

SUBSTITUTE FOR  
HOUSE BILL NO. 4090

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 65 (MCL 211.65) and by adding section 70d.

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

1       Sec. 65. (1) The total cost of the advertising shall not  
2 exceed the sum of \$6.50 per column inch as measured in the ini-  
3 tial publication and shall include the description of lands so  
4 advertised and sold. The petition and court order, column head-  
5 ings, and captions within the columns shall be paid for at the  
6 same rate. THE ADVERTISING SHALL INCLUDE THE DESCRIPTION OF  
7 LANDS TO BE SOLD AS PROVIDED BY THE COUNTY TREASURER, THE PARCEL  
8 IDENTIFICATION NUMBER, AND THE STREET ADDRESS IF AVAILABLE. Copy  
9 for the description of lands for the tax sale and for the  
10 petition and court order shall be set on 6 point slugs in columns  
11 at least 11 picas wide, except for captions and headings within

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1 the columns, the size of which shall be specified by the director  
2 of the department of management and budget. Copy set on slugs  
3 larger in size than 6 point shall be paid for on the basis of the  
4 amount of space required if set on 6 point slugs.

5 (2) The additional notices referred to in section 63 shall  
6 not exceed 2 columns in width and 5 inches in length and the inch  
7 rate charged for those notices shall not exceed the designated  
8 newspaper's published inch rate prices.

9 SEC. 70D. (1) PROPERTY THAT IS THE HOMESTEAD OF A QUALIFIED  
10 PERSON AND THAT IS OTHERWISE ELIGIBLE FOR THE SALE PROVIDED FOR  
11 IN SECTIONS 60 AND 70 SHALL BE EXCLUDED FROM THE SALE BY THE  
12 COUNTY TREASURER AS PROVIDED IN THIS SECTION. IF PROPERTY THAT  
13 IS THE HOMESTEAD OF A QUALIFIED PERSON IS SOLD AT THE SALE PRO-  
14 VIDED FOR IN SECTIONS 60 AND 70, IT IS NOT SUBJECT TO SUBSEQUENT  
15 PROCEEDINGS TO ENFORCE ANY INTEREST BID OFF IN THE NAME OF THE  
16 STATE OR ANY TAX DEED OR CERTIFICATE OF SALE ACQUIRED BY ANY  
17 PERSON UNDER THIS ACT, EXCEPT AS PROVIDED IN THIS SECTION.

18 (2) IF THE PROPERTY OF AN OWNER IS SUBJECT TO THE EXPENSE OF  
19 SALE CHARGE PROVIDED FOR IN SECTION 59(1), THE OWNER MAY APPLY TO  
20 THE COUNTY TREASURER TO WITHHOLD THE PROPERTY FROM THE SALE PRO-  
21 VIDED FOR IN SECTIONS 60 AND 70. THE APPLICATION SHALL BE MADE  
22 UPON AN AFFIDAVIT VERIFYING THAT THE APPLICANT IS THE OWNER OF  
23 THE PROPERTY PRESCRIBED BY THE DEPARTMENT OF TREASURY AND MADE  
24 AVAILABLE TO COUNTY TREASURERS THROUGHOUT THE STATE. THE AFFIDA-  
25 VIT SHALL REQUIRE THE OWNER TO IDENTIFY ANY MORTGAGEE OF THE  
26 PROPERTY. UPON RECEIPT OF AN AFFIDAVIT, THE COUNTY TREASURER  
27 SHALL IMMEDIATELY FORWARD THE AFFIDAVIT TO THE STATE TREASURER

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1 WHO SHALL EXAMINE IT TO DETERMINE IF THE OWNER MEETS THE  
2 REQUIREMENTS OF THIS ACT AND IS A QUALIFIED PERSON. IF THE STATE  
3 TREASURER NOTIFIES THE COUNTY TREASURER NOT LATER THAN THE  
4 TUESDAY BEFORE THE SALE THAT AN OWNER IS A QUALIFIED PERSON AND  
5 DELIVERS THE PAYMENT REQUIRED BY SUBSECTION (5)(D), THE COUNTY  
6 TREASURER SHALL WITHHOLD THE PROPERTY OF THE QUALIFIED PERSON  
7 FROM SALE. THE STATE TREASURER SHALL NOTIFY ANY MORTGAGEE THAT  
8 AN OWNER IS A QUALIFIED PERSON UNDER THIS SECTION.

