

**SUBSTITUTE FOR  
SENATE BILL NO. 1137**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 78g, 78i, and 78l (MCL 211.78g, 211.78i, and  
211.78l), section 78g as amended by 2020 PA 33, section 78i as  
amended by 2015 PA 190, and section 78l as amended by 2003 PA 263,  
and by adding section 78t.

**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

1 forfeited to a county treasurer under this subsection, the  
 2 foreclosing governmental unit does not have a right to possession  
 3 of the property until the April 1 immediately succeeding the entry  
 4 of a judgment foreclosing the property under section 78k or in a  
 5 contested case until 22 days after the entry of a judgment  
 6 foreclosing the property under section 78k. If property is  
 7 forfeited to a county treasurer under this subsection, the county  
 8 treasurer shall add a \$175.00 fee to each ~~parcel of~~ property for  
 9 which those delinquent taxes, interest, penalties, and fees remain  
 10 unpaid. **The fee added under this subsection must be used by the**  
 11 **foreclosing governmental unit and the fee added under section 78d**  
 12 **must be used by the county treasurer for the administration of**  
 13 **sections 78 to 79a, including, but not limited to, costs associated**  
 14 **with providing required notices and with the forfeiture,**  
 15 **foreclosure, sale, maintenance, repair, and remediation of**  
 16 **property.** A county treasurer shall withhold a ~~parcel of~~ property  
 17 from forfeiture for any reason determined by the state tax  
 18 commission. The state tax commission shall determine the procedure  
 19 for withholding a ~~parcel of~~ property from forfeiture under this  
 20 subsection.

21 (2) Not more than 45 days after property is forfeited under  
 22 subsection (1), the county treasurer shall record with the county  
 23 register of deeds a certificate in a form determined by the  
 24 department of treasury for each ~~parcel of~~ property forfeited to the  
 25 county treasurer, specifying that the property has been forfeited  
 26 to the county treasurer and not redeemed and that absolute title to  
 27 the property **and any equity associated with an interest in the**  
 28 **property** will vest in the ~~county treasurer~~ **foreclosing governmental**  
 29 **unit** on the March 31 immediately succeeding the entry of a judgment

1 foreclosing the property under section 78k or in a contested case  
 2 21 days after the entry of a judgment foreclosing the property  
 3 under section 78k. **The certificate must include an explanation of**  
 4 **the right of a person with an interest in the property at the time**  
 5 **a judgment of foreclosure of the property is effective under**  
 6 **section 78k to claim that person's interest in any remaining**  
 7 **proceeds pursuant to section 78t after a sale or transfer of the**  
 8 **property under section 78m.** If a certificate of forfeiture is  
 9 recorded in error, the county treasurer shall record with the  
 10 county register of deeds a certificate of error in a form  
 11 prescribed by the department of treasury. A certificate submitted  
 12 to the county register of deeds for recording under this subsection  
 13 need not be notarized and may be authenticated by a digital  
 14 signature of the county treasurer or by other electronic means. If  
 15 the county has elected under section 78 to have this state  
 16 foreclose property under this act forfeited to the county treasurer  
 17 under this section, the county treasurer shall immediately transmit  
 18 to the department of treasury a copy of each certificate recorded  
 19 under this subsection. The county treasurer shall upon collection  
 20 transmit to the department of treasury within 30 days the fee added  
 21 to each ~~parcel~~**property** under subsection (1), which may be paid  
 22 from the county's delinquent tax revolving fund and **upon receipt**  
 23 **must be deposited by the department of treasury** in the land  
 24 reutilization fund created under section 78n.

25 (3) Property forfeited to the county treasurer under  
 26 subsection (1) may be redeemed at any time on or before the March  
 27 31 immediately succeeding the entry of a judgment foreclosing the  
 28 property under section 78k or in a contested case within 21 days of  
 29 the entry of a judgment foreclosing the property under section 78k

1 upon payment to the county treasurer of all of the following:

2 (a) The total amount of unpaid delinquent taxes, interest,  
3 penalties, and fees for which the property was forfeited or the  
4 reduced amount of unpaid delinquent taxes, interest, penalties, and  
5 fees payable under subsection (8), if applicable.

6 (b) Except as otherwise provided in this subdivision and  
7 subdivision (c), in addition to the interest calculated under  
8 sections 60a(1) or (2) and 78a(3), additional interest computed at  
9 a noncompounded rate of 1/2% per month or fraction of a month on  
10 the taxes that were originally returned as delinquent, computed  
11 from the March 1 preceding the forfeiture. The county treasurer may  
12 waive the additional interest under this subdivision if the  
13 property is withheld from the petition for foreclosure under  
14 section 78h(3)(c).

15 (c) If the property is classified as residential real property  
16 under section 34c, the property is a principal residence exempt  
17 from the tax levied by a local school district for school operating  
18 purposes under section 7cc, and a tax foreclosure avoidance  
19 agreement is in effect for the property under section 78q(5), while  
20 the tax foreclosure avoidance agreement is effective, all of the  
21 following apply:

22 (i) The property must be withheld from the petition for  
23 foreclosure under section 78h.

24 (ii) The additional interest under subdivision (b) does not  
25 apply and interest computed at a noncompounded rate of 1/2% per  
26 month or fraction of a month on the taxes that were originally  
27 returned as delinquent, computed from the date that the taxes  
28 originally were returned as delinquent, applies to the property.

29 (d) All recording fees and all fees for service of process or

1 notice.

2 (4) If property is redeemed by a person with a legal interest  
3 **in the property** as provided under subsection (3), any unpaid taxes,  
4 **interest, penalties, and fees** not returned as delinquent to the  
5 county treasurer under section 78a are not extinguished.

