

# HOUSE BILL No. 5571

April 25, 2012, Introduced by Rep. Bumstead and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 78f and 78i (MCL 211.78f and 211.78i), section 78f as amended by 2003 PA 263 and section 78i as amended by 2006 PA 611, and by adding section 78p.

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

1       Sec. 78f. (1) Except as otherwise provided in section 79 for  
2 certified abandoned property, not later than the February 1  
3 immediately succeeding the date that unpaid taxes were returned to  
4 the county treasurer for forfeiture, foreclosure, and sale under  
5 section 60a(1) or (2) or returned to the county treasurer as  
6 delinquent under section 78a, the county treasurer shall send a  
7 notice by certified mail, return receipt requested, to the person  
8 to whom a tax bill for property returned for delinquent taxes was

1 last sent and, if different, to the person identified as the owner  
2 of property returned for delinquent taxes as shown on the current  
3 records of the county treasurer and to those persons identified  
4 under section 78e(2). The notice required under this subsection  
5 shall include all of the following:

6 (a) The date property on which those unpaid taxes were  
7 returned as delinquent will be forfeited to the county treasurer  
8 for the unpaid delinquent taxes, interest, penalties, and fees.

9 (b) A statement that a person who holds a legal interest in  
10 the property may lose that interest as a result of the forfeiture  
11 and subsequent foreclosure proceeding.

12 (c) A legal description or parcel number of the property and  
13 the street address of the property, if available.

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

15 (e) The unpaid delinquent taxes, interest, penalties, and fees  
16 due on the property.

17 (f) A schedule of the additional interest, penalties, and fees  
18 that will accrue on the immediately succeeding March 1 pursuant to  
19 section 78g if those unpaid delinquent taxes, interest, penalties,  
20 and fees due on the property are not paid.

21 (g) A statement that unless those unpaid delinquent taxes,  
22 interest, penalties, and fees are paid on or before the March 31  
23 immediately succeeding the entry in an uncontested case of a  
24 judgment foreclosing the property under section 78k, absolute title  
25 to the property shall vest in the foreclosing governmental unit.

26 (h) A statement of the person's rights of redemption and  
27 notice that the rights of redemption will expire on the March 31

1 immediately succeeding the entry in an uncontested case of a  
2 judgment foreclosing the property under section 78k.

3 (2) The notice required under subsection (1) shall also be  
4 mailed to the property by first-class mail, addressed to  
5 "occupant", if the notice was not sent to the occupant of the  
6 property pursuant to subsection (1).

7 (3) A county treasurer may **POST 1 OR MORE ADDITIONAL NOTICES**  
8 **ON A WEBSITE, INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED**  
9 **BY THE COUNTY TREASURER, AND MAY** insert 1 or more additional  
10 notices in a ~~newspaper published and~~ **NOTICE PUBLICATION** circulated  
11 in the county in which the property is located. ~~, if there is one.~~  
12 ~~If no newspaper is published in that county, publication may be~~  
13 ~~made in a newspaper published and circulated in an adjoining~~  
14 ~~county.~~

15 (4) The county treasurer may ~~publish~~ **POST ON A WEBSITE,**  
16 **INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED BY THE COUNTY**  
17 **TREASURER, AND MAY INSERT IN A NOTICE PUBLICATION CIRCULATED IN THE**  
18 **COUNTY IN WHICH THE PROPERTY IS LOCATED, NOTICE OF** the street  
19 address, if available, of property subject to forfeiture under  
20 section 78g on the immediately succeeding March 1 for delinquent  
21 taxes or the street address, if available, of property subject to  
22 forfeiture under section 78g on the immediately succeeding March 1  
23 for delinquent taxes and the name of the person to whom a tax bill  
24 for property returned for delinquent taxes was last sent and, if  
25 different, the name of the person identified as the owner of the  
26 property returned for delinquent taxes as shown on the current  
27 records of the county treasurer. ~~in a newspaper published and~~

1 ~~circulated in the county in which the property is located, if there~~  
2 ~~is one. If no newspaper is published in that county, publication~~  
3 ~~may be made in a newspaper published and circulated in an adjoining~~  
4 ~~county.~~

5       Sec. 78i. (1) Not later than May 1 immediately succeeding the  
6 forfeiture of property to the county treasurer under section 78g,  
7 the foreclosing governmental unit shall initiate a search of  
8 records identified in subsection (6) to identify the owners of a  
9 property interest in the property who are entitled to notice under  
10 this section of the show cause hearing under section 78j and the  
11 foreclosure hearing under section 78k. The foreclosing governmental  
12 unit may enter into a contract with 1 or more authorized  
13 representatives to perform a title search or may request from 1 or  
14 more authorized representatives another title search product to  
15 identify the owners of a property interest in the property as  
16 required under this subsection or to perform other functions  
17 required for the collection of delinquent taxes under this act.

