

**SUBSTITUTE FOR  
HOUSE BILL NO. 4482**

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to clarify the ownership of certain parcels of property; to prescribe the powers and duties of certain local government officials; and to provide penalties.

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

1           Sec. 1. This act shall be known and may be cited as the  
2 "tax reverted clean title act".

3           Sec. 2. As used in this act:

4           (a) "Authority" means a land bank fast track authority  
5 created under the land bank fast track act.

6           (b) "Commission" means the state tax commission created by  
7 1927 PA 360, MCL 209.101 to 209.107.

8           (c) "Eligible tax reverted property" means property that is

1 exempt under section 7gg of the general property tax act, 1893  
2 PA 206, MCL 211.7gg.

3 (d) "Eligible tax reverted property specific tax" means the  
4 specific tax levied under this act.

5 (e) "Principal residence" means that term as defined in  
6 section 7dd of the general property tax act, 1893 PA 206, MCL  
7 211.7dd.

8 (f) "Taxable value" means the taxable value determined under  
9 section 27a of the general property tax act, 1893 PA 206,  
10 MCL 211.27a.

11 Sec. 3. Eligible tax reverted property is exempt from ad  
12 valorem property taxes collected under the general property tax  
13 act, 1893 PA 206, MCL 211.1 to 211.157, as provided under  
14 section 7gg of the general property tax act, 1893 PA 206,  
15 MCL 211.7gg.

16 Sec. 4. (1) Not later than December 31 of each year, an  
17 authority shall provide a list of all property sold by the  
18 authority in that calendar year to the assessor of each local tax  
19 collecting unit in which the property sold by the authority is  
20 located.

21 (2) The assessor of each local tax collecting unit in which  
22 there is eligible tax reverted property shall determine annually  
23 as of December 31 the value and taxable value of each parcel of  
24 eligible tax reverted property and shall furnish that information  
25 to the legislative body of the local tax collecting unit.

26 Sec. 5. (1) There is levied upon every owner of eligible  
27 tax reverted property a specific tax to be known as the eligible

1 tax reverted property specific tax.

2 (2) The amount of the eligible tax reverted property specific  
3 tax in each year is the amount of tax that would have been  
4 collected on that parcel under the general property tax act, 1893  
5 PA 206, MCL 211.1 to 211.157, if that parcel was not exempt under  
6 section 3. An owner of eligible tax reverted property that is a  
7 principal residence may claim an exemption for that portion of  
8 the specific tax attributable to the tax levied by a local school  
9 district for school operating purposes to the extent provided  
10 under section 1211 of the revised school code, 1976 PA 451, MCL  
11 380.1211, if an owner of that eligible tax reverted property  
12 claims or has claimed an exemption for the property as provided  
13 in section 7cc of the general property tax act, 1893 PA 206, MCL  
14 211.7cc.

15 (3) Except as otherwise provided in section 6, the eligible  
16 tax reverted property specific tax shall be collected, disbursed,  
17 and assessed 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 211.157, and  
22 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,  
23 are payable. Except as otherwise provided in this section, the  
24 officer or officers shall disburse the eligible tax reverted  
25 property specific tax payments received by the officer or  
26 officers each year as follows:

27 (a) Fifty percent of the eligible tax reverted property

1 specific tax to and among this state and cities, townships,  
2 villages, school districts, counties, or other taxing units, at  
3 the same times and in the same proportions as required by law for  
4 the disbursement of taxes collected under the general property  
5 tax act, 1893 PA 206, MCL 211.1 to 211.157.

6 (b) Fifty percent of the eligible tax reverted property  
7 specific tax to the authority that sold or otherwise conveyed the  
8 property under the land bank fast track act, which sale or  
9 conveyance caused the property to be eligible tax reverted  
10 property. The eligible tax reverted property specific tax  
11 disbursed under this subdivision shall only be used by the  
12 authority for 1 or more of the following:

13 (i) For the purposes authorized under the land bank fast  
14 track act, including, but not limited to, costs to clear, quiet,  
15 or defend title to property held by the authority.

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

18 (5) For intermediate school districts receiving state aid  
19 under sections 56, 62, and 81 of the state school aid act of  
20 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the  
21 amount of eligible tax reverted property specific tax that would  
22 otherwise be disbursed to an intermediate school district, all or  
23 a portion, to be determined on the basis of the tax rates being  
24 utilized to compute the amount of state aid, shall be paid to the  
25 state treasury to the credit of the state school aid fund  
26 established by section 11 of article IX of the state constitution  
27 of 1963.

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

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

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

23           Sec. 6. Unpaid eligible tax reverted property specific  
24 taxes are not subject to return as delinquent taxes under the  
25 general property tax act, 1893 PA 206, MCL 211.1 to 211.157. The  
26 amount of the eligible tax reverted property specific tax  
27 applicable to real property, until paid, is a lien upon that real

1 property. Proceedings upon the lien as provided by law for the  
2 judicial foreclosure of mortgage liens upon real property may  
3 commence after the date that the taxes would have been returned  
4 as delinquent under the general property tax act, 1893 PA 206,  
5 MCL 211.1 to 211.157, if that property had not been exempt under  
6 section 3 and only upon the filing by the appropriate collecting  
7 officer of a certificate of nonpayment of the eligible tax  
8 reverted property specific tax applicable to the real property,  
9 together with an affidavit of proof of service of the certificate  
10 of nonpayment upon the owner of that property by certified mail,  
11 with the register of deeds of the county in which the property is  
12 situated.

13 Enacting section 1. This act does not take effect unless  
14 all of the following bills of the 92nd Legislature are enacted  
15 into law:

- 16 (a) House Bill No. 4480.
- 17 (b) House Bill No. 4481.
- 18 (c) House Bill No. 4483.
- 19 (d) House Bill No. 4484.
- 20 (e) House Bill No. 4488.