

# SENATE BILL NO. 933

May 20, 2020, Introduced by Senator MACGREGOR and referred to the Committee on Local Government.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7u, 78k, and 78m (MCL 211.7u, 211.78k, and 211.78m), section 7u as amended by 2012 PA 135, section 78k as amended by 2020 PA 33, and section 78m as amended by 2014 PA 501.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7u. (1) The principal residence of ~~persons~~**a person** who,  
2 in the judgment of the supervisor and board of review, by reason of  
3 poverty, ~~are~~**is** unable to contribute toward the public charges is

1 eligible for exemption in whole or in part from ~~taxation~~**the**  
2 **collection of taxes** under this act. This section does not apply to  
3 the property of a corporation.

4 (2) To be eligible for exemption under this section, a person  
5 shall do all of the following on an annual basis:

6 (a) Be an owner of and occupy as a principal residence the  
7 property for which an exemption is requested.

8 (b) File a claim with the supervisor or board of review on a  
9 form **prescribed by the state tax commission and** provided by the  
10 local assessing unit, accompanied by federal and state income tax  
11 returns for all persons residing in the principal residence,  
12 including any property tax credit returns, filed in the immediately  
13 preceding year or in the current year. Federal and state income tax  
14 returns are not required for a person residing in the principal  
15 residence if that person was not required to file a federal or  
16 state income tax return in the tax year in which the exemption  
17 under this section is claimed or in the immediately preceding tax  
18 year. If a person was not required to file a federal or state  
19 income tax return in the tax year in which the exemption under this  
20 section is claimed or in the immediately preceding tax year, an  
21 affidavit in a form prescribed by the state tax commission may be  
22 accepted in place of the federal or state income tax return. The  
23 filing of a claim under this subsection constitutes an appearance  
24 before the board of review for the purpose of preserving the  
25 claimant's right to appeal the decision of the board of review  
26 regarding the claim.

27 (c) Produce a valid ~~driver's~~**driver** license or other form of  
28 identification if requested by the supervisor or board of review.

29 (d) Produce a deed, land contract, or other evidence of

1 ownership of the property for which an exemption is requested if  
2 required by the supervisor or board of review.

3 (e) Meet the federal poverty guidelines ~~updated~~ **published**  
4 annually in the ~~federal register~~ **Federal Register** by the United  
5 States ~~department~~ **Department** of ~~health~~ **Health** and ~~human services~~  
6 **Human Services** under **its** authority ~~of section 673 of subtitle B of~~  
7 ~~title VI of the omnibus budget reconciliation act of 1981, Public~~  
8 ~~Law 97-35,~~ **to revise the poverty line under** 42 USC 9902, or  
9 alternative guidelines adopted by the governing body of the local  
10 assessing unit provided the alternative guidelines do not provide  
11 income eligibility requirements less than the federal guidelines.

12 (3) The application for an exemption under this section ~~shall~~  
13 **must** be filed after January 1 but before the day prior to the last  
14 day of the board of review.

15 (4) The governing body of the local assessing unit shall  
16 determine and make available to the public **and the treasurer of the**  
17 **county in which the local assessing unit is located** the policy and  
18 guidelines the local assessing unit uses for the granting of  
19 exemptions under this section. The guidelines ~~shall~~ **must** include  
20 but not be limited to the specific income and asset levels of the  
21 claimant and total household income and assets. **If the local**  
22 **assessing unit maintains a website, the local assessing unit shall**  
23 **make the policy and guidelines, and the form described in**  
24 **subsection (2) (b), available to the public on the website.**

25 (5) The board of review shall follow the policy and guidelines  
26 of the local assessing unit in granting or denying an exemption  
27 under this section unless the board of review determines there are  
28 substantial and compelling reasons why there should be a deviation  
29 from the policy and guidelines and the substantial and compelling

1 reasons are communicated in writing to the claimant. **The board of**  
 2 **review may grant an exemption under this section for either or both**  
 3 **of the following years in which the person claiming the exemption**  
 4 **is or was qualified under the eligibility requirements in**  
 5 **subsection (2):**

6 (a) **The current tax year.**

7 (b) **The immediately preceding tax year.**

8 (6) A person who files a claim under this section is not  
 9 prohibited from also appealing the assessment on the property for  
 10 which that claim is made before the board of review in the same  
 11 year.

