

SENATE BILL No. 1307

May 7, 2008, Introduced by Senators OLSHOVE, CLARKE, ANDERSON, SCOTT, CLARK-COLEMAN, THOMAS, CHERRY, BRATER, GLEASON and SCHAUER and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78k and 78m (MCL 211.78k and 211.78m), section 78k as amended by 2006 PA 611 and section 78m as amended by 2006 PA 498.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78k. (1) If a petition for foreclosure is filed under
2 section 78h, not later than the date of the hearing, the
3 foreclosing governmental unit shall file with the clerk of the
4 circuit court proof of service of the notice of the show cause
5 hearing under section 78j, proof of service of the notice of the
6 foreclosure hearing under this section, and proof of the personal
7 visit to the property and publication under section 78i.

8 (2) A person claiming an interest in a parcel of property set

1 forth in the petition for foreclosure may contest the validity or
2 correctness of the forfeited unpaid delinquent taxes, interest,
3 penalties, and fees for 1 or more of the following reasons:

4 (a) No law authorizes the tax.

5 (b) The person appointed to decide whether a tax shall be
6 levied under a law of this state acted without jurisdiction, or did
7 not impose the tax in question.

8 (c) The property was exempt from the tax in question, or the
9 tax was not legally levied.

10 (d) The tax has been paid within the time limited by law for
11 payment or redemption.

12 (e) The tax was assessed fraudulently.

13 (f) The description of the property used in the assessment was
14 so indefinite or erroneous that the forfeiture was void.

15 (3) A person claiming an interest in a parcel of property set
16 forth in the petition for foreclosure who desires to contest that
17 petition shall file written objections with the clerk of the
18 circuit court and serve those objections on the foreclosing
19 governmental unit prior to the date of the hearing required under
20 this section.

21 (4) If the court determines that the owner of property subject
22 to foreclosure is a minor heir, is incompetent, is without means of
23 support, or is undergoing a substantial financial hardship, the
24 court may withhold that property from foreclosure for ~~1-year-2~~
25 **YEARS** or may enter an order extending the redemption period as the
26 court determines to be equitable. If the court withholds property
27 from foreclosure under this subsection, a taxing unit's lien for

1 taxes due is not prejudiced and that property shall be included in
2 the ~~immediately~~**SECOND** succeeding year's tax foreclosure
3 proceeding.

4 (5) The circuit court shall enter final judgment on a petition
5 for foreclosure filed under section 78h at any time after the
6 hearing under this section but not later than the March 30
7 immediately succeeding the hearing with the judgment effective on
8 the March 31 immediately succeeding the hearing for uncontested
9 cases or 10 days after the conclusion of the hearing for contested
10 cases. All redemption rights to the property expire on the March 31
11 immediately succeeding the entry of a judgment foreclosing the
12 property under this section, or in a contested case 21 days after
13 the entry of a judgment foreclosing the property under this
14 section. **HOWEVER, IF A COURT HAS ENTERED AN ORDER STAYING AN ACTION**
15 **TO FORECLOSE A MORTGAGE OR LAND CONTRACT ON THE PROPERTY UNDER**
16 **SECTION 3116 OF THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236,**
17 **MCL 600.3116, THE CIRCUIT COURT SHALL STAY ENTRY OF FINAL JUDGMENT**
18 **ON A PETITION FOR FORECLOSURE OR, IF THE JUDGMENT HAS BEEN ENTERED,**
19 **EXTENDING THE PERIOD FOR REDEMPTION FOR 2 YEARS OR UNTIL THE ORDER**
20 **STAYING THE ACTION TO FORECLOSE A MORTGAGE OR LAND CONTRACT ON THE**
21 **PROPERTY UNDER SECTION 3116 OF THE REVISED JUDICATURE ACT OF 1961,**
22 **1961 PA 236, MCL 600.3116, IS LIFTED, WHICHEVER OCCURS FIRST.** The
23 circuit court's judgment shall specify all of the following:

24 (a) The legal description and, if known, the street address of
25 the property foreclosed and the forfeited unpaid delinquent taxes,
26 interest, penalties, and fees due on each parcel of property.

27 (b) That fee simple title to property foreclosed by the

1 judgment will vest absolutely in the foreclosing governmental unit,
2 except as otherwise provided in subdivisions (c) and (e), without
3 any further rights of redemption, if all forfeited delinquent
4 taxes, interest, penalties, and fees are not paid on or before the
5 March 31 immediately succeeding the entry of a judgment foreclosing
6 the property under this section, or in a contested case within 21
7 days of the entry of a judgment foreclosing the property under this
8 section.