9 (3) IF PROPERTY HAS BEEN SOLD OR BID OFF IN THE NAME OF THE  
10 STATE AT A TAX SALE, AN OWNER MAY APPLY TO THE DEPARTMENT OF  
11 TREASURY FOR A DETERMINATION THAT THE PROPERTY IS NOT SUBJECT TO  
12 SUBSEQUENT PROCEEDINGS, AS PROVIDED IN SUBSECTION (1). THE  
13 APPLICATION SHALL BE MADE ON THE AFFIDAVIT PROVIDED FOR IN  
14 SUBSECTION (2). UPON A FINDING THAT THE OWNER MEETS THE REQUIRE-  
15 MENTS OF THIS SECTION AND IS A QUALIFIED PERSON AND THAT THE  
16 PROPERTY IS NOT SUBJECT TO THE SUBSEQUENT PROCEEDINGS AS PROVIDED  
17 IN SUBSECTION (1), THE DEPARTMENT OF TREASURY SHALL NOTIFY THE  
18 COUNTY TREASURER AND ANY HOLDER OF A TAX SALE CERTIFICATE OR TAX  
19 DEED OF ITS FINDING.

20 (4) AN APPLICATION UNDER THIS SECTION DOES NOT APPLY TO  
21 TAXES UNLESS THE EXPENSE OF SALE CHARGE UNDER SECTION 59(1) IS  
22 IMPOSED WITH RESPECT TO THOSE TAXES BEFORE THE DATE OF THE  
23 APPLICATION.

24 (5) UPON A FINDING THAT THE OWNER MEETS THE REQUIREMENTS OF  
25 THIS SECTION, THE DEPARTMENT OF TREASURY SHALL DO THE FOLLOWING:

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1 (A) ON AN ANNUAL BASIS, VERIFY THAT THE QUALIFIED PERSON  
2 CONTINUES TO RESIDE IN THE PROPERTY AND CONTINUES TO BE A  
3 QUALIFIED PERSON.

4 (B) SECURE AN ASSIGNMENT TO THE STATE OF THE NEXT HOMESTEAD  
5 PROPERTY TAX CREDIT AND ANY SUBSEQUENT CREDIT PAYABLE DURING THE  
6 PERIOD IN WHICH TAXES ARE DEFERRED ON THE PROPERTY AND NECESSARY  
7 TO PAY ANY LIEN ON THE PROPERTY UNDER THIS SECTION.

8 (C) SECURE AN ASSIGNMENT TO THE STATE OF ANY INCOME TAX  
9 REFUND PAYABLE TO THE QUALIFIED PERSON UNDER THE INCOME TAX ACT  
10 OF 1967, 1967 PA 281, MCL 206.1 TO 206.532, DURING THE PERIOD IN  
11 WHICH TAXES ARE DEFERRED ON THE PROPERTY AND NECESSARY TO PAY ANY  
12 LIEN ON THE PROPERTY UNDER THIS SECTION.

13 (D) SECURE AN ASSIGNMENT TO THE STATE OF THE PROCEEDS OF THE  
14 QUALIFIED PERSON'S INTEREST IN ANY PROPERTY AND CASUALTY INSUR-  
15 ANCE ON THE PROPERTY SUFFICIENT TO PAY THE AMOUNT OF THE LIEN ON  
16 THE PROPERTY. IF THE QUALIFIED PERSON DOES NOT PAY FOR SUFFI-  
17 CIENT PROPERTY AND CASUALTY INSURANCE, THE STATE SHALL PAY FOR IT  
18 AND ADD THAT AMOUNT TO THE LIEN ON THE PROPERTY.

19 (E) DELIVER TO THE COUNTY TREASURER IN THE COUNTY IN WHICH  
20 THE PROPERTY IS LOCATED AN AMOUNT EQUAL TO THE AMOUNT OF TAXES,  
21 INTEREST, AND PENALTIES THAT WOULD OTHERWISE BE COLLECTIBLE AT  
22 THE SALE FROM WHICH THE PROPERTY IS TO BE EXCLUDED.

23 (6) IF THE DEPARTMENT MAKES A DETERMINATION THAT AN OWNER  
24 MEETS THE REQUIREMENTS OF THIS SECTION AND THE PROPERTY OF THE  
25 OWNER HAS BEEN CONVEYED TO THE STATE BY A DEED ISSUED UNDER  
26 SECTION 67A, THE STATE TREASURER SHALL ISSUE A CERTIFICATE  
27 CANCELING THE DEED AND RECORD THE CERTIFICATE WITH THE REGISTER

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1 OF DEEDS IN THE COUNTY WHERE THE PROPERTY IS LOCATED. TAXES AND  
2 SPECIAL ASSESSMENTS THAT OTHERWISE WOULD BE CANCELED UNDER  
3 SECTION 67A SHALL NOT BE CANCELED AND THE PROPERTY SHALL NOT BE  
4 CANCELED OR OMITTED FROM THE TAX ROLL. HOWEVER, IF THE PROPERTY  
5 HAS BEEN REMOVED FROM A PREVIOUS TAX ROLL, IT MAY BE PLACED ON  
6 THE ROLL IN THE MANNER PROVIDED IN SECTION 154.

