed property or the administration
8 of this act for the year must be paid.

9 (g) ~~(d) Any costs for the sale of property or foreclosure~~
10 ~~proceedings fees incurred by the foreclosing governmental unit in~~
11 ~~connection with the forfeiture, foreclosure, sale, maintenance,~~
12 ~~repair, or remediation of foreclosed property or the administration~~
13 ~~of this act~~ for any prior year that have not been paid or
14 reimbursed from ~~that a~~ prior year's delinquent tax property sales
15 proceeds shall ~~must~~ be paid.

16 ~~(e) Any costs incurred by the foreclosing governmental unit in~~
17 ~~maintaining property foreclosed under section 78k before the sale~~
18 ~~under this section shall be paid, including costs of any~~
19 ~~environmental remediation.~~

20 ~~(f) If the foreclosing governmental unit is not this state,~~
21 ~~any of the following:~~

22 ~~(i) Any costs for the sale of property or foreclosure~~
23 ~~proceedings for any subsequent year that are not paid or reimbursed~~
24 ~~from that subsequent year's delinquent tax property sales proceeds~~
25 ~~shall be paid from any remaining balance in any prior year's~~
26 ~~delinquent tax property sales proceeds account.~~

27 ~~(ii) Any costs for the defense of title actions.~~

28 ~~(iii) Any costs incurred in administering the foreclosure and~~
29 ~~disposition of property forfeited for delinquent taxes under this~~

1 act.

2 (h) ~~(g)~~ If the foreclosing governmental unit is this state,
3 any remaining balance ~~shall~~ **must** be transferred to the land
4 reutilization fund created under section 78n.

5 (i) ~~(h)~~ In 2008 and each year after 2008, ~~if~~ **If** the
6 foreclosing governmental unit is not this state, not later than
7 ~~June~~ **September** 30 of the second calendar year after foreclosure,
8 the foreclosing governmental unit shall submit a written report to
9 its board of commissioners identifying any remaining balance and
10 any contingent costs of title, **environmental remediation**, or other
11 legal claims described in subdivisions (a) through (f). ~~All or a~~
12 ~~portion of any remaining balance, less any contingent costs of~~
13 ~~title or other legal claims described in subdivisions (a) through~~
14 ~~(f), may subsequently be transferred into the general fund of the~~
15 ~~county by the board of commissioners.~~ **relating to foreclosed**
16 **property as determined by the foreclosing governmental unit. Any**
17 **remaining balance must be used for costs incurred by the**
18 **foreclosing governmental unit in connection with the forfeiture,**
19 **foreclosure, sale, maintenance, repair, or remediation of**
20 **foreclosed property, the defense of title actions, or the**
21 **administration of this act, or for the payment of claims for**
22 **remaining proceeds or other amounts ordered under section 78t.**

23 (9) Two or more county treasurers of adjacent counties may
24 elect to hold a joint sale of property as provided in this section.
25 If 2 or more county treasurers elect to hold a joint sale, property
26 may be sold under this section at a location outside of the county
27 in which the property is located. The sale may be conducted by any
28 county treasurer participating in the joint sale **or by an**
29 **authorized agent of each county treasurer participating in the**

1 **sale.** A joint sale held under this subsection may include or be an
2 auction sale conducted via an internet website.

3 (10) The foreclosing governmental unit shall record a deed for
4 any property transferred under this section with the county
5 register of deeds. The foreclosing governmental unit may charge a
6 fee in excess of the minimum bid and any sale proceeds for the cost
7 of recording a deed under this subsection.

8 (11) For property transferred to this state, **a city, a**
9 **village, a township, a local authority, or a county** under
10 subsection (1), a city, village, or township under subsection (6),
11 or retained by a foreclosing governmental unit under subsection
12 (7), all taxes due on the property as of the December 31 following
13 the transfer or retention of the property are canceled effective on
14 that December 31.

