

# HOUSE BILL No. 4871

July 27, 2011, Introduced by Rep. Hammel and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 78d and 78g (MCL 211.78d and 211.78g), as  
amended by 2003 PA 263.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 78d. (1) Except as otherwise provided in section 79 for  
2       certified abandoned property, on the October 1 immediately  
3       succeeding the date that unpaid taxes are returned to the county  
4       treasurer for forfeiture, foreclosure, and sale under section  
5       60a(1) or (2) or returned to the county treasurer as delinquent  
6       under section 78a, the county treasurer shall add a ~~\$15.00~~ \$75.00  
7       fee on each parcel of property for which the delinquent taxes,  
8       interest, penalties, and fees remain unpaid.

9       (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), THE COUNTY

1   TREASURER SHALL EXPEND THE \$75.00 FEE ADDED UNDER SUBSECTION (1) TO  
2   IMPLEMENT THE REQUIREMENTS OF THIS ACT, INCLUDING, BUT NOT LIMITED  
3   TO, ALL OF THE FOLLOWING:

4           (A) A CONTRACT WITH A TITLE INSURANCE COMPANY PURSUANT TO  
5   SECTION 78I.

6           (B) COSTS OF DETERMINING ADDRESSES, SERVICE OF NOTICES, AND  
7   RECORDING FEES INCURRED PURSUANT TO SECTION 78I.

8           (C) COSTS INCURRED IN DEFENSE OF TITLE ACTIONS, AS DETERMINED  
9   BY THE COUNTY TREASURER.

10          (D) COSTS INCURRED IN ADMINISTERING THE FORECLOSURE AND  
11   DISPOSITION OF PROPERTY, AND MAINTAINING PROPERTY, FORFEITED TO THE  
12   COUNTY TREASURER FOR DELINQUENT TAXES UNDER THIS ACT.

13          (E) FORECLOSURE PREVENTION ACTIVITIES.

14          (3) THE COUNTY TREASURER MAY TRANSFER ALL OR A PART OF THE  
15   \$75.00 FEE ADDED UNDER SUBSECTION (1) TO A LAND BANK FAST TRACK  
16   AUTHORITY CREATED UNDER THE LAND BANK FAST TRACK ACT, 2003 PA 258,  
17   MCL 124.751 TO 124.774, TO REIMBURSE THE LAND BANK FAST TRACK  
18   AUTHORITY FOR SERVICES PROVIDED IN ADMINISTERING THE FORECLOSURE  
19   AND DISPOSITION OF PROPERTY, AND MAINTAINING PROPERTY, FORFEITED TO  
20   THE COUNTY TREASURER FOR DELINQUENT TAXES UNDER THIS ACT.

21          Sec. 78g. (1) Except as otherwise provided in this subsection,  
22   on March 1 in each tax year, certified abandoned property and  
23   property that is delinquent for taxes, interest, penalties, and  
24   fees for the immediately preceding 12 months or more is forfeited  
25   to the county treasurer for the total amount of those unpaid  
26   delinquent taxes, interest, penalties, and fees. If property is  
27   forfeited to a county treasurer under this subsection, the

1   foreclosing governmental unit does not have a right to possession  
2   of the property until the April 1 immediately succeeding the entry  
3   of a judgment foreclosing the property under section 78k or in a  
4   contested case until 22 days after the entry of a judgment  
5   foreclosing the property under section 78k. If property is  
6   forfeited to a county treasurer under this subsection, the county  
7   treasurer shall add a ~~\$175.00~~ **\$75.00** fee to each parcel of property  
8   for which those delinquent taxes, interest, penalties, and fees  
9   remain unpaid. A county treasurer shall withhold a parcel of  
10   property from forfeiture for any reason determined by the state tax  
11   commission. The procedure for withholding a parcel of property from  
12   forfeiture under this subsection shall be determined by the state  
13   tax commission.

14           **(2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), THE COUNTY**  
15   **TREASURER SHALL EXPEND THE \$75.00 FEE ADDED UNDER SUBSECTION (1) TO**  
16   **IMPLEMENT THE REQUIREMENTS OF THIS ACT, INCLUDING, BUT NOT LIMITED**  
17   **TO, ALL OF THE FOLLOWING:**

18           **(A) A CONTRACT WITH A TITLE INSURANCE COMPANY PURSUANT TO**  
19   **SECTION 78I.**

20           **(B) COSTS OF DETERMINING ADDRESSES, SERVICE OF NOTICES, AND**  
21   **RECORDING FEES INCURRED PURSUANT TO SECTION 78I.**

22           **(C) COSTS INCURRED IN DEFENSE OF TITLE ACTIONS, AS DETERMINED**  
23   **BY THE COUNTY TREASURER.**

24           **(D) COSTS INCURRED IN ADMINISTERING THE FORECLOSURE AND**  
25   **DISPOSITION OF PROPERTY, AND MAINTAINING PROPERTY, FORFEITED TO THE**  
26   **COUNTY TREASURER FOR DELINQUENT TAXES UNDER THIS ACT.**

27           **(E) FORECLOSURE PREVENTION ACTIVITIES.**

1           (3) THE COUNTY TREASURER MAY TRANSFER ALL OR A PART OF THE  
2 \$75.00 FEE ADDED UNDER SUBSECTION (1) TO A LAND BANK FAST TRACK  
3 AUTHORITY CREATED UNDER THE LAND BANK FAST TRACK ACT, 2003 PA 258,  
4 MCL 124.751 TO 124.774, TO REIMBURSE THE LAND BANK FAST TRACK  
5 AUTHORITY FOR SERVICES PROVIDED IN ADMINISTERING THE FORECLOSURE  
6 AND DISPOSITION OF PROPERTY, AND MAINTAINING PROPERTY, FORFEITED TO  
7 THE COUNTY TREASURER FOR DELINQUENT TAXES UNDER THIS ACT.

