

HOUSE BILL No. 5888

September 12, 2012, Introduced by Rep. Knollenberg and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78g. (1) Except as otherwise provided in this subsection,
2 on March 1 in each tax year, certified abandoned property and
3 property that is delinquent for taxes, interest, penalties, and
4 fees for the immediately preceding 12 months or more is forfeited
5 to the county treasurer for the total amount of those unpaid
6 delinquent taxes, interest, penalties, and fees. If property is
7 forfeited to a county treasurer under this subsection, the
8 foreclosing governmental unit does not have a right to possession
9 of the property until the April 1 immediately succeeding the entry
10 of a judgment foreclosing the property under section 78k or in a

1 contested case until 22 days after the entry of a judgment
2 foreclosing the property under section 78k. If property is
3 forfeited to a county treasurer under this subsection, the county
4 treasurer shall add a \$175.00 fee to each parcel of property for
5 which those delinquent taxes, interest, penalties, and fees remain
6 unpaid. A county treasurer shall withhold a parcel of property from
7 forfeiture for any reason determined by the state tax commission.
8 The procedure for withholding a parcel of property from forfeiture
9 under this subsection shall be determined by the state tax
10 commission.

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

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

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

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

18 (b) ~~In~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, IN**
19 addition to the interest calculated under ~~sections 60a(1) or (2)~~
20 ~~and~~ **SECTION 78a(3)**, additional interest computed at a noncompounded
21 rate of 1/2% per month or fraction of a month on the taxes that
22 were originally returned as delinquent, computed from the March 1
23 preceding the forfeiture. **HOWEVER, THE COUNTY TREASURER SHALL**
24 **REDUCE THE ADDITIONAL INTEREST UNDER THIS SUBDIVISION TO A RATE**
25 **EQUAL TO 1/12 OF THE ADJUSTED PRIME RATE PER MONTH OR FRACTION OF A**
26 **MONTH IF THE PROPERTY IS WITHHELD FROM THE PETITION FOR FORECLOSURE**
27 **UNDER SECTION 78H. AS USED IN THIS SUBDIVISION, "ADJUSTED PRIME**

1 **RATE" MEANS THE AVERAGE PREDOMINANT PRIME RATE QUOTED BY NOT FEWER**
2 **THAN 3 COMMERCIAL BANKS TO LARGE BUSINESSES, AS DETERMINED BY THE**
3 **DEPARTMENT OF TREASURY.**

4 (c) All recording fees and all fees for service of process or
5 notice.

6 (4) If property is redeemed by a person with a legal interest
7 as provided under subsection (3), any unpaid taxes not returned as
8 delinquent to the county treasurer under section 78a are not
9 extinguished.

10 (5) If property is redeemed by a person with a legal interest
11 as provided under subsection (3), the person redeeming does not
12 acquire a title or interest in the property greater than that
13 person would have had if the property had not been forfeited to the
14 county treasurer, but the person redeeming, other than the owner,
15 is entitled to a lien for the amount paid to redeem the property in
16 addition to any other lien or interest the person may have, which
17 shall be recorded within 30 days with the register of deeds by the
18 person entitled to the lien. The lien acquired shall have the same
19 priority as the existing lien, title, or interest.

20 (6) If property is redeemed as provided under subsection (3),
21 the county treasurer shall issue a redemption certificate in
22 quadruplicate in a form prescribed by the department of treasury.
23 One of the quadruplicate certificates shall be delivered to the
24 person making the redemption payment, 1 shall be filed in the
25 office of the county treasurer, 1 shall be recorded in the office
26 of the county register of deeds, and 1 shall be immediately
27 transmitted to the department of treasury if this state is the

1 foreclosing governmental unit. The county treasurer shall also make
2 a note of the redemption certificate in the tax record kept in his
3 or her office, with the name of the person making the final
4 redemption payment, the date of the payment, and the amount paid.
5 If the county treasurer accepts partial redemption payments, the
6 county treasurer shall include in the tax record kept in his or her
7 office the name of the person or persons making each partial
8 redemption payment, the date of each partial redemption payment,
9 the amount of each partial redemption payment, and the total amount
10 of all redemption payments. A certificate and the entry of the
11 certificate in the tax record by the county treasurer is prima
12 facie evidence of a redemption payment in the courts of this state.
13 A certificate submitted to the county register of deeds for
14 recording under this subsection need not be notarized and may be
15 authenticated by a digital signature of the county treasurer or by
16 other electronic means. If a redemption certificate is recorded in
17 error, the county treasurer shall record with the county register
18 of deeds a certificate of error in a form prescribed by the
19 department of treasury. A copy of a certificate of error recorded
20 under this section shall be immediately transmitted to the
21 department of treasury if this state is the foreclosing
22 governmental unit.

23 (7) If a foreclosing governmental unit has reason to believe
24 that a property forfeited under this section may be the site of
25 environmental contamination, the foreclosing governmental unit
26 shall provide the department of environmental quality with any
27 information in the possession of the foreclosing governmental unit

1 that suggests the property may be the site of environmental
2 contamination.