9 (c) That all liens against the property, including any lien
10 for unpaid taxes or special assessments, except future installments
11 of special assessments and liens recorded by this state or the
12 foreclosing governmental unit pursuant to the natural resources and
13 environmental protection act, 1994 PA 451, MCL 324.101 to
14 324.90106, are extinguished, if all forfeited delinquent taxes,
15 interest, penalties, and fees are not paid on or before the March
16 31 immediately succeeding the entry of a judgment foreclosing the
17 property under this section, or in a contested case within 21 days
18 of the entry of a judgment foreclosing the property under this
19 section.

20 (d) That, except as otherwise provided in subdivisions (c) and
21 (e), the foreclosing governmental unit has good and marketable fee
22 simple title to the property, if all forfeited delinquent taxes,
23 interest, penalties, and fees are not paid on or before the March
24 31 immediately succeeding the entry of a judgment foreclosing the
25 property under this section, or in a contested case within 21 days
26 of the entry of a judgment foreclosing the property under this
27 section.

1 (e) That all existing recorded and unrecorded interests in
2 that property are extinguished, except a visible or recorded
3 easement or right-of-way, private deed restrictions, interests of a
4 lessee or an assignee of an interest of a lessee under a recorded
5 oil or gas lease, interests in oil or gas in that property that are
6 owned by a person other than the owner of the surface that have
7 been preserved as provided in section 1(3) of 1963 PA 42, MCL
8 554.291, or restrictions or other governmental interests imposed
9 pursuant to the natural resources and environmental protection act,
10 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent
11 taxes, interest, penalties, and fees are not paid on or before the
12 March 31 immediately succeeding the entry of a judgment foreclosing
13 the property under this section, or in a contested case within 21
14 days of the entry of a judgment foreclosing the property under this
15 section.

16 (f) A finding that all persons entitled to notice and an
17 opportunity to be heard have been provided that notice and
18 opportunity. A person shall be deemed to have been provided notice
19 and an opportunity to be heard if the foreclosing governmental unit
20 followed the procedures for provision of notice by mail, for visits
21 to forfeited property, and for publication under section 78i, or if
22 1 or more of the following apply:

23 (i) The person had constructive notice of the hearing under
24 this section by acquiring an interest in the property after the
25 date the notice of forfeiture is recorded under section 78g.

26 (ii) The person appeared at the hearing under this section or
27 filed written objections with the clerk of the circuit court under

1 subsection (3) prior to the hearing.

2 (iii) Prior to the hearing under this section, the person had
3 actual notice of the hearing.

4 (g) A judgment entered under this section is a final order
5 with respect to the property affected by the judgment and except as
6 provided in subsection (7) shall not be modified, stayed, or held
7 invalid after the March 31 immediately succeeding the entry of a
8 judgment foreclosing the property under this section, or for
9 contested cases 21 days after the entry of a judgment foreclosing
10 the property under this section.

11 (6) Except as otherwise provided in subsection (5)(c) and (e),
12 fee simple title to property set forth in a petition for
13 foreclosure filed under section 78h on which forfeited delinquent
14 taxes, interest, penalties, and fees are not paid on or before the
15 March 31 immediately succeeding the entry of a judgment foreclosing
16 the property under this section, or in a contested case within 21
17 days of the entry of a judgment foreclosing the property under this
18 section, shall vest absolutely in the foreclosing governmental
19 unit, and the foreclosing governmental unit shall have absolute
20 title to the property, including all interests in oil or gas in
21 that property except the interests of a lessee or an assignee of an
22 interest of a lessee under an oil or gas lease in effect as to that
23 property or any part of that property if the lease was recorded in
24 the office of the register of deeds in the county in which the
25 property is located before the date of filing the petition for
26 foreclosure under section 78h, and interests preserved as provided
27 in section 1(3) of 1963 PA 42, MCL 554.291. The foreclosing

1 governmental unit's title is not subject to any recorded or
2 unrecorded lien and shall not be stayed or held invalid except as
3 provided in subsection (5), (7), or (9).