12 (7) As used in this section, "principal residence" means  
 13 principal residence or qualified agricultural property as those  
 14 terms are defined in section 7dd.

15 Sec. 78k. (1) If a petition for foreclosure is filed under  
 16 section 78h, not later than the date of the hearing, the  
 17 foreclosing governmental unit shall file with the clerk of the  
 18 circuit court proof of service of the notice of the show cause  
 19 hearing under section 78j, proof of service of the notice of the  
 20 foreclosure hearing under this section, and proof of ~~the~~**any**  
 21 **personal visit to the property, any posting of notice on the**  
 22 **property,** and publication under section 78i.

23 (2) A person claiming an interest in a ~~parcel of property set~~  
 24 ~~forth~~**included** in the petition for foreclosure **as amended** may  
 25 contest the validity or correctness of the forfeited unpaid  
 26 delinquent taxes, interest, penalties, and fees for 1 or more of  
 27 the following reasons:

28 (a) ~~No law authorizes the tax.~~**The tax was not authorized by**  
 29 **law.**

1           (b) ~~The person appointed to decide whether a tax will be~~  
 2 ~~levied under a law of this state acted without jurisdiction, or did~~  
 3 ~~not impose the tax in question.~~ **The tax was not levied in the manner**  
 4 **required by law.**

5           (c) ~~The~~ **For a tax that is not a special assessment, the**  
 6 property was exempt from ~~the tax in question, or the tax was not~~  
 7 ~~legally levied.~~ **taxation.**

8           (d) The tax ~~has been~~ **was** paid within the time ~~limited~~ **provided**  
 9 by law for payment or redemption.

10           (e) The tax was assessed fraudulently.

11           (f) The description of the property used in the assessment **or**  
 12 **levy** was so indefinite or erroneous that the forfeiture was void.

13           (3) A person claiming an interest in a ~~parcel of property set~~  
 14 ~~forth~~ **included** in the petition for foreclosure ~~who desires to~~  
 15 ~~contest~~ **as amended objecting to** that petition **pursuant to**  
 16 **subsection (2)** shall file written objections with the clerk of the  
 17 circuit court and serve those objections on the foreclosing  
 18 governmental unit before the date of the hearing required under  
 19 this section.

20           (4) If the court determines that the owner of property subject  
 21 to foreclosure is a minor heir, is incompetent, is without means of  
 22 support, or is undergoing a substantial financial hardship, the  
 23 court may withhold that property from foreclosure for 1 year or may  
 24 enter an order extending the redemption period as the court  
 25 determines ~~to be~~ equitable. If the court withholds property from  
 26 foreclosure under this subsection, a ~~taxing unit's~~ lien for taxes  
 27 due is not prejudiced and that property must be included in the  
 28 immediately succeeding year's tax foreclosure proceeding.

29           (5) The circuit court shall enter final judgment on a petition

1 for foreclosure **as amended** filed under section 78h at any time  
2 after the hearing under this section but not later than the March  
3 30 immediately succeeding the hearing with the judgment effective  
4 on the March 31 immediately succeeding the hearing for uncontested  
5 cases or 10 days after the conclusion of the hearing for contested  
6 cases. All redemption rights to the property expire on the March 31  
7 immediately succeeding the entry of a judgment foreclosing the  
8 property under this section, or in a contested case 21 days after  
9 the entry of a judgment foreclosing the property under this  
10 section. The circuit court's judgment must specify all of the  
11 following:

12 (a) The legal description and, if known, the street address of  
13 the property foreclosed and the forfeited unpaid delinquent taxes,  
14 interest, penalties, and fees due on each parcel of property.