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

17 (6) If property is redeemed as provided under subsection (3),  
18 the county treasurer shall issue a redemption certificate in  
19 quadruplicate in a form prescribed by the department of treasury.  
20 One of the quadruplicate certificates must be delivered to the  
21 person making the redemption payment, 1 must be filed in the office  
22 of the county treasurer, 1 must be recorded in the office of the  
23 county register of deeds, and 1 must be immediately transmitted to  
24 the department of treasury if this state is the foreclosing  
25 governmental unit. The county treasurer shall also make a note of  
26 the redemption certificate in the tax record kept in his or her  
27 office, with the name of the person making the final redemption  
28 payment, the date of the payment, and the amount paid. If the  
29 county treasurer accepts partial redemption payments, the county

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

17 (7) If a foreclosing governmental unit has reason to believe  
18 that a property forfeited under this section may be the site of  
19 environmental contamination, the foreclosing governmental unit  
20 shall provide the department of ~~environmental quality~~ **environment,**  
21 **Great Lakes, and energy** with any information in the possession of  
22 the foreclosing governmental unit that suggests the property may be  
23 the site of environmental contamination.

24 (8) Notwithstanding any provision of this act or charter to  
25 the contrary, until July 1, ~~2023,~~ **2025**, all of the following apply  
26 to property for which delinquent property taxes remain unpaid,  
27 including property forfeited under this section, located in a local  
28 unit of government that, pursuant to subsection (10) (b) (i) or (ii),  
29 is participating in a payment reduction program authorized by this

1 subsection:

2 (a) If the property is subject to an exemption under section  
3 7u and the property's owner has not previously received a payment  
4 reduction under this subsection, the foreclosing governmental unit  
5 may do 1 or more of the following:

6 (i) If the total amount of unpaid delinquent taxes is greater  
7 than 10% of the property's taxable value for the calendar year  
8 preceding the year the property was exempt from the collection of  
9 taxes under section 7u, reduce the amount required to be paid under  
10 section 78a(1) or required to be paid to redeem the property under  
11 subsection (3) (a) to 10% of the property's taxable value for the  
12 calendar year preceding the year the property was exempt from the  
13 collection of taxes under section 7u. A reduction under this  
14 subparagraph must be allocated to each taxing unit based on the  
15 proportion that its unpaid delinquent taxes certified to the county  
16 treasurer bear to the total amount of unpaid delinquent taxes  
17 certified to the county treasurer in connection with the property.

18 (ii) Cancel some or all of any unpaid delinquent taxes that  
19 represent charges for services that have become delinquent and have  
20 been certified to the county treasurer for collection of taxes and  
21 enforcement of the lien for the taxes under section 21(3) of the  
22 revenue bond act of 1933, 1933 PA 94, MCL 141.121.

23 (iii) Cancel all of the interest, penalties, and fees required  
24 to be paid under this act.

25 (b) If the amount required to be paid under this act is  
26 reduced under subdivision (a), the foreclosing governmental unit  
27 may further reduce the amount by an amount not to exceed 10% of the  
28 unpaid delinquent taxes required to be paid to redeem the property  
29 if the property is redeemed by a single lump-sum payment made

1 within a period to be determined by the foreclosing governmental  
2 unit.

3 (c) A foreclosing governmental unit may apply the provisions  
4 of this subsection to property subject to a delinquent property tax  
5 installment payment plan under section 78q(1) or a tax foreclosure  
6 avoidance agreement under section 78q(5). Except as provided in  
7 this subdivision, the terms and conditions of a payment reduction  
8 applied to property under this subsection must be consistent with  
9 the terms and conditions of a delinquent property tax installment  
10 payment plan under section 78q(1) or tax foreclosure agreement  
11 under section 78q(5) for the property. If the owner of property  
12 subject to a delinquent property tax installment payment plan under  
13 section 78q(1) or a tax foreclosure avoidance agreement under  
14 section 78q(5) has failed to pay any amounts owed under the plan or  
15 agreement, that nonpayment does not prohibit the property owner  
16 from receiving a payment reduction under this subsection.  
17 Notwithstanding any provision of this act to the contrary, the full  
18 amount owed by an owner of property as reduced by this subsection  
19 must be payable in not more than 3 years after the date the  
20 reduction is established by the foreclosing governmental unit.

21 (d) If a property owner has paid a reduced amount under this  
22 subsection in accordance with the terms, conditions, and time  
23 period established by the county treasurer, any remaining unpaid  
24 taxes, interest, penalties, and fees otherwise payable shall be  
25 canceled by the county treasurer, including, but not limited to,  
26 any interest, fee, or penalty payment requirements set forth in a  
27 delinquent property tax installment payment plan under section  
28 78q(1) or a tax foreclosure avoidance agreement under section  
29 78q(5) with respect to the property. A county treasurer shall not



1 impose any additional interest, penalties, fees, or other charges  
2 of any kind in connection with a payment reduction program under  
3 this subsection.

4 (e) If the owner of property subject to a payment reduction  
5 under this subsection fails to pay the full reduced amount of  
6 delinquent taxes, penalties, and fees under this subsection in  
7 accordance with the terms, conditions, and time period established  
8 by the county treasurer, all of the following apply:

9 (i) The amount required to be paid to redeem the property is  
10 the sum of both of the following:

11 (A) The full amount of any unpaid delinquent taxes on the  
12 property.

13 (B) Interest under ~~section 78g(3)(b)~~ **subsection (3)(b)** and any  
14 additional interest, fees, charges, and penalties otherwise  
15 applicable to any unpaid taxes on the property, including, but not  
16 limited to, interest, fees, charges, and penalties canceled under  
17 subdivision (d).

18 (ii) The property must be included in the immediately  
19 succeeding petition for foreclosure under section 78h.

20 (f) A foreclosing governmental unit may not approve a  
21 reduction in the amount required to redeem property under this  
22 subsection if the reduction would cause noncompliance with section  
23 87c(7) or otherwise impermissibly impair an outstanding debt of the  
24 county or any taxing unit.