18       (2) After conducting the search of records under subsection  
19 (1), the foreclosing governmental unit or its authorized  
20 representative shall determine the address reasonably calculated to  
21 apprise those owners of a property interest of the show cause  
22 hearing under section 78j and the foreclosure hearing under section  
23 78k and shall send notice of the show cause hearing under section  
24 78j and the foreclosure hearing under section 78k to those owners,  
25 and to a person entitled to notice of the return of delinquent  
26 taxes under section 78a(4), by certified mail, return receipt  
27 requested, not less than 30 days before the show cause hearing. If

1 after conducting the search of records under subsection (1) the  
2 foreclosing governmental unit is unable to determine an address  
3 reasonably calculated to inform a person with an interest in a  
4 forfeited property, or if the foreclosing governmental unit  
5 discovers a deficiency in notice under subsection (4), the  
6 following shall be considered reasonable steps by the foreclosing  
7 governmental unit or its authorized representative to ascertain the  
8 address of a person entitled to notice under this section or to  
9 ascertain an address necessary to correct the deficiency in notice  
10 under subsection (4):

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

13 (b) For an individual, a search of the qualified voter file  
14 established under section 509o of the Michigan election law, 1954  
15 PA 116, MCL 168.509o, which is authorized by this subdivision.

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

18 (d) For a business entity other than a partnership, a search  
19 of business entity records filed with the department of labor and  
20 economic growth.

21 (3) The foreclosing governmental unit or its authorized  
22 representative or authorized agent shall make a personal visit to  
23 each parcel of property forfeited to the county treasurer under  
24 section 78g to ascertain whether or not the property is occupied.  
25 If the property appears to be occupied, the foreclosing  
26 governmental unit or its authorized representative shall do all of  
27 the following:

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

4 (b) If a person occupying the property is personally served,  
5 orally inform the occupant that the property will be foreclosed and  
6 the occupants will be required to vacate unless all forfeited  
7 unpaid delinquent taxes, interest, penalties, and fees are paid, of  
8 the time within which all forfeited unpaid delinquent taxes,  
9 interest, penalties, and fees must be paid, and of agencies or  
10 other resources that may be available to assist the owner to avoid  
11 loss of the property.

12 (c) If the occupant appears to lack the ability to understand  
13 the advice given, notify the department of human services or  
14 provide the occupant with the names and telephone numbers of the  
15 agencies that may be able to assist the occupant.

16 (d) If the foreclosing governmental unit or its authorized  
17 representative is not able to personally meet with the occupant,  
18 the foreclosing governmental unit or its authorized representative  
19 shall place the notice in a conspicuous manner on the property and  
20 shall also place in a conspicuous manner on the property a notice  
21 that explains, in plain English, that the property will be  
22 foreclosed unless forfeited unpaid delinquent taxes, interest,  
23 penalties, and fees are paid, the time within which forfeited  
24 unpaid delinquent taxes, interest, penalties, and fees must be  
25 paid, and the names, addresses, and telephone numbers of agencies  
26 or other resources that may be available to assist the occupant to  
27 avoid loss of the property. If this state is the foreclosing

1 governmental unit within a county, the department of treasury shall  
2 perform the personal visit to each parcel of property under this  
3 subsection on behalf of this state.