4 (7) The foreclosing governmental unit or a person claiming to
5 have a property interest under section 78i in property foreclosed
6 under this section may appeal the circuit court's order or the
7 circuit court's judgment foreclosing property to the court of
8 appeals. An appeal under this subsection is limited to the record
9 of the proceedings in the circuit court under this section and
10 shall not be de novo. The circuit court's judgment foreclosing
11 property shall be stayed until the court of appeals has reversed,
12 modified, or affirmed that judgment. If an appeal under this
13 subsection stays the circuit court's judgment foreclosing property,
14 the circuit court's judgment is stayed only as to the property that
15 is the subject of that appeal and the circuit court's judgment
16 foreclosing other property that is not the subject of that appeal
17 is not stayed. To appeal the circuit court's judgment foreclosing
18 property, a person appealing the judgment shall pay to the county
19 treasurer the amount determined to be due to the county treasurer
20 under the judgment on or before the March 31 immediately succeeding
21 the entry of a judgment foreclosing the property under this
22 section, or in a contested case within 21 days of the entry of a
23 judgment foreclosing the property under this section, together with
24 a notice of appeal. If the circuit court's judgment foreclosing the
25 property is affirmed on appeal, the amount determined to be due
26 shall be refunded to the person who appealed the judgment. If the
27 circuit court's judgment foreclosing the property is reversed or

1 modified on appeal, the county treasurer shall refund the amount
2 determined to be due to the person who appealed the judgment, if
3 any, and retain the balance in accordance with the order of the
4 court of appeals.

5 (8) The foreclosing governmental unit shall record a notice of
6 judgment for each parcel of foreclosed property in the office of
7 the register of deeds for the county in which the foreclosed
8 property is located in a form prescribed by the department of
9 treasury.

10 (9) After the entry of a judgment foreclosing the property
11 under this section, if the property has not been transferred under
12 section 78m to a person other than the foreclosing governmental
13 unit, a foreclosing governmental unit may cancel the foreclosure by
14 recording with the register of deeds for the county in which the
15 property is located a certificate of error in a form prescribed by
16 the department of treasury, if the foreclosing governmental unit
17 discovers any of the following:

18 (a) The foreclosed property was not subject to taxation on the
19 date of the assessment of the unpaid taxes for which the property
20 was foreclosed.

21 (b) The description of the property used in the assessment of
22 the unpaid taxes for which the property was foreclosed was so
23 indefinite or erroneous that the forfeiture of the property was
24 void.

25 (c) The taxes for which the property was foreclosed had been
26 paid to the proper officer within the time provided under this act
27 for the payment of the taxes or the redemption of the property.

1 (d) A certificate, including a certificate issued under
2 section 135, or other written verification authorized by law was
3 issued by the proper officer within the time provided under this
4 act for the payment of the taxes for which the property was
5 foreclosed or for the redemption of the property.

6 (e) An owner of an interest in the property entitled to notice
7 under section 78i was not provided notice sufficient to satisfy the
8 minimum requirements of due process required under the state
9 constitution of 1963 and the constitution of the United States.

10 (f) A judgment of foreclosure was entered under this section
11 in violation of an order issued by a United States bankruptcy
12 court.

13 (10) A certificate of error submitted to the county register
14 of deeds for recording under subsection (9) need not be notarized
15 and may be authenticated by a digital signature of the foreclosing
16 governmental unit or by other electronic means.

17 Sec. 78m. (1) ~~Not~~**SUBJECT TO SUBSECTION (16), NOT** later than
18 the first Tuesday in July, immediately succeeding the entry of
19 judgment under section 78k vesting absolute title to tax delinquent
20 property in the foreclosing governmental unit, this state is
21 granted the right of first refusal to purchase property at the
22 greater of the minimum bid or its fair market value by paying that
23 amount to the foreclosing governmental unit if the foreclosing
24 governmental unit is not this state. If this state elects not to
25 purchase the property under its right of first refusal, a city,
26 village, or township may purchase for a public purpose any property
27 located within that city, village, or township set forth in the

1 judgment and subject to sale under this section by payment to the
2 foreclosing governmental unit of the minimum bid. If a city,
3 village, or township does not purchase that property, the county in
4 which that property is located may purchase that property under
5 this section by payment to the foreclosing governmental unit of the
6 minimum bid. If property is purchased by a city, village, township,
7 or county under this subsection, the foreclosing governmental unit
8 shall convey the property to the purchasing city, village,
9 township, or county within 30 days. If property purchased by a
10 city, village, township, or county under this subsection is
11 subsequently sold for an amount in excess of the minimum bid and
12 all costs incurred relating to demolition, renovation,
13 improvements, or infrastructure development, the excess amount
14 shall be returned to the delinquent tax property sales proceeds
15 account for the year in which the property was purchased by the
16 city, village, township, or county or, if this state is the
17 foreclosing governmental unit within a county, to the land
18 reutilization fund created under section 78n. Upon the request of
19 the foreclosing governmental unit, a city, village, township, or
20 county that purchased property under this subsection shall provide
21 to the foreclosing governmental unit without cost information
22 regarding any subsequent sale or transfer of the property. This
23 subsection applies to the purchase of property by this state, a
24 city, village, or township, or a county prior to a sale held under
25 subsection (2).