7 (7) TAXES ON PROPERTY THAT HAS BEEN WITHHELD FROM SALE UNDER  
8 SUBSECTION (2), OR TAXES ON PROPERTY FOR WHICH A SALE HAS  
9 OCCURRED AND FOR WHICH A DETERMINATION IS MADE THAT THE OWNER IS  
10 A QUALIFIED PERSON UNDER SUBSECTION (3) SHALL BE DEFERRED UNTIL  
11 THE OWNER IS NO LONGER A QUALIFIED PERSON; UNTIL 1 YEAR AFTER THE  
12 OWNER'S DEATH, SUBJECT TO FURTHER ORDER BY THE PROBATE COURT; OR  
13 UNTIL ANY PART OF THE HOMESTEAD IS CONVEYED OR TRANSFERRED TO  
14 ANOTHER PERSON OR THE OWNER ENTERS INTO A CONTRACT TO SELL THE  
15 HOMESTEAD. THE DEATH OF A SPOUSE DOES NOT TERMINATE THE DEFER-  
16 MENT OF TAXES ON THE HOMESTEAD OWNED BY THE HUSBAND AND WIFE  
17 UNLESS THE SURVIVING SPOUSE REMARRIES. FAILURE TO PROVIDE THE  
18 ASSIGNMENT REQUIRED BY SUBSECTION (5)(B) OR (C) TERMINATES THE  
19 DEFERMENT. THE DEFERRED TAXES MAY BE PAID IN FULL BEFORE THE  
20 TERMINATION OF THE DEFERMENT AT ANY TIME. TAXES ARE DEFERRED  
21 UNDER THIS SECTION WITHOUT FURTHER PENALTY AND BEAR INTEREST AT  
22 THE RATE OF 3/4 OF 1% PER MONTH OR FRACTION OF A MONTH. THE  
23 DEPARTMENT OF TREASURY SHALL NOTIFY EACH OWNER WHOSE TAXES ARE  
24 DEFERRED THAT IF LEGAL OR EQUITABLE TITLE TO THE HOMESTEAD OR ANY  
25 PART OF THE HOMESTEAD IS CONVEYED OR TRANSFERRED, OR IF THE OWNER  
26 ENTERS INTO A CONTRACT TO SELL THE HOMESTEAD, THE DEFERMENT IS

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1 TERMINATED AND THE AMOUNT DEFERRED IS IMMEDIATELY DUE AND PAYABLE  
2 WITH INTEREST AS PROVIDED IN THIS SECTION, BUT WITHOUT PENALTY.

3 (8) PROPERTY SHALL NOT BE EXCLUDED FROM A SALE UNDER  
4 SECTIONS 60 AND 70 FOR NONPAYMENT OF TAXES AND A DEFERMENT SHALL  
5 NOT BE GRANTED IN A YEAR IN WHICH, WITH THE INCLUSION OF ADDI-  
6 TIONAL DEFERRED TAXES, THE TOTAL AMOUNT OF TAXES DEFERRED EXCEEDS  
7 80% OF THE OWNER'S EQUITY IN THE PROPERTY. IN MAKING THIS DETER-  
8 MINATION, THE DEPARTMENT OF TREASURY SHALL USE A MARKET VALUE  
9 EQUAL TO THE STATE EQUALIZED VALUATION MULTIPLIED BY 2.

10 (9) TAXES DEFERRED IN A COUNTY FOR ANY YEAR SHALL NOT EXCEED  
11 2% OF THE REAL PROPERTY TAXES RETURNED AS DELINQUENT FOR THAT  
12 YEAR BY ALL TAXING UNITS IN THAT COUNTY.