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

9 (5) If the foreclosing governmental unit or its authorized  
10 representative is unable to ascertain the address reasonably  
11 calculated to apprise the owners of a property interest entitled to  
12 notice under this section, or is unable to notify the owner of a  
13 property interest under subsection (2), the notice shall be made by  
14 publication **AS PROVIDED IN THIS SUBSECTION AND SECTION 78P.** A  
15 notice shall be ~~published~~**INSERTED** for ~~3~~**2** successive weeks, once  
16 each week, in a ~~newspaper published and circulated in the county in~~  
17 ~~which the property is located, if there is one. If no paper is~~  
18 ~~published in that county, publication shall be made in a newspaper~~  
19 ~~published and circulated in an adjoining county~~**NOTICE PUBLICATION**  
20 **CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.** This  
21 ~~publication~~**NOTICE** shall be instead of notice under subsection (2).  
22 **IN ADDITION TO PROVISION OF NOTICE IN A NOTICE PUBLICATION, THE**  
23 **FORECLOSING GOVERNMENTAL UNIT MAY ALSO POST THE NOTICE UNDER THIS**  
24 **SUBSECTION FOR NOT LESS THAN 14 DAYS ON A WEBSITE, INCLUDING, BUT**  
25 **NOT LIMITED TO, A WEBSITE MAINTAINED BY THE FORECLOSING**  
26 **GOVERNMENTAL UNIT. IF A NOTICE PUBLICATION IS NOT CIRCULATED IN THE**  
27 **COUNTY IN WHICH THE PROPERTY IS LOCATED, THE FORECLOSING**

1 GOVERNMENTAL UNIT SHALL INSERT THE NOTICE IN A NOTICE PUBLICATION  
2 CIRCULATED IN AN ADJOINING COUNTY OR POST THE NOTICE FOR NOT LESS  
3 THAN 14 DAYS ON A WEBSITE MAINTAINED BY THE FORECLOSING  
4 GOVERNMENTAL UNIT, OR BOTH.

5 (6) The owner of a property interest is entitled to notice  
6 under this section of the show cause hearing under section 78j and  
7 the foreclosure hearing under section 78k if that owner's interest  
8 was identifiable by reference to any of the following sources  
9 before the date that the county treasurer records the certificate  
10 required under section 78g(2):

11 (a) Land title records in the office of the county register of  
12 deeds.

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

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

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

16 (7) The notice required under subsections (2) and (3) shall  
17 include all of the following:

18 (a) The date on which the property was forfeited to the county  
19 treasurer.

20 (b) A statement that the person notified may lose his or her  
21 interest in the property as a result of the foreclosure proceeding  
22 under section 78k.

23 (c) A legal description or parcel number of the property and  
24 the street address of the property, if available.

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

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



1 (f) The date and time of the show cause hearing under section  
2 78j.

3 (g) The date and time of the hearing on the petition for  
4 foreclosure under section 78k, and a statement that unless the  
5 forfeited unpaid delinquent taxes, interest, penalties, and fees  
6 are paid on or before the March 31 immediately succeeding the entry  
7 of a judgment foreclosing the property under section 78k, or in a  
8 contested case within 21 days of the entry of a judgment  
9 foreclosing the property under section 78k, the title to the  
10 property shall vest absolutely in the foreclosing governmental unit  
11 and that all existing interests in oil or gas in that property  
12 shall be extinguished except the following:

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

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

21 (h) An explanation of the person's rights of redemption and  
22 notice that the rights of redemption will expire on the March 31  
23 immediately succeeding the entry of a judgment foreclosing the  
24 property under section 78k, or in a contested case 21 days after  
25 the entry of a judgment foreclosing the property under section 78k.

26 (8) The published notice required under subsection (5) shall  
27 include all of the following:

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

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

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

5 (d) The date and time of the show cause hearing under section  
6 78j.

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

9 (f) A statement that unless all forfeited unpaid delinquent  
10 taxes, interest, penalties, and fees are paid on or before the  
11 March 31 immediately succeeding the entry of a judgment foreclosing  
12 the property under section 78k, or in a contested case within 21  
13 days of the entry of a judgment foreclosing the property under  
14 section 78k, the title to the property shall vest absolutely in the  
15 foreclosing governmental unit and that all existing interests in  
16 oil or gas in that property shall be extinguished except the  
17 following:

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

24 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
25 42, MCL 554.291.

26 (g) A statement that a person with an interest in the property  
27 may lose his or her interest in the property as a result of the

1 foreclosure proceeding under section 78k and that all existing  
2 interests in oil or gas in that property shall be extinguished  
3 except the following:

4 (i) The interests of a lessee or an assignee of an interest of  
5 a lessee under an oil or gas lease in effect as to that property or  
6 any part of that property if the lease was recorded in the office  
7 of the register of deeds in the county in which the property is  
8 located before the date of filing the petition for foreclosure  
9 under section 78h.

10 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
11 42, MCL 554.291.