15 (12) For property sold, **transferred, or retained** under this
16 section, ~~transferred to this state under subsection (1), a city,~~
17 ~~village, or township under subsection (6), or retained by a~~
18 ~~foreclosing governmental unit under subsection (7),~~ all liens for
19 costs of demolition, safety repairs, debris removal, or sewer or
20 water charges due on the property as of the December 31 immediately
21 succeeding the sale, transfer, or retention of the property are
22 canceled effective on that December 31. This subsection does not
23 apply to liens recorded by the department of ~~environmental quality~~
24 **environment, Great Lakes, and energy** under this act or the land
25 bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

26 (13) If property foreclosed under section 78k and held by or
27 under the control of a foreclosing governmental unit is a facility
28 as defined under section 20101 of the natural resources and
29 environmental protection act, 1994 PA 451, MCL 324.20101, ~~prior to~~

1 **before** the sale or transfer of the property under this section, the
2 property is subject to all of the following:

3 (a) Upon reasonable written notice from the department of
4 ~~environmental quality,~~ **environment, Great Lakes, and energy,** the
5 foreclosing governmental unit shall provide access to the
6 department of ~~environmental quality,~~ **environment, Great Lakes, and**
7 **energy,** its employees, contractors, and any other person expressly
8 authorized by the department of ~~environmental quality~~ **environment,**
9 **Great Lakes, and energy** to conduct response activities at the
10 foreclosed property. Reasonable written notice under this
11 subdivision may include, but is not limited to, notice by
12 electronic mail, ~~or facsimile,~~ if the foreclosing governmental unit
13 consents to notice by electronic mail ~~or facsimile prior to~~ **before**
14 the provision of notice by the department of ~~environmental~~
15 ~~quality.~~ **environment, Great Lakes, and energy.**

16 (b) If requested by the department of ~~environmental quality~~
17 **environment, Great Lakes, and energy** to protect public health,
18 safety, and welfare or the environment, the foreclosing
19 governmental unit shall grant an easement for access to conduct
20 response activities on the foreclosed property as authorized under
21 chapter 7 **of article II** of the natural resources and environmental
22 protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

23 (c) If requested by the department of ~~environmental quality~~
24 **environment, Great Lakes, and energy** to protect public health,
25 safety, and welfare or the environment, the foreclosing
26 governmental unit shall place and record deed restrictions on the
27 foreclosed property as authorized under chapter 7 **of article II** of
28 the natural resources and environmental protection act, 1994 PA
29 451, MCL 324.20101 to 324.20302.

1 (d) The department of ~~environmental quality~~**environment, Great**
2 **Lakes, and energy** may place an environmental lien on the foreclosed
3 property as authorized under section 20138 of the natural resources
4 and environmental protection act, 1994 PA 451, MCL 324.20138.

5 (14) If property foreclosed under section 78k and held by or
6 under the control of a foreclosing governmental unit is a facility
7 as defined under section 20101 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.20101, ~~prior to~~
9 **before** the sale or transfer of the property under this section, the
10 department of ~~environmental quality~~**environment, Great Lakes, and**
11 **energy** shall request and the foreclosing governmental unit shall
12 transfer the property to the state land bank fast track authority
13 created under section 15 of the land bank fast track act, 2003 PA
14 258, MCL 124.765, if all of the following apply:

15 (a) The department of ~~environmental quality~~**environment, Great**
16 **Lakes, and energy** determines that conditions at a foreclosed
17 property are an acute threat to the public health, safety, and
18 welfare, to the environment, or to other property.

19 (b) The department of ~~environmental quality~~**environment, Great**
20 **Lakes, and energy** proposes to undertake or is undertaking state-
21 funded response activities at the property.

22 (c) The department of ~~environmental quality~~**environment, Great**
23 **Lakes, and energy** determines that the sale, retention, or transfer
24 of the property other than under this subsection would interfere
25 with response activities by the department of ~~environmental~~
26 ~~quality~~**environment, Great Lakes, and energy**.

27 (15) A person convicted for executing a false affidavit under
28 subsection (5) ~~shall be~~**is** prohibited from bidding for a property
29 or purchasing a property at any sale under this section.

1 (16) As used in this section:

2 (a) "Local authority" means a land bank fast track authority
3 created under section 23(4) or (5) of the land bank fast track act,
4 2003 PA 258, MCL 124.773.

