

HOUSE BILL NO. 4968

September 12, 2023, Introduced by Reps. Farhat, Whitsett and Tyrone Carter and referred to the Committee on Tax Policy.

A bill to amend 2003 PA 260, entitled
"Tax reverted clean title act,"
by amending section 5 (MCL 211.1025), as amended by 2016 PA 151.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) Except as otherwise provided in section 5a, there
2 is levied ~~upon~~**on** every owner of eligible tax reverted property a
3 specific tax to be known as the eligible tax reverted property
4 specific tax.

5 (2) The amount of the eligible tax reverted property specific
6 tax in each year is the amount of tax that would have been

1 collected on that parcel under **both** the general property tax act,
2 1893 PA 206, MCL 211.1 to 211.155, **and, if applicable, the land tax**
3 **equity act. The eligible tax reverted property specific tax must be**
4 **determined as** if that parcel was not exempt under section 3 **and, if**
5 **located in a city in which a land value tax has been adopted under**
6 **the land tax equity act, as if that parcel was subject to a**
7 **specific tax imposed under the land tax equity act.** An owner of
8 eligible tax reverted property that is a principal residence may
9 claim an exemption for that portion of the specific tax
10 attributable to the tax levied by a local school district for
11 school operating purposes to the extent provided under section 1211
12 of the revised school code, 1976 PA 451, MCL 380.1211, if an owner
13 of that eligible tax reverted property claims or has claimed an
14 exemption for the property as provided in section 7cc of the
15 general property tax act, 1893 PA 206, MCL 211.7cc.

16 (3) The eligible tax reverted property specific tax ~~shall~~**must**
17 be assessed, collected, and disbursed in accordance with this act.

18 (4) The eligible tax reverted property specific tax is an
19 annual tax, payable at the same times, in the same installments,
20 and to the same officer or officers as taxes imposed under the
21 general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and
22 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
23 are payable. The eligible tax reverted property specific tax is
24 subject to the same collection fee and interest as taxes imposed
25 under the general property tax act, 1893 PA 206, MCL 211.1 to
26 211.155. Except as otherwise provided in this section, the officer
27 or officers shall disburse the eligible tax reverted property
28 specific tax payments received by the officer or officers each year
29 **and any distribution under section 8 of the land tax equity act as**

1 follows:

2 (a) Fifty percent ~~of the eligible tax reverted property~~
 3 ~~specific tax~~ to and among this state and cities, townships,
 4 villages, school districts, counties, or other taxing units, at the
 5 same times and in the same proportions as required by law for the
 6 disbursement of taxes collected under the general property tax act,
 7 1893 PA 206, MCL 211.1 to 211.155.

8 (b) Fifty percent ~~of the eligible tax reverted property~~
 9 ~~specific tax~~ to the authority that sold or otherwise conveyed the
 10 property under the land bank fast track act, 2003 PA 258, MCL
 11 124.751 to 124.774, which sale or conveyance caused the property to
 12 be eligible tax reverted property. The ~~eligible tax reverted~~
 13 ~~property specific tax amounts~~ disbursed under this subdivision
 14 ~~shall only~~ **must** be used by the authority for ~~1 or more~~ **either or**
 15 **both** of the following:

16 (i) For the purposes authorized under the land bank fast track
 17 act, 2003 PA 258, MCL 124.751 to 124.774, including, but not
 18 limited to, costs to clear, quiet, or defend title to property held
 19 by the authority.

20 (ii) To repay a loan made to the authority under section 2f of
 21 1855 PA 105, MCL 21.142f.

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

1 section 11 of article IX of the state constitution of 1963.

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

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

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

24 (9) The eligible tax reverted property specific tax levied
25 under this section becomes a lien on the eligible tax reverted
26 property assessed on the same date that a tax becomes a lien on
27 real property under the general property tax act, 1893 PA 206, MCL
28 211.1 to 211.155. A lien for the eligible tax reverted property
29 specific tax includes any applicable collection fee or interest. A

1 lien under this subsection continues until paid.

2 (10) If the county treasurer consents, any unpaid eligible tax
3 reverted property specific tax and any applicable collection fee or
4 interest ~~shall~~**must** be returned as delinquent to the county
5 treasurer at the same time taxes are returned as delinquent under
6 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
7 Except as otherwise provided in this subsection, eligible tax
8 reverted property subject to an eligible tax reverted property
9 specific tax returned as delinquent is subject to forfeiture,
10 foreclosure, and sale at the same time and in the same manner as
11 property subject to delinquent taxes under the general property tax
12 act, 1893 PA 206, MCL 211.1 to 211.155. If an eligible tax reverted
13 property specific tax or any applicable collection fee or interest
14 for an eligible tax reverted property has not been paid for 2 or
15 more years on the date the eligible tax reverted property is
16 returned as delinquent under this subsection, the eligible tax
17 reverted property ~~shall~~**must** be forfeited to the county treasurer
18 ~~upon~~**on** its return and is subject to foreclosure and sale at the
19 same time and in the same manner as other property forfeited under
20 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

21 Enacting section 1. This amendatory act does not take effect
22 unless Senate Bill No. ____ or House Bill No. 4966 (request no.
23 03630'23) of the 102nd Legislature is enacted into law.

24 Enacting section 2. If any portion of this amendatory act or
25 application of any portion of this amendatory act to any person,
26 property, or circumstance is found to be invalid by a court, the
27 invalidity must not affect the remaining portions or applications
28 of this amendatory act that can be given effect without the invalid
29 portion or application if the remaining portions are not determined

1 by the court to be inoperable. The provisions of this amendatory
2 act are severable.