12 (9) The owner of a property interest who has been properly  
13 served with a notice of the show cause hearing under section 78j  
14 and the foreclosure hearing under section 78k and who failed to  
15 redeem the property as provided under this act shall not assert any  
16 of the following:

17 (a) That notice was insufficient or inadequate on the grounds  
18 that some other owner of a property interest was not also served.

19 (b) That the redemption period provided under this act was  
20 extended in any way on the grounds that some other owner of a  
21 property interest was not also served.

22 (10) The failure of the foreclosing governmental unit to  
23 comply with any provision of this section shall not invalidate any  
24 proceeding under this act if the owner of a property interest or a  
25 person to whom a tax deed was issued is accorded the minimum due  
26 process required under the state constitution of 1963 and the  
27 constitution of the United States.

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

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

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

6 (c) A person accredited in land title search procedures by a  
7 nationally recognized organization in the field of land title  
8 searching.

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

11 (12) The provisions of this section relating to notice of the  
12 show cause hearing under section 78j and the foreclosure hearing  
13 under section 78k are exclusive and exhaustive. Other requirements  
14 relating to notice or proof of service under other law, rule, or  
15 legal requirement are not applicable to notice and proof of service  
16 under this section.

17 **SEC. 78P. (1) FOR INSERTION OF A NOTICE IN A NOTICE**  
18 **PUBLICATION UNDER SECTIONS 78A TO 78O, THIS SECTION AND SECTIONS**  
19 **78A TO 78O APPLY, NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY.**

20 **(2) A REQUIREMENTS FOR INSERTION OF A NOTICE PUBLICATION UNDER**  
21 **SECTIONS 78A TO 78O IS SATISFIED BY INCLUDING THE NOTICE IN A**  
22 **SEPARATE INSERT WITHIN THE NOTICE PUBLICATION.**

23 **(3) AS USED IN THIS SECTION AND SECTIONS 78A TO 78O:**

24 **(A) "INTERNET" MEANS THAT TERM AS DEFINED IN 47 USC 230.**

25 **(B) "NEWSPAPER" MEANS THAT TERM AS DEFINED IN SECTION 1 OF**  
26 **1963 PA 247, MCL 691.1051.**

27 **(C) "NOTICE PUBLICATION" MEANS A PRINT PUBLICATION FOR THE**

1 DISSEMINATION OF NEWS OR OTHER INFORMATION, INCLUDING, BUT NOT  
2 LIMITED TO, A NEWSPAPER OR LEGAL NEWSPAPER, TO WHICH ALL OF THE  
3 FOLLOWING APPLY:

4 (i) THE PRINT PUBLICATION IS PUBLISHED AND DISTRIBUTED IN NOT  
5 LESS THAN WEEKLY INTERVALS.

6 (ii) NOT LESS THAN 25% OF THE WORDS IN THE PRINT PUBLICATION  
7 ARE IN THE ENGLISH LANGUAGE.

8 (iii) THE PRINT PUBLICATION HAS A BONA FIDE LIST OF SUBSCRIBERS  
9 IN 1 OR MORE COUNTIES IN THIS STATE OR IS AVAILABLE TO THE PUBLIC  
10 AT NEWSSTANDS OR OTHER RETAIL LOCATIONS IN 1 OR MORE COUNTIES IN  
11 THIS STATE, OR BOTH.

12 (iv) THE PRINT PUBLICATION ACCEPTS AND PUBLISHES OFFICIAL AND  
13 OTHER NOTICES.

14 (v) THE PRINT PUBLICATION REGULARLY CONTAINS INFORMATION OF A  
15 PUBLIC CHARACTER OR OF INTEREST OR VALUE TO RESIDENTS, PROPERTY  
16 OWNERS, OR THE GENERAL PUBLIC.

17 (vi) THE PRINT PUBLICATION HAS BEEN PUBLISHED OR DISTRIBUTED  
18 FOR NOT LESS THAN 1 YEAR.

19 (D) "WEBSITE" MEANS A COLLECTION OF PAGES OF THE INTERNET,  
20 USUALLY IN HTML FORMAT, WITH CLICKABLE OR HYPERTEXT LINKS TO ENABLE  
21 NAVIGATION FROM 1 PAGE OR SECTION TO ANOTHER, THAT OFTEN USES  
22 ASSOCIATED GRAPHICS FILES TO PROVIDE ILLUSTRATION AND MAY CONTAIN  
23 OTHER CLICKABLE OR HYPERTEXT LINKS.