26 (2) Subject to subsection (1), beginning on the third Tuesday
27 in July immediately succeeding the entry of the judgment under

1 section 78k vesting absolute title to tax delinquent property in
2 the foreclosing governmental unit and ending on the immediately
3 succeeding first Tuesday in November, the foreclosing governmental
4 unit, or its authorized agent, at the option of the foreclosing
5 governmental unit, shall hold at least 2 property sales at 1 or
6 more convenient locations at which property foreclosed by the
7 judgment entered under section 78k shall be sold by auction sale,
8 which may include an auction sale conducted via an internet
9 website. Notice of the time and location of the sales shall be
10 published not less than 30 days before each sale in a newspaper
11 published and circulated in the county in which the property is
12 located, if there is one. If no newspaper is published in that
13 county, publication shall be made in a newspaper published and
14 circulated in an adjoining county. Each sale shall be completed
15 before the first Tuesday in November immediately succeeding the
16 entry of judgment under section 78k vesting absolute title to the
17 tax delinquent property in the foreclosing governmental unit.
18 Except as provided in subsection (5), property shall be sold to the
19 person bidding the highest amount above the minimum bid. The
20 foreclosing governmental unit may sell parcels individually or may
21 offer 2 or more parcels for sale as a group. The minimum bid for a
22 group of parcels shall equal the sum of the minimum bid for each
23 parcel included in the group. The foreclosing governmental unit may
24 adopt procedures governing the conduct of the sale and may cancel
25 the sale prior to the issuance of a deed under this subsection if
26 authorized under the procedures. The foreclosing governmental unit
27 may require full payment by cash, certified check, or money order

1 at the close of each day's bidding. Not more than 30 days after the
2 date of a sale under this subsection, the foreclosing governmental
3 unit shall convey the property by deed to the person bidding the
4 highest amount above the minimum bid. The deed shall vest fee
5 simple title to the property in the person bidding the highest
6 amount above the minimum bid, unless the foreclosing governmental
7 unit discovers a defect in the foreclosure of the property under
8 sections 78 to 78l. If this state is the foreclosing governmental
9 unit within a county, the department of natural resources shall
10 conduct the sale of property under this subsection and subsections
11 (4) and (5) on behalf of this state.

12 (3) For sales held under subsection (2), after the conclusion
13 of that sale, and prior to any additional sale held under
14 subsection (2), a city, village, or township may purchase any
15 property not previously sold under subsection (1) or (2) by paying
16 the minimum bid to the foreclosing governmental unit. If a city,
17 village, or township does not purchase that property, the county in
18 which that property is located may purchase that property under
19 this section by payment to the foreclosing governmental unit of the
20 minimum bid.

21 (4) If property is purchased by a city, village, township, or
22 county under subsection (3), the foreclosing governmental unit
23 shall convey the property to the purchasing city, village, or
24 township within 30 days.

25 (5) All property subject to sale under subsection (2) shall be
26 offered for sale at not less than 2 sales conducted as required by
27 subsection (2). The final sale held under subsection (2) shall be

1 held not less than 28 days after the previous sale under subsection
2 (2). At the final sale held under subsection (2), the sale is
3 subject to the requirements of subsection (2), except that the
4 minimum bid shall not be required. However, the foreclosing
5 governmental unit may establish a reasonable opening bid at the
6 sale to recover the cost of the sale of the parcel or parcels.

7 (6) On or before December 1 immediately succeeding the date of
8 the sale under subsection (5), a list of all property not
9 previously sold by the foreclosing governmental unit under this
10 section shall be transferred to the clerk of the city, village, or
11 township in which the property is located. The city, village, or
12 township may object in writing to the transfer of 1 or more parcels
13 of property set forth on that list. On or before December 30
14 immediately succeeding the date of the sale under subsection (5),
15 all property not previously sold by the foreclosing governmental
16 unit under this section shall be transferred to the city, village,
17 or township in which the property is located, except those parcels
18 of property to which the city, village, or township has objected.
19 Property located in both a village and a township may be
20 transferred under this subsection only to a village. The city,
21 village, or township may make the property available under the
22 urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for
23 any other lawful purpose.