5 (b) ~~(a)~~ "Minimum bid" is the minimum amount established by the
6 foreclosing governmental unit for which property may be sold **or**
7 **transferred** under ~~this section, subsections (1) to (3)~~. The minimum
8 bid ~~shall~~ **must** include all of the following:

9 ~~(i) All delinquent taxes, interest, penalties, and fees due on~~
10 ~~the property, and may include any additional expenses incurred by~~
11 ~~the foreclosing governmental unit in connection with the~~
12 ~~forfeiture, foreclosure, maintenance, repair, or remediation of the~~
13 ~~property or the administration of this act for the property,~~
14 ~~including, but not limited to, foreclosure avoidance, mailing,~~
15 ~~publication, personal service, legal, personnel, outside~~
16 ~~contractor, and auction expenses. If a city, village, or township~~
17 ~~purchases the property, the minimum bid shall not include any taxes~~
18 ~~levied by that city, village, or township and any interest,~~
19 ~~penalties, or fees due on those taxes.~~

20 ~~(ii) The expenses of administering the sale, including all~~
21 ~~preparations for the sale. The foreclosing governmental unit shall~~
22 ~~estimate the cost of preparing for and administering the annual~~
23 ~~sale for purposes of prorating the cost for each property included~~
24 ~~in the sale.~~

25 ~~(b) "Person" means an individual, partnership, corporation,~~
26 ~~association, or other legal entity.~~

27 **Sec. 78t. (1) A claimant may submit a notice of intention to**
28 **claim an interest in any applicable remaining proceeds from the**
29 **sale or transfer of property foreclosed under section 78k after**

1 December 31, 2020 pursuant to subsection (2). Subject to section
2 78l, a claimant may file a claim for applicable remaining proceeds
3 from the sale or transfer of property foreclosed under section 78k
4 before January 1, 2021 pursuant to subsection (6).

5 (2) For property foreclosed under section 78k after December
6 31, 2020, by the July 1 immediately following the effective date of
7 the foreclosure of the property, a claimant seeking remaining
8 proceeds for the property must notify the foreclosing governmental
9 unit using a form prescribed by the department of treasury. The
10 department of treasury shall make the form available to the public
11 on an internet website maintained by the department of treasury. A
12 foreclosing governmental unit shall make the form available to the
13 public on an internet website maintained by the foreclosing
14 governmental unit if the foreclosing governmental unit maintains an
15 internet website. Notice to a foreclosing governmental unit under
16 this subsection must be by personal service acknowledged by the
17 foreclosing governmental unit or by certified mail, return receipt
18 requested. The notice must be notarized and include all of the
19 following:

20 (a) The name of the claimant.

21 (b) The telephone number of the claimant.

22 (c) The address at which the claimant wants to receive
23 service.

24 (d) The parcel identification number of the property, and, if
25 available, the address of the property.

26 (e) An explanation of the claimant's interest in the property.

27 (f) A description of any other interest in the property
28 immediately before the foreclosure under section 78k held by other
29 persons and known by the claimant, including a lien or a mortgage.

1 (g) A sworn statement or affirmation by the claimant that the
2 information included in the notice is accurate.

3 (3) Not later than the January 31 immediately succeeding the
4 sale or transfer of the property under section 78m, the foreclosing
5 governmental unit shall send by certified mail, return receipt
6 requested, a notice in a form prescribed by the department of
7 treasury to each claimant that notified the foreclosing
8 governmental unit pursuant to subsection (2). The notice must
9 include the following information:

10 (a) The parcel identification number of the property.

11 (b) The legal description of the property.

12 (c) The address for the property if an address is available
13 for the property.

14 (d) The date on which the property was sold or transferred
15 under section 78m or, if the property was not sold or transferred
16 under section 78m, a statement indicating that the property was not
17 sold or transferred.

18 (e) The minimum bid for the property as determined by the
19 foreclosing governmental unit under section 78m.

20 (f) The amount for which the property was sold or transferred
21 under section 78m.

22 (g) The amount of the sale commission for the property, which
23 must be equal to 5% of the amount under subdivision (f).

24 (h) The amount of any outstanding unpaid state, federal, or
25 local tax collecting unit tax liens on the property immediately
26 preceding the effective date of the foreclosure of the property
27 under section 78k based on the records of the foreclosing
28 governmental unit.

29 (i) The total amount of any remaining proceeds, or the amount

1 of the shortfall in proceeds if the minimum bid under section 78m
2 and other fees incurred by the foreclosing governmental unit in
3 foreclosing and selling the property under section 78m exceed the
4 amount received by the foreclosing governmental unit from a sale or
5 transfer of the property under section 78m.

6 (j) The name and address provided by each claimant for the
7 property pursuant to subsection (2).

8 (k) A statement that a claimant must file pursuant to
9 subsection (4) a motion with the circuit court in the same
10 proceeding in which the judgment of foreclosure of the property was
11 effective under section 78k to claim any remaining proceeds payable
12 to the claimant.

