



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1009 (as reported without amendment)
Sponsor: Senator Bert Johnson
Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to extend the deadline, from June 30, 2016, to June 30, 2019, for a county treasurer to enter into a tax foreclosure avoidance agreement with an owner of residential property returned as delinquent or forfeited to the county treasurer.

Until June 30, 2016, the Act allows a county treasurer to enter into a tax foreclosure avoidance agreement for a term of up to five years with an owner of property returned as delinquent to the county treasurer or forfeited to the county treasurer if the property is classified as residential real property and is eligible property (a principal residence exempt from school operating taxes); and if the owner makes an initial payment of at least 10% of the delinquent taxes owed on the property. While a tax foreclosure avoidance agreement is effective, the property must be withheld or removed from a foreclosure petition, interest at a specified rate must apply, and the owner must make timely payments as provided under the agreement, including timely payment of all nondelinquent taxes on the property.

The bill would allow a county treasurer, until June 30, 2019, to enter into a tax foreclosure avoidance agreement.

MCL 211.78q

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an unknown but likely minimal impact on State and local property tax revenue. The proposed three-year extension of authority for a foreclosing governmental unit to enter into an installment payment plan with an eligible taxpayer would maintain an option for collecting property tax revenue and preventing foreclosure.

Date Completed: 6-8-16

Fiscal Analyst: Elizabeth Pratt