25 (g) All payments collected in connection with property under  
26 this subsection must be distributed to each taxing unit that has  
27 certified to the county treasurer unpaid delinquent taxes for the  
28 property in an amount based on the proportion that the taxing  
29 unit's unpaid delinquent taxes certified to the county treasurer

1 bear to the total amount of unpaid delinquent taxes certified to  
2 the county treasurer in connection with the property.

3 (h) A county treasurer shall set forth the terms and benefits  
4 of a payment reduction program available under this subsection in a  
5 plan available upon request to the department of treasury. The plan  
6 must set forth which of the reductions described in subdivisions  
7 (a) and (b) are available under the program and must include any  
8 other information determined to be necessary or appropriate in the  
9 discretion of the county treasurer.

10 (9) If a payment reduction under subsection (8) is in effect  
11 for property for which a county has issued notes under this act  
12 that are secured by the delinquent taxes and interest on that  
13 property, at any time within 2 years after the date that those  
14 taxes were returned as delinquent, the county treasurer may charge  
15 back to any taxing unit the face amount of the delinquent taxes  
16 that were owed to that taxing unit on the date those taxes were  
17 returned as delinquent, less the amount of any payments received by  
18 the county treasurer on that property. All subsequent payments of  
19 delinquent taxes and interest on that property must be retained by  
20 the county treasurer in a separate account and either paid to or  
21 credited to the account of that taxing unit.

22 (10) A foreclosing governmental unit's authority to apply any  
23 of the payment-reduction measures otherwise available under  
24 subsection (8) is subject to all of the following:

25 (a) A foreclosing governmental unit that seeks to implement a  
26 program under subsection (8) shall provide written notice to the  
27 treasurer of each affected local unit of government within the  
28 county in which the property is located of the foreclosing  
29 governmental unit's intent to implement the program and state that

1 the local unit of government has the option of participating in the  
2 program. The notice must contain all of the terms and conditions to  
3 be offered under the program, in addition to any other information  
4 that the foreclosing governmental unit considers necessary or  
5 appropriate.

6 (b) Not later than 21 days after the foreclosing governmental  
7 unit provides the written notice described in subdivision (a), the  
8 treasurer of any affected local unit of government may provide the  
9 foreclosing governmental unit with 1 of the following, as  
10 applicable:

11 (i) Written notice of nonparticipation in the program, if the  
12 local unit of government is located in a county with a population  
13 of more than 1,500,000 according to the most recent population  
14 estimate produced by the United States Census Bureau's Population  
15 Estimates Program (PEP). All property within a local unit of  
16 government that provides written notice of nonparticipation under  
17 this subparagraph will be excluded from the program. Any affected  
18 local unit of government whose treasurer does not provide written  
19 notice of nonparticipation under this subparagraph is conclusively  
20 presumed to have consented to participation in the program, and all  
21 property within that local unit of government will be included in  
22 the program.

23 (ii) Written notice of participation in the program, if the  
24 local unit of government is located in a county other than one  
25 described in subparagraph (i) and the governing body of the local  
26 unit of government has approved a resolution to participate in the  
27 program. All property within a local unit of government that  
28 provides written notice of participation under this subparagraph  
29 will be included in the program. Any affected local unit of

1 government whose treasurer does not provide written notice of  
2 participation under this subparagraph is conclusively presumed to  
3 have declined to participate in the program, and all property  
4 within that local unit of government will be excluded from the  
5 program.

6 (11) As used in this section, "local unit of government" means  
7 a city, township, or village.

8 Sec. 78i. (1) Not later than May 1 immediately succeeding the  
9 forfeiture of property to the county treasurer under section 78g,  
10 the foreclosing governmental unit shall initiate a search of  
11 records identified in subsection (6) to identify the ~~owners of~~  
12 **persons with** a property interest in the property ~~who are~~ entitled  
13 to notice under this section of the show cause hearing under  
14 section 78j and the foreclosure hearing under section 78k. The  
15 foreclosing governmental unit may enter into a contract with 1 or  
16 more authorized representatives to perform a title search or may  
17 request from 1 or more authorized representatives another title  
18 search product to identify the ~~owners of~~ **persons with** a property  
19 interest in the property as required under this subsection or to  
20 perform other functions required for the collection of delinquent  
21 taxes under this act, **including, but not limited to, the**  
22 **administration of sections 78 to 79a.**

23 (2) After conducting the search of records under subsection  
24 (1), the foreclosing governmental unit or its authorized  
25 representative shall determine the address reasonably calculated to  
26 apprise ~~those owners of a~~ **each person with a** property interest **in a**  
27 **forfeited property** of the show cause hearing under section 78j and  
28 the foreclosure hearing under section 78k and shall send notice of  
29 the show cause hearing under section 78j and the foreclosure

1 hearing under section 78k to those ~~owners,~~ **persons**, and to a person  
 2 entitled to notice of the return of delinquent taxes under section  
 3 78a(4), by certified mail, return receipt requested, not less than  
 4 30 days before the show cause hearing. If after conducting the  
 5 search of records under subsection (1) the foreclosing governmental  
 6 unit is unable to determine an address reasonably calculated to  
 7 inform a person with an interest in a forfeited property, or if the  
 8 foreclosing governmental unit discovers a deficiency in notice  
 9 under subsection (4), the following ~~shall be considered~~ **are**  
 10 reasonable steps by the foreclosing governmental unit or its  
 11 authorized representative to ascertain the address of a person **with**  
 12 **an interest in property** entitled to notice under this section or to  
 13 ascertain an address necessary to correct the deficiency in notice  
 14 under subsection (4):

15 (a) For an individual, a search of the records of the probate  
 16 court for the county in which the property is located.

17 (b) For an individual, a search of the qualified voter file  
 18 established under section 509o of the Michigan election law, 1954  
 19 PA 116, MCL 168.509o. ~~, which~~ **A search of the qualified voter file**  
 20 is authorized by this subdivision.

21 (c) For a partnership, a search of partnership records filed  
 22 with the county clerk.

