

HOUSE BILL No. 4090

January 28, 1997, Introduced by Rep. Varga and referred to the Committee on Tax Policy.

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

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

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:

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 THE PROCEEDS OF THE
9 QUALIFIED PERSON'S INTEREST IN ANY PROPERTY AND CASUALTY INSUR-
10 ANCE ON THE PROPERTY SUFFICIENT TO PAY THE AMOUNT OF THE LIEN ON
11 THE PROPERTY. IF THE QUALIFIED PERSON DOES NOT PAY FOR SUFFI-
12 CIENT PROPERTY AND CASUALTY INSURANCE, THE STATE SHALL PAY FOR IT
13 AND ADD THAT AMOUNT TO THE LIEN ON THE PROPERTY.

14 (D) DELIVER TO THE COUNTY TREASURER IN THE COUNTY IN WHICH
15 THE PROPERTY IS LOCATED AN AMOUNT EQUAL TO THE AMOUNT OF TAXES,
16 INTEREST, AND PENALTIES THAT WOULD OTHERWISE BE COLLECTIBLE AT
17 THE SALE FROM WHICH THE PROPERTY IS TO BE EXCLUDED.

18 (6) IF THE DEPARTMENT MAKES A DETERMINATION THAT AN OWNER
19 MEETS THE REQUIREMENTS OF THIS SECTION AND THE PROPERTY OF THE
20 OWNER HAS BEEN CONVEYED TO THE STATE BY A DEED ISSUED UNDER
21 SECTION 67A, THE STATE TREASURER SHALL ISSUE A CERTIFICATE
22 CANCELING THE DEED AND RECORD THE CERTIFICATE WITH THE REGISTER
23 OF DEEDS IN THE COUNTY WHERE THE PROPERTY IS LOCATED. TAXES AND
24 SPECIAL ASSESSMENTS THAT OTHERWISE WOULD BE CANCELED UNDER
25 SECTION 67A SHALL NOT BE CANCELED AND THE PROPERTY SHALL NOT BE
26 CANCELED OR OMITTED FROM THE TAX ROLL. HOWEVER, IF THE PROPERTY

1 HAS BEEN REMOVED FROM A PREVIOUS TAX ROLL, IT MAY BE PLACED ON
2 THE ROLL IN THE MANNER PROVIDED IN SECTION 154.

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

25 (8) PROPERTY SHALL NOT BE EXCLUDED FROM A SALE UNDER
26 SECTIONS 60 AND 70 FOR NONPAYMENT OF TAXES AND A DEFERMENT SHALL
27 NOT BE GRANTED IN A YEAR IN WHICH, WITH THE INCLUSION OF

1 ADDITIONAL DEFERRED TAXES, THE TOTAL AMOUNT OF TAXES DEFERRED
2 EXCEEDS 80% OF THE OWNER'S EQUITY IN THE PROPERTY. IN MAKING
3 THIS DETERMINATION, THE DEPARTMENT OF TREASURY SHALL USE A MARKET
4 VALUE EQUAL TO THE STATE EQUALIZED VALUATION MULTIPLIED BY 2.

5 (9) TAXES DEFERRED IN A COUNTY FOR ANY YEAR SHALL NOT EXCEED
6 2% OF THE REAL PROPERTY TAXES RETURNED AS DELINQUENT FOR THAT
7 YEAR BY ALL TAXING UNITS IN THAT COUNTY.

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

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

22 (12) A PURCHASE UNDER SECTION 70 OR ANY PURCHASE OF A CER-
23 TIFICATE OF TAX SALE OR TAX DEED IS SUBJECT TO THE PROVISIONS OF
24 THIS SECTION AND THE PURCHASER IS CONCLUSIVELY PRESUMED TO KNOW
25 WITHOUT NOTICE THAT SUCH A PURCHASE IS MADE SUBJECT TO THE PROVI-
26 SIONS OF THIS SECTION. HOWEVER, IF TAXES ARE DEFERRED UNDER THIS

1 SECTION THE PURCHASER MAY REDEEM THE TAX SALE CERTIFICATE OR TAX
2 DEED FROM THE STATE TREASURER FOR THE PURCHASE PRICE.

3 (13) AS USED IN THIS SECTION:

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

13 (B) "SENIOR CITIZEN" MEANS A PERSON WHO IS 65 YEARS OF AGE
14 OR OLDER AND INCLUDES THE UNREMARIED SURVIVING SPOUSE OF A
15 PERSON WHO WAS 65 YEARS OF AGE OR OLDER AT THE TIME OF DEATH.

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

22 (D) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION
23 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

24 (14) THIS SECTION DOES NOT APPLY TO TAXES RETURNED DELIN-
25 QUENT BEFORE MARCH 1, 1992 OR AFTER FEBRUARY 28, 1996. HOWEVER,
26 FOR TAXES RETURNED DELINQUENT BEFORE MARCH 1, 1993, AN
27 APPLICATION SHALL NOT BE MADE UNDER THIS SECTION UNLESS EITHER

1 THE REDEMPTION PERIOD UNDER SECTION 74 HAS EXPIRED OR THE TAXES
2 HAVE BEEN PAID THROUGH THE ISSUANCE OF A CERTIFICATE OF SALE OR A
3 TAX DEED.