8           (4) ~~(2)~~—Not more than 45 days after property is forfeited  
9 under subsection (1), the county treasurer shall record with the  
10 county register of deeds a certificate in a form determined by the  
11 department of treasury for each parcel of property forfeited to the  
12 county treasurer, specifying that the property has been forfeited  
13 to the county treasurer and not redeemed and that absolute title to  
14 the property shall vest in the county treasurer on the March 31  
15 immediately succeeding the entry of a judgment foreclosing the  
16 property under section 78k or in a contested case 21 days after the  
17 entry of a judgment foreclosing the property under section 78k. If  
18 a certificate of forfeiture is recorded in error, the county  
19 treasurer shall record with the county register of deeds a  
20 certificate of error in a form prescribed by the department of  
21 treasury. A certificate submitted to the county register of deeds  
22 for recording under this subsection need not be notarized and may  
23 be authenticated by a digital signature of the county treasurer or  
24 by other electronic means. If the county has elected under section  
25 78 to have this state foreclose property under this act forfeited  
26 to the county treasurer under this section, the county treasurer  
27 shall immediately transmit to the department of treasury a copy of

1 each certificate recorded under this subsection. The county  
2 treasurer shall upon collection transmit to the department of  
3 treasury within 30 days the fee added to each parcel under  
4 subsection (1), which may be paid from the county's delinquent tax  
5 revolving fund and shall be deposited in the land reutilization  
6 fund created under section 78n.

7 (5) ~~(3)~~—Property forfeited to the county treasurer under  
8 subsection (1) may be redeemed at any time on or before the March  
9 31 immediately succeeding the entry of a judgment foreclosing the  
10 property under section 78k or in a contested case within 21 days of  
11 the entry of a judgment foreclosing the property under section 78k  
12 upon payment to the county treasurer of all of the following:

13 (a) The total amount of unpaid delinquent taxes, interest,  
14 penalties, and fees for which the property was forfeited.

15 (b) In addition to the interest calculated under sections  
16 60a(1) or (2) and 78a(3), additional interest computed at a  
17 noncompounded rate of 1/2% per month or fraction of a month on the  
18 taxes that were originally returned as delinquent, computed from  
19 the March 1 preceding the forfeiture.

20 (c) All recording fees and all fees for service of process or  
21 notice.

22 (6) ~~(4)~~—If property is redeemed by a person with a legal  
23 interest as provided under subsection ~~(3)~~—(5), any unpaid taxes not  
24 returned as delinquent to the county treasurer under section 78a  
25 are not extinguished.

26 (7) ~~(5)~~—If property is redeemed by a person with a legal  
27 interest as provided under subsection ~~(3)~~—(5), the person redeeming

1 does not acquire a title or interest in the property greater than  
2 that person would have had if the property had not been forfeited  
3 to the county treasurer, but the person redeeming, other than the  
4 owner, is entitled to a lien for the amount paid to redeem the  
5 property in addition to any other lien or interest the person may  
6 have, which shall be recorded within 30 days with the register of  
7 deeds by the person entitled to the lien. The lien acquired shall  
8 have the same priority as the existing lien, title, or interest.

9       (8) ~~(6)~~—If property is redeemed as provided under subsection  
10 ~~(3)~~ (5), the county treasurer shall issue a redemption certificate  
11 in quadruplicate in a form prescribed by the department of  
12 treasury. One of the quadruplicate certificates shall be delivered  
13 to the person making the redemption payment, 1 shall be filed in  
14 the office of the county treasurer, 1 shall be recorded in the  
15 office of the county register of deeds, and 1 shall be immediately  
16 transmitted to the department of treasury if this state is the  
17 foreclosing governmental unit. The county treasurer shall also make  
18 a note of the redemption certificate in the tax record kept in his  
19 or her office, with the name of the person making the final  
20 redemption payment, the date of the payment, and the amount paid.  
21 If the county treasurer accepts partial redemption payments, the  
22 county treasurer shall include in the tax record kept in his or her  
23 office the name of the person or persons making each partial  
24 redemption payment, the date of each partial redemption payment,  
25 the amount of each partial redemption payment, and the total amount  
26 of all redemption payments. A certificate and the entry of the  
27 certificate in the tax record by the county treasurer is prima

1 facie evidence of a redemption payment in the courts of this state.  
2 A certificate submitted to the county register of deeds for  
3 recording under this subsection need not be notarized and may be  
4 authenticated by a digital signature of the county treasurer or by  
5 other electronic means. If a redemption certificate is recorded in  
6 error, the county treasurer shall record with the county register  
7 of deeds a certificate of error in a form prescribed by the  
8 department of treasury. A copy of a certificate of error recorded  
9 under this section shall be immediately transmitted to the  
10 department of treasury if this state is the foreclosing  
11 governmental unit.

12 (9) ~~(7)~~—If a foreclosing governmental unit has reason to  
13 believe that a property forfeited under this section may be the  
14 site of environmental contamination, the foreclosing governmental  
15 unit shall provide the department of environmental quality with any  
16 information in the possession of the foreclosing governmental unit  
17 that suggests the property may be the site of environmental  
18 contamination.