23 (d) For a business entity other than a partnership, a search  
 24 of business entity records filed with the department of ~~labor and~~  
 25 ~~economic growth.~~ **licensing and regulatory affairs.**

26 (3) The foreclosing governmental unit or its authorized  
 27 representative or authorized agent shall make a personal visit to  
 28 each ~~parcel of~~ property forfeited to the county treasurer under  
 29 section 78g to ascertain whether or not the property is occupied.

1 If the property appears to be occupied, the foreclosing  
2 governmental unit or its authorized representative shall do all of  
3 the following:

4 (a) Attempt to personally serve upon a person occupying the  
5 property notice of the show cause hearing under section 78j and the  
6 foreclosure hearing under section 78k.

7 (b) If a person occupying the property is personally served,  
8 ~~orally~~ **verbally** inform the occupant that the property will be  
9 foreclosed and the occupants will be required to vacate unless all  
10 forfeited unpaid delinquent taxes, interest, penalties, and fees  
11 are paid, of the time within which all forfeited unpaid delinquent  
12 taxes, interest, penalties, and fees must be paid, and of agencies  
13 or other resources that may be available to assist ~~the owner to~~  
14 **avoid in avoiding** loss of the property **interest and any equity**  
15 **associated with the interest in the property.**

16 (c) If the occupant appears to lack the ability to understand  
17 the ~~advice given,~~ **information provided**, notify the department of  
18 **health and** human services or provide the occupant with the names  
19 and telephone numbers of the agencies that may be able to assist  
20 the occupant, **or both.**

21 (d) If the foreclosing governmental unit or its authorized  
22 representative ~~is not able to~~ **does not** personally meet with the  
23 occupant, the foreclosing governmental unit or its authorized  
24 representative shall place ~~the notice in a conspicuous manner on~~  
25 ~~the property and shall also place~~ in a conspicuous ~~manner~~ **location**  
26 on the property a notice that explains, in plain English, that the  
27 property will be foreclosed unless forfeited unpaid delinquent  
28 taxes, interest, penalties, and fees **owed on the property** are paid,  
29 the time within which forfeited unpaid delinquent taxes, interest,

1 penalties, and fees must be paid, and the names, addresses, and  
 2 telephone numbers of agencies or other resources that may be  
 3 available to assist ~~the occupant to avoid~~ **a person with an interest**  
 4 **in the property with avoiding the** loss of the property interest and  
 5 **any equity associated with the property interest. The notice must**  
 6 **include the internet website address for the legal resource and**  
 7 **referral center of the state bar of Michigan and the toll-free**  
 8 **telephone number for the state bar of Michigan's lawyer referral**  
 9 **service. The notice also must include an explanation of the right**  
 10 **of a person with an interest in the property at the time a judgment**  
 11 **of foreclosure of the property is effective under section 78k to**  
 12 **claim that person's interest in any remaining proceeds pursuant to**  
 13 **section 78t after a sale or transfer of the property under section**  
 14 **78m. If this state is the foreclosing governmental unit within a**  
 15 **county, the department of treasury or its authorized representative**  
 16 **shall perform the personal visit to each ~~parcel of~~ property under**  
 17 **this subsection on behalf of this state.**

18 (4) If the foreclosing governmental unit or its authorized  
 19 representative discovers any deficiency in the provision of notice,  
 20 the foreclosing governmental unit shall take reasonable steps in  
 21 good faith to correct that deficiency not later than 30 days before  
 22 the show cause hearing under section 78j, if possible.

23 (5) If the foreclosing governmental unit or its authorized  
 24 representative is unable to ascertain ~~the~~ **an** address reasonably  
 25 calculated to apprise ~~the owners of~~ **a person with** a property  
 26 interest entitled to notice under this section, or is unable to  
 27 notify ~~the owner of~~ **a person with** a property interest under  
 28 subsection (2), the ~~notice shall be made~~ **foreclosing governmental**  
 29 **unit shall provide notice** by publication as provided in this

1 subsection and section 78s. ~~A~~**The** notice ~~shall~~**must** be inserted for  
 2 2 successive weeks, once each week, in a notice publication  
 3 circulated in the county in which the property is located. ~~This~~  
 4 ~~notice shall be instead of notice under subsection (2).~~ If a notice  
 5 publication is not circulated in the county in which the property  
 6 is located, the foreclosing governmental unit shall insert the  
 7 notice in a notice publication circulated in an adjoining county.  
 8 In addition to provision of notice in a notice publication, the  
 9 foreclosing governmental unit may also post the notice under this  
 10 subsection for not less than 14 days on a website, including, but  
 11 not limited to, a website maintained by the foreclosing  
 12 governmental unit.

13 (6) ~~The owner of~~**A person with** a property interest is entitled  
 14 to notice under this section of the show cause hearing under  
 15 section 78j and the foreclosure hearing under section 78k if that  
 16 ~~owner's~~**person's** interest was identifiable by reference to any of  
 17 the following sources before the date that the county treasurer  
 18 records the certificate required under section 78g(2):

19 (a) Land title records in the office of the county register of  
 20 deeds.

21 (b) Tax records in the office of the county treasurer.

22 (c) Tax records in the office of the local assessor.

23 (d) Tax records in the office of the local treasurer.

24 (7) The notice required under subsections (2) and (3) ~~shall~~  
 25 **must** include all of the following:

26 (a) The date on which the property was forfeited to the county  
 27 treasurer.

28 (b) A statement that the person notified may lose ~~his or her~~  
 29 **that person's** interest in the property **and any equity associated**



1 **with that property interest** as a result of the foreclosure  
2 proceeding under section 78k.

3 (c) A legal description or parcel number of the property and,  
4 **if available**, the street address of the property. ~~, if available.~~

5 (d) The person to whom the notice is addressed.

6 (e) The total taxes, interest, penalties, and fees due on the  
7 property.

8 (f) The date and time of the show cause hearing under section  
9 78j.