13 (10) UPON TERMINATION OF THE DEFERMENT OF PROPERTY TAXES  
14 UNDER THIS SECTION, THE PROCEDURES OF THIS ACT FOR THE COLLECTION  
15 AND ENFORCEMENT OF TAX LIENS SUSPENDED BY THE TERMS OF THIS SEC-  
16 TION AGAIN APPLY TO THE DEFERRED TAXES IN THE SAME MANNER THEY  
17 WOULD HAVE APPLIED IF A DEFERMENT HAD NOT BEEN AUTHORIZED AND IF  
18 ALL OF THE TAXES, INCLUDING ANY TAXES PURCHASED BY A PRIVATE PUR-  
19 CHASER, HAD BEEN LEVIED IN THE THIRD YEAR PRECEDING THE CALENDAR  
20 YEAR IN WHICH THE DEFERMENT WAS TERMINATED. HOWEVER, THE PROVI-  
21 SIONS OF THIS ACT WITH RESPECT TO FEES, INTEREST, AND PENALTIES,  
22 EXCEPT AS PROVIDED IN THIS SECTION, DO NOT APPLY TO THE PERIOD  
23 DURING WHICH THE TAXES ARE DEFERRED.

24 (11) TAXES DEFERRED UNDER THIS SECTION ARE A LIEN AGAINST  
25 THE PROPERTY AND TAKE PRECEDENCE OVER OTHER LIENS AGAINST THE  
26 PROPERTY TO THE SAME EXTENT AS IF THE TAXES WERE NOT DEFERRED.

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1           (12) A PURCHASE UNDER SECTION 70 OR ANY PURCHASE OF A  
2 CERTIFICATE OF TAX SALE OR TAX DEED IS SUBJECT TO THE PROVISIONS  
3 OF THIS SECTION AND THE PURCHASER IS CONCLUSIVELY PRESUMED TO  
4 KNOW WITHOUT NOTICE THAT SUCH A PURCHASE IS MADE SUBJECT TO THE  
5 PROVISIONS OF THIS SECTION. HOWEVER, IF TAXES ARE DEFERRED UNDER  
6 THIS SECTION THE PURCHASER MAY REDEEM THE TAX SALE CERTIFICATE OR  
7 TAX DEED FROM THE STATE TREASURER FOR THE PURCHASE PRICE.

8           (13) AS USED IN THIS SECTION:

9           (A) "QUALIFIED PERSON" MEANS A SENIOR CITIZEN WITH A HOUSE-  
10 HOLD INCOME IN THE IMMEDIATELY PRECEDING CALENDAR YEAR THAT IS  
11 LESS THAN 187.5% OF THE FEDERAL POVERTY LEVEL FOR 2 PERSONS OR  
12 THE NUMBER OF PERSONS IN THE HOUSEHOLD, WHICHEVER IS GREATER, OR  
13 AN ADULT IN NEED OF PROTECTIVE SERVICES AS THAT TERM IS DEFINED  
14 IN SECTION 11 OF THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.11,  
15 WHO HAS APPLIED FOR AND ASSIGNED ALL HOMESTEAD PROPERTY TAX CRED-  
16 ITS THAT MAY BE CLAIMED DURING THE PERIOD IN WHICH TAXES ARE  
17 DEFERRED.

18           (B) "SENIOR CITIZEN" MEANS A PERSON WHO IS 65 YEARS OF AGE  
19 OR OLDER AND INCLUDES THE UNREMARRIED SURVIVING SPOUSE OF A  
20 PERSON WHO WAS 65 YEARS OF AGE OR OLDER AT THE TIME OF DEATH.

21           (C) "HOMESTEAD" MEANS A DWELLING OR UNIT IN A MULTIPLE-UNIT  
22 DWELLING THAT IS SUBJECT TO AD VALOREM PROPERTY TAXES, OWNED AND  
23 OCCUPIED AS A PRINCIPAL RESIDENCE BY THE OWNER OF THE DWELLING OR  
24 UNIT, INCLUDING ALL UNOCCUPIED CONTIGUOUS PROPERTY NOT CLASSIFIED  
25 FOR AD VALOREM TAX PURPOSES AS COMMERCIAL, INDUSTRIAL, RESIDEN-  
26 TIAL, OR TIMBER CUTOVER, OWNED BY THE OWNER OF THE HOMESTEAD.

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1 (D) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION  
2 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

3 (14) THIS SECTION DOES NOT APPLY TO TAXES RETURNED DELIN-  
4 QUENT BEFORE MARCH 1, 1992 OR AFTER FEBRUARY 28, 1996. HOWEVER,  
5 FOR TAXES RETURNED DELINQUENT BEFORE MARCH 1, 1993, AN APPLICA-  
6 TION SHALL NOT BE MADE UNDER THIS SECTION UNLESS EITHER THE  
7 REDEMPTION PERIOD UNDER SECTION 74 HAS EXPIRED OR THE TAXES HAVE  
8 BEEN PAID THROUGH THE ISSUANCE OF A CERTIFICATE OF SALE OR A TAX  
9 DEED.