24 (7) If property not previously sold is not transferred to the
25 city, village, or township in which the property is located under
26 subsection (6), the foreclosing governmental unit shall retain
27 possession of that property. If the foreclosing governmental unit

1 retains possession of the property and the foreclosing governmental
2 unit is this state, title to the property shall vest in the land
3 bank fast track authority created under section 15 of the land bank
4 fast track act, 2003 PA 258, MCL 124.765.

5 (8) A foreclosing governmental unit shall deposit the proceeds
6 from the sale of property under this section into a restricted
7 account designated as the "delinquent tax property sales proceeds
8 for the year ____". The foreclosing governmental unit shall
9 direct the investment of the account. The foreclosing governmental
10 unit shall credit to the account interest and earnings from account
11 investments. Proceeds in that account shall only be used by the
12 foreclosing governmental unit for the following purposes in the
13 following order of priority:

14 (a) The delinquent tax revolving fund shall be reimbursed for
15 all taxes, interest, and fees on all of the property, whether or
16 not all of the property was sold.

17 (b) All costs of the sale of property for the year shall be
18 paid.

19 (c) Any costs of the foreclosure proceedings for the year,
20 including, but not limited to, costs of mailing, publication,
21 personal service, and outside contractors shall be paid.

22 (d) Any costs for the sale of property or foreclosure
23 proceedings for any prior year that have not been paid or
24 reimbursed from that prior year's delinquent tax property sales
25 proceeds shall be paid.

26 (e) Any costs incurred by the foreclosing governmental unit in
27 maintaining property foreclosed under section 78k before the sale

1 under this section shall be paid, including costs of any
2 environmental remediation.

3 (f) If the foreclosing governmental unit is not this state,
4 any of the following:

5 (i) Any costs for the sale of property or foreclosure
6 proceedings for any subsequent year that are not paid or reimbursed
7 from that subsequent year's delinquent tax property sales proceeds
8 shall be paid from any remaining balance in any prior year's
9 delinquent tax property sales proceeds account.

10 (ii) Any costs for the defense of title actions.

11 (iii) Any costs incurred in administering the foreclosure and
12 disposition of property forfeited for delinquent taxes under this
13 act.

14 (g) If the foreclosing governmental unit is this state, any
15 remaining balance shall be transferred to the land reutilization
16 fund created under section 78n.

17 (h) In 2008 and each year after 2008, if the foreclosing
18 governmental unit is not this state, not later than June 30 of the
19 second calendar year after foreclosure, the foreclosing
20 governmental unit shall submit a written report to its board of
21 commissioners identifying any remaining balance and any contingent
22 costs of title or other legal claims described in subdivisions (a)
23 through (f). All or a portion of any remaining balance, less any
24 contingent costs of title or other legal claims described in
25 subdivisions (a) through (f), may subsequently be transferred into
26 the general fund of the county by the board of commissioners.

27 (9) Two or more county treasurers of adjacent counties may

1 elect to hold a joint sale of property as provided in this section.
2 If 2 or more county treasurers elect to hold a joint sale, property
3 may be sold under this section at a location outside of the county
4 in which the property is located. The sale may be conducted by any
5 county treasurer participating in the joint sale. A joint sale held
6 under this subsection may include or be an auction sale conducted
7 via an internet website.

8 (10) The foreclosing governmental unit shall record a deed for
9 any property transferred under this section with the county
10 register of deeds. The foreclosing governmental unit may charge a
11 fee in excess of the minimum bid and any sale proceeds for the cost
12 of recording a deed under this subsection.

13 (11) As used in this section, "minimum bid" is the minimum
14 amount established by the foreclosing governmental unit for which
15 property may be sold under this section. The minimum bid shall
16 include all of the following:

17 (a) All delinquent taxes, interest, penalties, and fees due on
18 the property. If a city, village, or township purchases the
19 property, the minimum bid shall not include any taxes levied by
20 that city, village, or township and any interest, penalties, or
21 fees due on those taxes.

22 (b) The expenses of administering the sale, including all
23 preparations for the sale. The foreclosing governmental unit shall
24 estimate the cost of preparing for and administering the annual
25 sale for purposes of prorating the cost for each property included
26 in the sale.