10 (g) The date and time of the hearing on the petition for  
11 foreclosure under section 78k, and a statement that unless the  
12 forfeited unpaid delinquent taxes, interest, penalties, and fees  
13 are paid on or before the March 31 immediately succeeding the entry  
14 of a judgment foreclosing the property under section 78k, or in a  
15 contested case within 21 days of the entry of a judgment  
16 foreclosing the property under section 78k, the title to the  
17 property ~~shall~~**will** vest absolutely in the foreclosing governmental  
18 unit and that all existing interests in oil or gas in that property  
19 ~~shall~~**will** be extinguished except the following:

20 (i) The interests of a lessee or an assignee of an interest of  
21 a lessee under an oil or gas lease in effect as to that property or  
22 any part of that property if the lease was recorded in the office  
23 of the register of deeds in the county in which the property is  
24 located before the date of filing the petition for foreclosure  
25 under section 78h.

26 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
27 42, MCL 554.291.

28 (h) An explanation of the person's rights of redemption and  
29 notice that the rights of redemption will expire on the March 31

1 immediately succeeding the entry of a judgment foreclosing the  
2 property under section 78k, or in a contested case 21 days after  
3 the entry of a judgment foreclosing the property under section 78k.

4 **(i) An explanation of the right of a person with an interest**  
5 **in the property at the time a judgment of foreclosure of the**  
6 **property is effective under section 78k to claim that person's**  
7 **interest in any remaining proceeds pursuant to section 78t after a**  
8 **sale or transfer of the property under section 78m.**

9 **(j) The internet website address for the legal resource and**  
10 **referral center of the state bar of Michigan and the toll-free**  
11 **telephone number for the state bar of Michigan's lawyer referral**  
12 **service.**

13 (8) The published notice required under subsection (5) ~~shall~~  
14 **must** include all of the following:

15 (a) A legal description or parcel number of each property.

16 (b) The street address of each property, if available.

17 (c) The name of any person ~~or entity~~ entitled to notice under  
18 this section who has not been notified under subsection (2) or (3).

19 (d) The date and time of the show cause hearing under section  
20 78j.

21 (e) The date and time of the hearing on the petition for  
22 foreclosure under section 78k.

23 (f) A statement that unless all forfeited unpaid delinquent  
24 taxes, interest, penalties, and fees are paid on or before the  
25 March 31 immediately succeeding the entry of a judgment foreclosing  
26 the property under section 78k, or in a contested case within 21  
27 days of the entry of a judgment foreclosing the property under  
28 section 78k, the title to the property ~~shall~~**will** vest absolutely  
29 in the foreclosing governmental unit and that all existing

1 interests in oil or gas in that property ~~shall~~**will** be extinguished  
2 except the following:

3 (i) The interests of a lessee or an assignee of an interest of  
4 a lessee under an oil or gas lease in effect as to that property or  
5 any part of that property if the lease was recorded in the office  
6 of the register of deeds in the county in which the property is  
7 located before the date of filing the petition for foreclosure  
8 under section 78h.

9 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
10 42, MCL 554.291.

11 (g) A statement that a person with an interest in the property  
12 may lose ~~his or her that~~ interest ~~in the property~~**and any equity**  
13 **associated with that interest** as a result of the foreclosure  
14 proceeding under section 78k and that all existing interests in oil  
15 or gas in that property ~~shall~~**will** be extinguished except the  
16 following:

17 (i) The interests of a lessee or an assignee of an interest of  
18 a lessee under an oil or gas lease in effect as to that property or  
19 any part of that property if the lease was recorded in the office  
20 of the register of deeds in the county in which the property is  
21 located before the date of filing the petition for foreclosure  
22 under section 78h.

23 (ii) Interests preserved as provided in section 1(3) of 1963 PA  
24 42, MCL 554.291.

25 (h) **An explanation of the right of a person with an interest**  
26 **in the property at the time a judgment of foreclosure of the**  
27 **property is effective under section 78k to claim that person's**  
28 **interest in any remaining proceeds pursuant to section 78t after a**  
29 **sale or transfer of the property under section 78m.**

1           (i) **The internet website address for the legal resource and**  
2 **referral center of the state bar of Michigan and the toll-free**  
3 **telephone number for the state bar of Michigan's lawyer referral**  
4 **service.**

5           (9) ~~The owner of~~ **A person with** a property interest ~~who has~~  
6 ~~been properly served~~ **under this section** with a notice of the show  
7 cause hearing under section 78j and the foreclosure hearing under  
8 section 78k ~~and who failed~~ **that fails** to redeem the property as  
9 provided under this act shall not assert any of the following:

10           (a) That notice was insufficient or inadequate on the grounds  
11 that some other ~~owner of~~ **person with** a property interest was not  
12 also served.

13           (b) That the redemption period provided under this act was  
14 extended in any way on the grounds that some other ~~owner of~~ **person**  
15 **with** a property interest was not also served.

16           (c) **That the person did not receive the notice required by law**  
17 **of the show cause hearing under section 78j or the foreclosure**  
18 **hearing under section 78k.**

19           (10) The failure of the foreclosing governmental unit to  
20 comply with any provision of this section ~~shall~~ **does** not invalidate  
21 any proceeding under this act if the ~~owner of~~ **person with** a  
22 property interest ~~or a person to whom a tax deed was issued is~~  
23 ~~accorded~~ **is notified of the show cause hearing under section 78j**  
24 **and the foreclosure hearing under section 78k consistent with** the  
25 minimum due process required under the state constitution of 1963  
26 and the ~~constitution~~ **Constitution** of the United States.

27           (11) As used in this section, "authorized representative"  
28 includes all of the following:

29           (a) A title insurance company or agent licensed to conduct

1 business in this state.

2 (b) An attorney licensed to practice law in this state.

3 (c) A person accredited in land title search procedures by a  
4 nationally recognized organization in the field of land title  
5 searching.

6 (d) A person with demonstrated experience searching land title  
7 records, as determined by the foreclosing governmental unit.