13 (4) For a claimant seeking remaining proceeds from the sale or
14 transfer of a property foreclosed under section 78k after December
15 31, 2020, after receipt of a notice under subsection (3), the
16 claimant may file a motion with the circuit court in the same
17 proceeding in which the judgment of foreclosure of the property was
18 effective under section 78k to claim any portion of the remaining
19 proceeds that the claimant is entitled to under this section. A
20 motion under this subsection must be filed during the period
21 beginning on February 1 immediately succeeding the date on which
22 the property was sold or transferred under section 78m and ending
23 on the immediately succeeding May 15, and may not be filed after
24 that May 15 if notice was provided under section 78i of the show
25 cause hearing under section 78j and the foreclosure hearing under
26 section 78k before the show cause hearing and the foreclosure
27 hearing, notwithstanding section 78l.

28 (5) At the end of the claim period described in subsection
29 (4), the foreclosing governmental unit shall file with the circuit

1 court proof of service of the notice required under subsection (3)
2 and, for each property for which a claimant provided notice under
3 subsection (2), a list of all of the following information:

4 (a) The parcel identification number of the property.

5 (b) The legal description of the property.

6 (c) The address for the property if an address is available
7 for the property.

8 (d) The date on which the property was sold or transferred
9 under section 78m or, if the property was not sold or transferred
10 under section 78m, a statement indicating that the property was not
11 sold or transferred.

12 (e) The minimum bid for the property as determined by the
13 foreclosing governmental unit under section 78m.

14 (f) The amount for which the property was sold or transferred
15 under section 78m.

16 (g) The amount of the sale commission for the property, which
17 must be equal to 5% of the amount under subdivision (f).

18 (h) The amount of any outstanding unpaid state, federal, or
19 local tax collecting unit tax liens on the property immediately
20 preceding the effective date of the foreclosure of the property
21 under section 78k based on the records of the county treasurer.

22 (i) The amount of any remaining proceeds, or the amount of the
23 shortfall in proceeds if the minimum bid under section 78m and
24 other fees incurred in foreclosing and selling the property exceed
25 the amount received by the foreclosing governmental unit from a
26 sale or transfer of the property under section 78m.

27 (j) The name and address provided by each claimant for the
28 property pursuant to subsection (2).

29 (6) For a claimant seeking remaining proceeds from the sale or

1 transfer of a property foreclosed under section 78k before January
2 1, 2021, the claimant may file a motion with the circuit court in
3 the same proceeding in which a judgment of foreclosure was
4 effective under section 78k to claim any portion of the remaining
5 proceeds that the claimant is entitled to under this section,
6 subject to section 78l. The motion must be certified and include all
7 of the following:

8 (a) The name of the claimant filing the motion.

9 (b) The telephone number of the claimant.

10 (c) The address at which the claimant wants to receive
11 service.

12 (d) The parcel identification number of the property, and, if
13 available, the address of the property.

14 (e) An explanation of the claimant's interest in the property.

15 (f) A description of any other interest in the property,
16 including a lien or a mortgage, immediately before the foreclosure
17 under section 78k held by any other person or entity and known by
18 the claimant.

19 (g) A sworn statement or affirmation by the claimant that the
20 information included in the motion is accurate.

21 (7) At the end of the claim period described in subsection (4)
22 or after receipt of a motion under subsection (6), the foreclosing
23 governmental unit shall file with the circuit court proof of
24 service of the notice required under subsection (3) and, for each
25 property for which a claimant provided notice under subsection (2)
26 or filed a motion under subsection (6), a list of all of the
27 following information:

28 (a) The parcel identification number of the property.

29 (b) The legal description of the property.

1 (c) The address for the property if an address is available
2 for the property.

3 (d) The date on which the property was sold or transferred
4 under section 78m or, if the property was not sold or transferred
5 under section 78m, a statement indicating that the property was not
6 sold or transferred.

7 (e) The minimum bid for the property as determined by the
8 foreclosing governmental unit under section 78m.

9 (f) The amount for which the property was sold or transferred
10 under section 78m.

11 (g) The amount of the sale commission for the property, which
12 must be equal to 5% of the amount under subsection (f).

13 (h) The amount of any remaining proceeds, or the amount of the
14 shortfall in proceeds if the minimum bid under section 78m and
15 other fees incurred in foreclosing and selling the property exceed
16 the amount received by the foreclosing governmental unit from a
17 sale or transfer of the property under section 78m.