27 (12) For property transferred to this state under subsection

1 (1), a city, village, or township under subsection (6) or retained
2 by a foreclosing governmental unit under subsection (7), all taxes
3 due on the property as of the December 31 following the transfer or
4 retention of the property are canceled effective on that December
5 31.

6 (13) For property sold under this section, transferred to this
7 state under subsection (1), a city, village, or township under
8 subsection (6), or retained by a foreclosing governmental unit
9 under subsection (7), all liens for costs of demolition, safety
10 repairs, debris removal, or sewer or water charges due on the
11 property as of the December 31 immediately succeeding the sale,
12 transfer, or retention of the property are canceled effective on
13 that December 31. This subsection does not apply to liens recorded
14 by the department of environmental quality under this act or the
15 land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

16 (14) If property foreclosed under section 78k and held by or
17 under the control of a foreclosing governmental unit is a facility
18 as defined under section 20101(1)(o) of the natural resources and
19 environmental protection act, 1994 PA 451, MCL 324.20101, prior to
20 the sale or transfer of the property under this section, the
21 property is subject to all of the following:

22 (a) Upon reasonable written notice from the department of
23 environmental quality, the foreclosing governmental unit shall
24 provide access to the department of environmental quality, its
25 employees, contractors, and any other person expressly authorized
26 by the department of environmental quality to conduct response
27 activities at the foreclosed property. Reasonable written notice

1 under this subdivision may include, but is not limited to, notice
2 by electronic mail or facsimile, if the foreclosing governmental
3 unit consents to notice by electronic mail or facsimile prior to
4 the provision of notice by the department of environmental quality.

5 (b) If requested by the department of environmental quality to
6 protect public health, safety, and welfare or the environment, the
7 foreclosing governmental unit shall grant an easement for access to
8 conduct response activities on the foreclosed property as
9 authorized under chapter 7 of the natural resources and
10 environmental protection act, 1994 PA 451, MCL 324.20101 to
11 324.20519.

12 (c) If requested by the department of environmental quality to
13 protect public health, safety, and welfare or the environment, the
14 foreclosing governmental unit shall place and record deed
15 restrictions on the foreclosed property as authorized under chapter
16 7 of the natural resources and environmental protection act, 1994
17 PA 451, MCL 324.20101 to 324.20519.

18 (d) The department of environmental quality may place an
19 environmental lien on the foreclosed property as authorized under
20 section 20138 of the natural resources and environmental protection
21 act, 1994 PA 451, MCL 324.20138.

22 (15) If property foreclosed under section 78k and held by or
23 under the control of a foreclosing governmental unit is a facility
24 as defined under section 20101(1)(o) of the natural resources and
25 environmental protection act, 1994 PA 451, MCL 324.20101, prior to
26 the sale or transfer of the property under this section, the
27 department of environmental quality shall request and the

1 foreclosing governmental unit shall transfer the property to the
2 state land bank fast track authority created under section 15 of
3 the land bank fast track act, 2003 PA 258, MCL 124.765, if all of
4 the following apply:

5 (a) The department of environmental quality determines that
6 conditions at a foreclosed property are an acute threat to the
7 public health, safety, and welfare, to the environment, or to other
8 property.

9 (b) The department of environmental quality proposes to
10 undertake or is undertaking state-funded response activities at the
11 property.

12 (c) The department of environmental quality determines that
13 the sale, retention, or transfer of the property other than under
14 this subsection would interfere with response activities by the
15 department of environmental quality.

16 **(16) IF A COURT HAS ENTERED AN ORDER STAYING AN ACTION TO**
17 **FORECLOSE A MORTGAGE OR LAND CONTRACT ON THE PROPERTY UNDER SECTION**
18 **3116 OF THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL**
19 **600.3116, THE CIRCUIT COURT SHALL ENTER AN ORDER STAYING THE SALE**
20 **OF THE PROPERTY FOR 2 YEARS OR UNTIL THE ORDER STAYING THE ACTION**
21 **TO FORECLOSE A MORTGAGE OR LAND CONTRACT ON THE PROPERTY UNDER**
22 **SECTION 3116 OF THE REVISED JUDICATURE ACT OF 1961, 1961 PA 236,**
23 **MCL 600.3116, IS LIFTED, WHICHEVER OCCURS FIRST.**

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No. 1306

26 of the 94th Legislature are enacted into law.