8 (12) The provisions of this section relating to notice of the  
9 show cause hearing under section 78j and the foreclosure hearing  
10 under section 78k are exclusive and exhaustive. Other requirements  
11 relating to notice or proof of service under other law, rule, or  
12 legal requirement are not applicable to notice and proof of service  
13 under this section.

14 Sec. 78l. (1) If a judgment for foreclosure is entered under  
15 section 78k and all existing recorded and unrecorded interests in a  
16 ~~parcel of property~~ are extinguished as provided in section 78k, the  
17 owner of any extinguished recorded or unrecorded interest in that  
18 property ~~who claims that he or she did not receive any notice~~  
19 ~~required under this act~~ shall not bring an action, **including an**  
20 **action** for possession **or recovery** of the property ~~against any~~  
21 ~~subsequent owner, but may only bring an action to recover monetary~~  
22 ~~damages as provided in this section.~~

23 ~~(2) The court of claims has original and exclusive~~  
24 ~~jurisdiction in any action to recover monetary damages under this~~  
25 ~~section.~~

26 ~~(3) An action to recover monetary damages under this section~~  
27 ~~shall not be brought more than 2 years after a judgment for~~  
28 ~~foreclosure is entered under section 78k.~~

29 ~~(4) Any monetary damages recoverable under this section shall~~

1 ~~be determined as of the date a judgment for foreclosure is entered~~  
 2 ~~under section 78k and shall not exceed the fair market value of the~~  
 3 ~~interest in the property held by the person bringing the action~~  
 4 ~~under this section on that date, less any taxes, interest,~~  
 5 ~~penalties, and fees owed on the property as of that date.~~ **or any**  
 6 **interests in the property or of any proceeds from the sale or**  
 7 **transfer of the property under this act, or other violation of this**  
 8 **act or other law of this state, the state constitution of 1963, or**  
 9 **the Constitution of the United States more than 2 years after the**  
 10 **judgment of foreclosure of the property is effective under section**  
 11 **78k. Nothing in this section authorizes an action not otherwise**  
 12 **authorized under the laws of this state. An action to recover any**  
 13 **proceeds from the sale or transfer of property foreclosed for**  
 14 **nonpayment of real property taxes under this act must be brought as**  
 15 **provided under section 78t.**

16 (2) ~~(5)~~ ~~The right to sue for monetary damages under~~ **recognized**  
 17 **by** this section is not transferable except by testate or intestate  
 18 succession.

19 **Sec. 78t. (1) A claimant may submit a notice of intention to**  
 20 **claim an interest in any applicable remaining proceeds from the**  
 21 **transfer or sale of foreclosed property under section 78m, subject**  
 22 **to the following:**

23 (a) For foreclosed property transferred or sold under section  
 24 78m after July 17, 2020, the notice of intention must be submitted  
 25 pursuant to subsection (2).

26 (b) For foreclosed property transferred or sold under section  
 27 78m before July 18, 2020, both of the following:

28 (i) A claim may be made only if the Michigan supreme court  
 29 orders that its decision in *Rafaeli, LLC v Oakland County*, docket

1 no. 156849, applies retroactively.

2 (ii) Subject to subparagraph (i), the notice of intention must  
3 be submitted pursuant to subsection (6).

4 (2) For foreclosed property transferred or sold under section  
5 78m after July 17, 2020, by the July 1 immediately following the  
6 effective date of the foreclosure of the property, a claimant  
7 seeking remaining proceeds for the property must notify the  
8 foreclosing governmental unit using a form prescribed by the  
9 department of treasury. The department of treasury shall make the  
10 form available to the public on an internet website maintained by  
11 the department of treasury. A foreclosing governmental unit shall  
12 make the form available to the public on an internet website  
13 maintained by the foreclosing governmental unit if the foreclosing  
14 governmental unit maintains an internet website. Notice to a  
15 foreclosing governmental unit under this subsection must be by  
16 personal service acknowledged by the foreclosing governmental unit  
17 or by certified mail, return receipt requested. The notice must be  
18 notarized and include all of the following:

19 (a) The name of the claimant.

20 (b) The telephone number of the claimant.

21 (c) The address at which the claimant wants to receive  
22 service.

23 (d) The parcel identification number of the property, and, if  
24 available, the address of the property.

25 (e) An explanation of the claimant's interest in the property.

26 (f) A description of any other interest in the property  
27 immediately before the foreclosure under section 78k held by other  
28 persons and known by the claimant, including a lien or a mortgage.

29 (g) A sworn statement or affirmation by the claimant that the

1 information included in the notice is accurate.

2 (3) Not later than the January 31 immediately succeeding the  
3 sale or transfer of the property under section 78m, the foreclosing  
4 governmental unit shall send by certified mail, return receipt  
5 requested, a notice in a form prescribed by the department of  
6 treasury to each claimant that notified the foreclosing  
7 governmental unit pursuant to subsection (2). The notice must  
8 include the following information:

9 (a) The parcel identification number of the property.

10 (b) The legal description of the property.

11 (c) The address for the property if an address is available  
12 for the property.

13 (d) The date on which the property was sold or transferred  
14 under section 78m or, if the property was not sold or transferred  
15 under section 78m, a statement indicating that the property was not  
16 sold or transferred.

17 (e) The minimum bid for the property as determined by the  
18 foreclosing governmental unit under section 78m.

19 (f) The amount for which the property was sold or transferred  
20 under section 78m.

21 (g) The amount of the sale cost recovery for the property,  
22 which must be equal to 5% of the amount under subdivision (f).

23 (h) The amount of any outstanding unpaid state, federal, or  
24 local tax collecting unit tax liens on the property immediately  
25 preceding the effective date of the foreclosure of the property  
26 under section 78k based on the records of the foreclosing  
27 governmental unit.

28 (i) The total amount of any remaining proceeds, or the amount  
29 of the shortfall in proceeds if the minimum bid under section 78m



1 and other fees incurred by the foreclosing governmental unit in  
2 foreclosing and selling the property under section 78m exceed the  
3 amount received by the foreclosing governmental unit from a sale or  
4 transfer of the property under section 78m.

