

**SUBSTITUTE FOR  
HOUSE BILL NO. 6170**

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

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

1       Sec. 78i. (1) Not later than May 1 immediately succeeding the  
2 forfeiture of property to the county treasurer under section 78g,  
3 the foreclosing governmental unit shall initiate a search of  
4 records identified in subsection (6) to identify the owners of a  
5 property interest in the property who are entitled to notice under  
6 this section of the show cause hearing under section 78j and the

1 foreclosure hearing under section 78k. The foreclosing governmental  
2 unit may enter into a contract with 1 or more authorized  
3 representatives to perform a title search or may request from 1 or  
4 more authorized representatives another title search product to  
5 identify the owners of a property interest in the property as  
6 required under this subsection or to perform other functions  
7 required for the collection of delinquent taxes under this act.

8 (2) After conducting the search of records under subsection  
9 (1), the foreclosing governmental unit or its authorized  
10 representative shall determine the address reasonably calculated to  
11 apprise those owners of a property interest of the show cause  
12 hearing under section 78j and the foreclosure hearing under section  
13 78k and shall send notice of the show cause hearing under section  
14 78j and the foreclosure hearing under section 78k to those owners,  
15 and to a person entitled to notice of the return of delinquent  
16 taxes under section 78a(4), by certified mail, return receipt  
17 requested, not less than 30 days before the show cause hearing. **THE**  
18 **FORECLOSING GOVERNMENTAL UNIT OR ITS AUTHORIZED REPRESENTATIVE**  
19 **SHALL ALSO SEND NOTICE OF THE SHOW CAUSE HEARING UNDER SECTION 78J**  
20 **AND THE FORECLOSURE HEARING UNDER SECTION 78K BY FIRST-CLASS MAIL**  
21 **TO THOSE OWNERS OF THE PROPERTY IDENTIFIED UNDER SUBSECTION (1), TO**  
22 **A PERSON ENTITLED TO NOTICE OF THE RETURN OF DELINQUENT TAXES UNDER**  
23 **SECTION 78A(4), AND TO THE OCCUPANT, IF ANY, AT THE ADDRESS FOR THE**  
24 **PROPERTY LISTED IN THE TAX ROLLS OR ASCERTAINED DURING THE PERSONAL**  
25 **VISIT TO THE PROPERTY UNDER SECTION 78I, IF THE ADDRESS IS EVIDENT.**  
26 If after conducting the search of records under subsection (1) the  
27 foreclosing governmental unit is unable to determine an address

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

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

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

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

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

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

26 (a) Attempt to personally serve upon a person occupying the  
27 property notice of the show cause hearing under section 78j and the

1 foreclosure hearing under section 78k.

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

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

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

1 subsection on behalf of this state.

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

7 (5) If the foreclosing governmental unit or its authorized  
8 representative is unable to ascertain the address reasonably  
9 calculated to apprise the owners of a property interest entitled to  
10 notice under this section, or is unable to notify the owner of a  
11 property interest under subsection (2), the notice shall be made by  
12 publication. A notice shall be published for 3 successive weeks,  
13 once each week, in a newspaper published and circulated in the  
14 county in which the property is located, if there is one. If no  
15 paper is published in that county, publication shall be made in a  
16 newspaper published and circulated in an adjoining county. This  
17 publication shall be instead of notice under subsection (2).

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

24 (a) Land title records in the office of the county register of  
25 deeds.

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

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

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

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

4 (a) The date on which the property was forfeited to the county  
5 treasurer.

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

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

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

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

14 (f) The date and time of the show cause hearing under section  
15 78j.

16 (g) The date and time of the hearing on the petition for  
17 foreclosure under section 78k, and a statement that unless the  
18 forfeited unpaid delinquent taxes, interest, penalties, and fees  
19 are paid on or before the March 31 immediately succeeding the entry  
20 of a judgment foreclosing the property under section 78k, or in a  
21 contested case within 21 days of the entry of a judgment  
22 foreclosing the property under section 78k, the title to the  
23 property shall vest absolutely in the foreclosing governmental unit  
24 and that all existing interests in oil or gas in that property  
25 shall be extinguished except the following:

26 (i) The interests of a lessee or an assignee of an interest of  
27 a lessee under an oil or gas lease in effect as to that property or

1 any part of that property if the lease was recorded in the office  
2 of the register of deeds in the county in which the property is  
3 located before the date of filing the petition for foreclosure  
4 under section 78h.

5 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
6 42, MCL 554.291.

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

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

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

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

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

18 (d) The date and time of the show cause hearing under section  
19 78j.

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

22 (f) A statement that unless all forfeited unpaid delinquent  
23 taxes, interest, penalties, and fees are paid on or before the  
24 March 31 immediately succeeding the entry of a judgment foreclosing  
25 the property under section 78k, or in a contested case within 21  
26 days of the entry of a judgment foreclosing the property under  
27 section 78k, the title to the property shall vest absolutely in the

1 foreclosing governmental unit and that all existing interests in  
2 oil or gas in that property shall be extinguished except the  
3 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 (g) A statement that a person with an interest in the property  
13 may lose his or her interest in the property as a result of the  
14 foreclosure proceeding under section 78k and that all existing  
15 interests in oil or gas in that property shall be extinguished  
16 except the following:

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

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

25 (9) The owner of a property interest who has been properly  
26 served with a notice of the show cause hearing under section 78j  
27 and the foreclosure hearing under section 78k and who failed to

1 redeem the property as provided under this act shall not assert any  
2 of the following:

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

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

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

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

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

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

19 (c) A person accredited in land title search procedures by a  
20 nationally recognized organization in the field of land title  
21 searching.

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

24 (12) The provisions of this section relating to notice of the  
25 show cause hearing under section 78j and the foreclosure hearing  
26 under section 78k are exclusive and exhaustive. Other requirements  
27 relating to notice or proof of service under other law, rule, or

- 1 legal requirement are not applicable to notice and proof of service
- 2 under this section.