15 (b) That fee simple title to property foreclosed by the  
16 judgment will vest absolutely in the foreclosing governmental unit,  
17 except as otherwise provided in subdivisions (c) and (e), without  
18 any further rights of redemption, if all forfeited delinquent  
19 taxes, interest, penalties, and fees, which delinquent taxes,  
20 interest, penalties, and fees may be reduced by the foreclosing  
21 governmental unit in accordance with section 78g(8), are not paid  
22 on or before the March 31 immediately succeeding the entry of a  
23 judgment foreclosing the property under this section, or in a  
24 contested case within 21 days of the entry of a judgment  
25 foreclosing the property under this section.

26 (c) That all liens against the property, including any lien  
27 for unpaid taxes or special assessments, except future installments  
28 of special assessments and liens recorded by this state or the  
29 foreclosing governmental unit under the natural resources and

1 environmental protection act, 1994 PA 451, MCL 324.101 to  
2 324.90106, are extinguished, if all forfeited delinquent taxes,  
3 interest, penalties, and fees are not paid on or before the March  
4 31 immediately succeeding the entry of a judgment foreclosing the  
5 property under this section, or in a contested case within 21 days  
6 of the entry of a judgment foreclosing the property under this  
7 section.

8 (d) That, except as otherwise provided in subdivisions (c) and  
9 (e), the foreclosing governmental unit has good and marketable fee  
10 simple title to the property, if all forfeited delinquent taxes,  
11 interest, penalties, and fees are not paid on or before the March  
12 31 immediately succeeding the entry of a judgment foreclosing the  
13 property under this section, or in a contested case within 21 days  
14 of the entry of a judgment foreclosing the property under this  
15 section.

16 (e) That all existing recorded and unrecorded interests in  
17 that property are extinguished, except a visible or recorded  
18 easement or right-of-way, private deed restrictions, interests of a  
19 lessee or an assignee of an interest of a lessee under a recorded  
20 oil or gas lease, interests in oil or gas in that property that are  
21 owned by a person other than the owner of the surface that have  
22 been preserved as provided in section 1(3) of 1963 PA 42, MCL  
23 554.291, interests in property assessable as personal property  
24 under section 8(g), or restrictions or other governmental interests  
25 imposed under the natural resources and environmental protection  
26 act, 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited  
27 delinquent taxes, interest, penalties, and fees are not paid on or  
28 before the March 31 immediately succeeding the entry of a judgment  
29 foreclosing the property under this section, or in a contested case

1 within 21 days of the entry of a judgment foreclosing the property  
2 under this section.

3 (f) A finding that all persons entitled to notice and an  
4 opportunity to be heard have been provided that notice and  
5 opportunity. A person is considered to have been provided notice  
6 and an opportunity to be heard if the foreclosing governmental unit  
7 followed the procedures for provision of notice by mail, for visits  
8 to forfeited property, **for any required posting on forfeited**  
9 **property**, and for publication under section 78i, or if 1 or more of  
10 the following apply:

11 (i) The person had constructive notice of the hearing under  
12 this section by acquiring an interest in the property after the  
13 date the notice of forfeiture is recorded under section 78g.

14 (ii) The person appeared at the hearing under this section or  
15 filed written objections with the clerk of the circuit court under  
16 subsection (3) before the hearing.

17 (iii) Before the hearing under this section, the person had  
18 actual notice of the hearing.

19 (g) A judgment entered under this section is a final order  
20 with respect to the property affected by the judgment and except as  
21 provided in subsection (7) **or subsections (9) to (11)** must not be  
22 modified, stayed, or held invalid after the ~~March 31 immediately~~  
23 ~~succeeding the entry of a judgment foreclosing the property under~~  
24 ~~this section, or for contested cases 21 days after the entry of a~~  
25 ~~judgment foreclosing the property under this section.~~**property is**  
26 **sold by the foreclosing governmental unit at a sale under section**  
27 **78m or otherwise transferred by the foreclosing governmental unit**  
28 **under section 78m.**