5 (j) The name and address provided by each claimant for the  
6 property pursuant to subsection (2).

7 (k) A statement that a claimant must file pursuant to  
8 subsection (4) a motion with the circuit court in the same  
9 proceeding in which the judgment of foreclosure of the property was  
10 effective under section 78k to claim any remaining proceeds payable  
11 to the claimant. The statement must include the case number  
12 assigned to the proceeding, the name of the judge assigned to the  
13 proceeding, and contact information for the clerk of the circuit  
14 court.

15 (4) For a claimant seeking remaining proceeds from the  
16 transfer or sale of a foreclosed property transferred or sold under  
17 section 78m after July 17, 2020, after receipt of a notice under  
18 subsection (3), the claimant may file a motion with the circuit  
19 court in the same proceeding in which the judgment of foreclosure  
20 of the property was effective under section 78k to claim any  
21 portion of the remaining proceeds that the claimant is entitled to  
22 under this section. A motion under this subsection must be filed  
23 during the period beginning on February 1 immediately succeeding  
24 the date on which the property was sold or transferred under  
25 section 78m and ending on the immediately succeeding May 15, and  
26 may not be filed after that May 15 if notice was provided under  
27 section 78i of the show cause hearing under section 78j and the  
28 foreclosure hearing under section 78k before the show cause hearing  
29 and the foreclosure hearing, notwithstanding section 78l. The motion

1 must indicate both of the following:

2 (a) Whether the claimant or an entity in which the claimant  
3 held a direct or indirect interest purchased the property under  
4 section 78m.

5 (b) Whether the claimant does or does not hold a direct or  
6 indirect interest in the property at the time the motion is filed.

7 (5) At the end of the claim period described in subsection  
8 (4), the foreclosing governmental unit shall file with the circuit  
9 court proof of service of the notice required under subsection (3)  
10 and, for each property for which a claimant provided notice under  
11 subsection (2), a list of all of the following information:

12 (a) The parcel identification number of the property.

13 (b) The legal description of the property.

14 (c) The address for the property if an address is available  
15 for the property.

16 (d) The date on which the property was sold or transferred  
17 under section 78m or, if the property was not sold or transferred  
18 under section 78m, a statement indicating that the property was not  
19 sold or transferred.

20 (e) The minimum bid for the property as determined by the  
21 foreclosing governmental unit under section 78m.

22 (f) The amount for which the property was sold or transferred  
23 under section 78m.

24 (g) The amount of the sale commission for the property, which  
25 must be equal to 5% of the amount under subdivision (f).

26 (h) The amount of any outstanding unpaid state, federal, or  
27 local tax collecting unit tax liens on the property immediately  
28 preceding the effective date of the foreclosure of the property  
29 under section 78k based on the records of the county treasurer.

1 (i) The amount of any remaining proceeds, or the amount of the  
2 shortfall in proceeds if the minimum bid under section 78m and  
3 other fees incurred in foreclosing and selling the property exceed  
4 the amount received by the foreclosing governmental unit from a  
5 sale or transfer of the property under section 78m.

6 (j) The name and address provided by each claimant for the  
7 property pursuant to subsection (2).

8 (6) For a claimant seeking remaining proceeds from the  
9 transfer or sale of a foreclosed property transferred or sold under  
10 section 78m pursuant to this subsection, the claimant must notify  
11 the foreclosing governmental unit using the form prescribed by the  
12 department of treasury under subsection (2) in the manner  
13 prescribed under subsection (2) by the March 31 at least 180 days  
14 after any qualified order. By the following July 1, the foreclosing  
15 governmental unit shall provide each claimant seeking remaining  
16 proceeds for the property and notifying the foreclosing  
17 governmental unit under this subsection with a notice relating to  
18 the foreclosed property in the form and manner provided under  
19 subsection (3). To claim any applicable remaining proceeds to which  
20 the claimant is entitled, the claimant must file a motion with the  
21 circuit court in the same proceeding in which a judgement of  
22 foreclosure was effective under section 78k by the following  
23 October 1. The motion must be certified and include all of the  
24 following:

25 (a) The name of the claimant filing the motion.

26 (b) The telephone number of the claimant.

27 (c) The address at which the claimant wants to receive  
28 service.

29 (d) The parcel identification number of the property, and, if

1 available, the address of the property.

2 (e) An explanation of the claimant's interest in the property.

3 (f) A description of any other interest in the property,  
4 including a lien or a mortgage, immediately before the foreclosure  
5 under section 78k held by any other person or entity and known by  
6 the claimant.

7 (g) A statement indicating that the claimant or an entity in  
8 which the claimant held a direct or indirect interest did or did  
9 not purchase the property under section 78m.

10 (h) A statement indicating that the claimant does or does not  
11 hold a direct or indirect interest in the property at the time the  
12 motion is filed.

13 (i) A sworn statement or affirmation by the claimant that the  
14 information included in the motion is accurate.

15 (7) At the end of the claim period described in subsection (4)  
16 or after receipt of a motion under subsection (6), the foreclosing  
17 governmental unit shall file with the circuit court proof of  
18 service of the notice required under subsection (3) and, for each  
19 property for which a claimant provided notice under subsection (2)  
20 or filed a motion under subsection (6), a list of all of the  
21 following information:

22 (a) The parcel identification number of the property.

23 (b) The legal description of the property.

24 (c) The address for the property if an address is available  
25 for the property.

26 (d) The date on which the property was sold or transferred  
27 under section 78m or, if the property was not sold or transferred  
28 under section 78m, a statement indicating that the property was not  
29 sold or transferred.

1           (e) The minimum bid for the property as determined by the  
2 foreclosing governmental unit under section 78m.

3           (f) The amount for which the property was sold or transferred  
4 under section 78m.

5           (g) The amount of the sale commission for the property, which  
6 must be equal to 5% of the amount under subsection (f).

