

HOUSE BILL No. 4424

March 15, 2011, Introduced by Reps. Smiley, Santana, Hobbs, Dillon, Brunner, Segal, Haugh, Ananich, Lipton, Darany, Kandrevas, McCann, Slavens, Switalski, Geiss, Barnett, Bauer, Liss, Howze, Rutledge, Meadows and Jackson and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78a (MCL 211.78a), as amended by 2008 PA 352.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78a. (1) For taxes levied after December 31, 1998, all
2 property returned for delinquent taxes, and upon which taxes,
3 interest, penalties, and fees remain unpaid after the property is
4 returned as delinquent to the county treasurers of this state under
5 this act, is subject to forfeiture, foreclosure, and sale for the
6 enforcement and collection of the delinquent taxes as provided in
7 section 78, this section, and sections 78b to 79a. As used in
8 section 78, this section, and sections 78b to 79a, "taxes" includes
9 interest, penalties, and fees imposed before the taxes become
10 delinquent and unpaid special assessments or other assessments that

1 are due and payable up to and including the date of the foreclosure
2 hearing under section 78k. AS USED IN SECTION 78, THIS SECTION, AND
3 SECTIONS 78B TO 79A, "TAXES" DOES NOT INCLUDE DELINQUENT WATER
4 BILLS OR ANY OTHER DELINQUENT UTILITY BILLS UNLESS BOTH OF THE
5 FOLLOWING CONDITIONS ARE SATISFIED:

6 (A) THE WATER BILL COLLECTIONS OR OTHER UTILITY BILL
7 COLLECTIONS PROVIDE A SOURCE OF REPAYMENT OF PUBLIC BONDS OR NOTES
8 ISSUED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
9 THIS SUBDIVISION.

10 (B) THE TERMS OF THE PUBLIC BONDS OR NOTES REQUIRE COLLECTION
11 OF THE WATER BILLS OR OTHER UTILITY BILLS UNDER THIS ACT.

12 (2) On March 1 in each year, taxes levied in the immediately
13 preceding year that remain unpaid shall be returned as delinquent
14 for collection. However, if the last day in a year that taxes are
15 due and payable before being returned as delinquent is on a
16 Saturday, Sunday, or legal holiday, the last day taxes are due and
17 payable before being returned as delinquent is on the next business
18 day and taxes levied in the immediately preceding year that remain
19 unpaid shall be returned as delinquent on the immediately
20 succeeding business day. Except as otherwise provided in section 79
21 for certified abandoned property, property delinquent for taxes
22 levied in the second year preceding the forfeiture under section
23 78g or in a prior year to which this section applies shall be
24 forfeited to the county treasurer for the total of the unpaid
25 taxes, interest, penalties, and fees for those years as provided
26 under section 78g.

27 (3) A county property tax administration fee of 4% and

1 interest computed at a noncompounded rate of 1% per month or
2 fraction of a month on the taxes that were originally returned as
3 delinquent, computed from the date that the taxes originally became
4 delinquent, shall be added to property returned as delinquent under
5 this section. A county property tax administration fee provided for
6 under this subsection shall not be less than \$1.00.

7 (4) Any person with an unrecorded property interest or any
8 other person who wishes at any time to receive notice of the return
9 of delinquent taxes on a parcel of property may pay an annual fee
10 not to exceed \$5.00 by February 1 to the county treasurer and
11 specify the parcel identification number, the address of the
12 property, and the address to which the notice shall be sent.

13 Holders of any undischarged mortgages wishing to receive notice of
14 the return of delinquent taxes on a parcel or parcels of property
15 may provide a list of such parcels in a form prescribed by the
16 county treasurer and pay an annual fee not to exceed \$1.00 per
17 parcel to the county treasurer and specify for each parcel the
18 parcel identification number, the address of the property, and the
19 address to which the notice should be sent. The county treasurer
20 shall notify the person or holders of undischarged mortgages if
21 delinquent taxes on the property or properties are returned within
22 that year.

23 (5) Notwithstanding any charter provision to the contrary, the
24 governing body of a local governmental unit that collects
25 delinquent taxes may establish for any property, by ordinance,
26 procedures for the collection of delinquent taxes and the
27 enforcement of tax liens and the schedule for the forfeiture or

1 foreclosure of delinquent tax liens. The procedures and schedule
2 established by ordinance shall conform at a minimum to those
3 procedures and schedules established under **THIS SECTION AND**
4 sections ~~78a~~**78B** to 78l, except that those taxes subject to a
5 payment plan approved by the treasurer of the local governmental
6 unit as of July 1, 1999 shall not be considered delinquent if
7 payments are not delinquent under that payment plan.