18 (i) The amount of any outstanding unpaid state, federal, or
19 local tax collecting unit tax liens on the property immediately
20 preceding the effective date of the foreclosure of the property
21 under section 78k based on the records of the county treasurer.

22 (j) The name and address provided by each claimant for the
23 property pursuant to subsection (2) or (6).

24 (8) A motion by a claimant under this section must provide the
25 specific basis for the claimant's asserted interest in some or all
26 of the remaining proceeds, including the claimant's interest in the
27 property immediately before its foreclosure under section 78k and
28 documentation evidencing that interest. The claimant also shall
29 affirm that the claimant did not transfer and was not otherwise

1 divested of the claimant's interest in the property before the
2 judgment of foreclosure was effective under section 78k. If a
3 claimant had a lien or other security interest in the property at
4 the time the judgment of foreclosure was effective under section
5 78k, the claimant shall indicate the amount owed to the claimant
6 pursuant to the lien or security interest and the priority of the
7 claimant's lien or security interest. The motion must be verified
8 and include a sworn statement or affirmation by the claimant of its
9 accuracy. A claimant filing a motion under this section must serve
10 a copy of the motion on the foreclosing governmental unit.

11 (9) After the foreclosing governmental unit responds to a
12 claimant's motion under this section, the court shall set a hearing
13 date and time for each property for which 1 or more claimants filed
14 a motion under this section and notify each claimant and the
15 foreclosing governmental unit of the hearing date at least 21 days
16 before the hearing date. At the hearing, the court shall determine
17 the relative priority and value of the interest of each claimant in
18 the foreclosed property immediately before the foreclosure was
19 effective. The foreclosing governmental unit may appear at the
20 hearing. The burden of proof of a claimant's interest in any
21 remaining proceeds for a claimant is on the claimant. The court
22 shall require payment to the foreclosing governmental unit of a
23 sale commission equal to 5% of the amount for which the property
24 was sold by the foreclosing governmental unit. The court shall
25 allocate any remaining proceeds based upon its determination and
26 order that the foreclosing governmental unit pay applicable
27 remaining proceeds to 1 or more claimants consistent with its
28 determination under this subsection. An order for the payment of
29 remaining proceeds must not unjustly enrich a claimant at the

1 expense of the public. The order must provide for the payment of
2 any unpaid amounts not otherwise payable to another claimant owed
3 by a claimant to satisfy a state, federal, or local tax collecting
4 unit tax lien on the property immediately preceding the effective
5 date of the foreclosure under section 78k if the lien had priority
6 over the claimant's interest in the property. The order also must
7 provide that any further claim by a claimant under this act
8 relating to the foreclosed property is barred.

9 (10) The foreclosing governmental unit shall pay the amounts
10 ordered by the court to the claimants and any other persons ordered
11 by the court under subsection (9) within 21 days of the order
12 pursuant to section 78m.

13 (11) A right to claim remaining proceeds under this section is
14 not transferable except by testate or intestate succession.

15 (12) As used in this section:

16 (a) "Claimant" means a person with a legal interest in
17 property immediately before the effectiveness of a judgment of
18 foreclosure of the property under section 78k who seeks pursuant to
19 this section recognition of its interest in any remaining proceeds
20 associated with the property.

21 (b) "Remaining proceeds" means the amount equal to the
22 difference between the amount paid to the foreclosing governmental
23 unit for a property due to the sale or transfer of the property
24 under section 78m and the sum of all of the following:

25 (i) The minimum bid under section 78m.

26 (ii) All other fees and expenses incurred by the foreclosing
27 governmental unit pursuant to section 78m in connection with the
28 forfeiture, foreclosure, sale, maintenance, repair, and remediation
29 of the property not included in the minimum bid.

1 **(iii) A sale commission payable to the foreclosing governmental**
2 **unit equal to 5% of the amount paid to the foreclosing governmental**
3 **unit for the property.**

4 Enacting section 1. Sections 78g, 78i, and 78m of the general
5 property tax act, 1893 PA 206, MCL 211.78g, 211,78i, and 211.78m,
6 as amended by this amendatory act, take effect January 1, 2021.

7 Enacting section 2. This amendatory act is curative and is
8 intended to codify and give full effect to the right of a former
9 holder of a legal interest in property to any remaining proceeds
10 resulting from the foreclosure and sale of the property to satisfy
11 delinquent real property taxes under the general property tax act,
12 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan
13 supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849,
14 consistent with the legislative findings and intent under section
15 78 of the general property tax act, 1893 PA 206, MCL 211.78.