7           (h) The amount of any remaining proceeds, or the amount of the  
8 shortfall in proceeds if the minimum bid under section 78m and  
9 other fees incurred in foreclosing and selling the property exceed  
10 the amount received by the foreclosing governmental unit from a  
11 sale or transfer of the property under section 78m.

12           (i) The amount of any outstanding unpaid state, federal, or  
13 local tax collecting unit tax liens on the property immediately  
14 preceding the effective date of the foreclosure of the property  
15 under section 78k based on the records of the county treasurer.

16           (j) The name and address provided by each claimant for the  
17 property pursuant to subsection (2) or (6).

18           (8) A motion by a claimant under this section must provide the  
19 specific basis for the claimant's asserted interest in some or all  
20 of the remaining proceeds, including the claimant's interest in the  
21 property immediately before its foreclosure under section 78k and  
22 documentation evidencing that interest. The claimant also shall  
23 affirm that the claimant did not transfer and was not otherwise  
24 divested of the claimant's interest in the property before the  
25 judgment of foreclosure was effective under section 78k. If a  
26 claimant had a lien or other security interest in the property at  
27 the time the judgment of foreclosure was effective under section  
28 78k, the claimant shall indicate the amount owed to the claimant  
29 pursuant to the lien or security interest and the priority of the

1 claimant's lien or security interest. The motion must be verified  
2 and include a sworn statement or affirmation by the claimant of its  
3 accuracy. A claimant filing a motion under this section must serve  
4 a copy of the motion on the foreclosing governmental unit.

5 (9) After the foreclosing governmental unit responds to a  
6 claimant's motion under this section, the court shall set a hearing  
7 date and time for each property for which 1 or more claimants filed  
8 a motion under this section and notify each claimant and the  
9 foreclosing governmental unit of the hearing date at least 21 days  
10 before the hearing date. At the hearing, the court shall determine  
11 the relative priority and value of the interest of each claimant in  
12 the foreclosed property immediately before the foreclosure was  
13 effective. The foreclosing governmental unit may appear at the  
14 hearing. The burden of proof of a claimant's interest in any  
15 remaining proceeds for a claimant is on the claimant. The court  
16 shall require payment to the foreclosing governmental unit of a  
17 sale commission equal to 5% of the amount for which the property  
18 was sold by the foreclosing governmental unit. The court shall  
19 allocate any remaining proceeds based upon its determination and  
20 order that the foreclosing governmental unit pay applicable  
21 remaining proceeds to 1 or more claimants consistent with its  
22 determination under this subsection. An order for the payment of  
23 remaining proceeds must not unjustly enrich a claimant at the  
24 expense of the public. If a claimant indicated in the motion that  
25 the claimant or an entity in which the claimant held a direct or  
26 indirect interest purchased the property under section 78m or if  
27 the claimant indicated in the motion that the claimant held a  
28 direct or indirect interest in the property at the time the motion  
29 was filed, the order must require remaining proceeds to be applied

1 to any unpaid obligations payable to a tenant at the time the  
2 foreclosure was effective or any unpaid civil fines relating to the  
3 property owed at the time the foreclosure was effective for  
4 violation of an ordinance authorized by section 4/ of the home rule  
5 city act, 1909 PA 279, MCL 117.4/, in the local tax collecting unit  
6 in which the property is located. The order must provide for the  
7 payment of any unpaid amounts not otherwise payable to another  
8 claimant owed by a claimant to satisfy a state, federal, or local  
9 tax collecting unit tax lien on the property immediately preceding  
10 the effective date of the foreclosure under section 78k if the lien  
11 had priority over the claimant's interest in the property. The  
12 order also must provide that any further claim by a claimant under  
13 this act relating to the foreclosed property is barred.

14 (10) The foreclosing governmental unit shall pay the amounts  
15 ordered by the court to the claimants and any other persons ordered  
16 by the court under subsection (9) within 21 days of the order  
17 pursuant to section 78m.

18 (11) This section is the exclusive mechanism for a claimant to  
19 claim and receive any applicable remaining proceeds under the laws  
20 of this state. A right to claim remaining proceeds under this  
21 section is not transferable except by testate or intestate  
22 succession.

23 (12) As used in this section:

24 (a) "Claimant" means a person with a legal interest in  
25 property immediately before the effectiveness of a judgment of  
26 foreclosure of the property under section 78k who seeks pursuant to  
27 this section recognition of its interest in any remaining proceeds  
28 associated with the property.

29 (b) "Remaining proceeds" means the amount equal to the

1 difference between the amount paid to the foreclosing governmental  
 2 unit for a property due to the sale or transfer of the property  
 3 under section 78m and the sum of all of the following:

4 (i) The minimum bid under section 78m.

5 (ii) All other fees and expenses incurred by the foreclosing  
 6 governmental unit pursuant to section 78m in connection with the  
 7 forfeiture, foreclosure, sale, maintenance, repair, and remediation  
 8 of the property not included in the minimum bid.

9 (iii) A sale commission payable to the foreclosing governmental  
 10 unit equal to 5% of the amount paid to the foreclosing governmental  
 11 unit for the property.

12 Enacting section 1. Sections 78g and 78i of the general  
 13 property tax act, 1893 PA 206, MCL 211.78g and 211.78i, as amended  
 14 by this amendatory act, take effect January 1, 2021.

15 Enacting section 2. This amendatory act does not take effect  
 16 unless Senate Bill No. 676 of the 100th Legislature is enacted into  
 17 law.

18 Enacting section 3. This amendatory act is curative and is  
 19 intended to codify and give full effect to the right of a former  
 20 holder of a legal interest in property to any remaining proceeds  
 21 resulting from the foreclosure and sale of the property to satisfy  
 22 delinquent real property taxes under the general property tax act,  
 23 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan  
 24 supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849,  
 25 consistent with the legislative findings and intent under section  
 26 78 of the general property tax act, 1893 PA 206, MCL 211.78.