29 (6) Except as otherwise provided in subsection (5) (c) and (e),



1 fee simple title to property ~~set forth~~ **included** in a petition for  
2 foreclosure **as amended** filed under section 78h on which forfeited  
3 delinquent taxes, interest, penalties, and fees are not paid on or  
4 before the March 31 immediately succeeding the entry of a judgment  
5 foreclosing the property under this section, or in a contested case  
6 within 21 days of the entry of a judgment foreclosing the property  
7 under this section, ~~will vest~~ **vests** absolutely in the foreclosing  
8 governmental unit, and the foreclosing governmental unit ~~will have~~  
9 **has** absolute title to the property, including all interests in oil  
10 or gas in that property except the interests of a lessee or an  
11 assignee of an interest of a lessee under an oil or gas lease in  
12 effect as to that property or any part of that property if the  
13 lease was recorded in the office of the register of deeds in the  
14 county in which the property is located before the date of filing  
15 the petition for foreclosure under section 78h, and interests  
16 preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.  
17 The foreclosing governmental unit's title is not subject to any  
18 recorded or unrecorded lien and must not be stayed, **affected**, or  
19 held invalid except as provided in subsection (7) or **subsections**  
20 (9) **to (11)**.

21 (7) The foreclosing governmental unit or a person claiming to  
22 have a property interest under section 78i in property foreclosed  
23 under this section may appeal the circuit court's order or the  
24 circuit court's judgment foreclosing property to the court of  
25 appeals. An appeal under this subsection is limited to the record  
26 of the proceedings in the circuit court under this section **and** is  
27 not de novo. The circuit court's judgment foreclosing property must  
28 be stayed until the court of appeals has reversed, modified, or  
29 affirmed that judgment. If an appeal under this subsection stays

1 the circuit court's judgment foreclosing property, the circuit  
2 court's judgment is stayed only as to the property that is the  
3 subject of that appeal and the circuit court's judgment foreclosing  
4 other property that is not the subject of that appeal is not  
5 stayed. To appeal the circuit court's judgment foreclosing  
6 property, a person appealing the judgment shall pay to the county  
7 treasurer the amount determined to be due to the county treasurer  
8 under the judgment on or before the March 31 immediately succeeding  
9 the entry of a judgment foreclosing the property under this  
10 section, or in a contested case within 21 days of the entry of a  
11 judgment foreclosing the property under this section, together with  
12 a notice of appeal. ~~If the circuit court's judgment foreclosing the~~  
13 ~~property is affirmed on appeal, the amount determined to be due~~  
14 ~~must be refunded to the person who appealed the judgment.~~ If the  
15 circuit court's judgment foreclosing the property is reversed or  
16 modified on appeal, the county treasurer shall refund the amount  
17 determined to be due to the person who appealed the judgment, if  
18 any, and retain the balance in accordance with the order of the  
19 court of appeals.

20 (8) The foreclosing governmental unit shall record a notice of  
21 judgment for each parcel of foreclosed property in the office of  
22 the register of deeds for the county in which the foreclosed  
23 property is located in a form prescribed by the department of  
24 treasury.

25 (9) **If a property affected by the judgment has not been sold**  
26 **by the foreclosing governmental unit at a sale under section 78m or**  
27 **otherwise transferred by the foreclosing governmental unit under**  
28 **section 78m, a person claiming an interest in the property may file**  
29 **a motion in the circuit court proceeding seeking relief from the**

1 judgment based on any of the grounds described in MCR 2.612(C). An  
2 order providing relief under this subsection must require payment  
3 of both of the following to the foreclosing governmental unit  
4 within 10 days after the date the order is issued:

5 (a) The minimum bid for the property as calculated by the  
6 foreclosing governmental unit under section 78m.

7 (b) Any additional costs incurred by the foreclosing  
8 governmental unit and attributable to the property by the  
9 foreclosing governmental unit under section 78m(8).

10 (10) An order under subsection (9) must provide that the order  
11 is void if payment required by the order is not made within the  
12 time provided by the order. The right to seek relief under  
13 subsection (9) is not an assignable right.

14 (11) ~~(9)~~ After the entry of a judgment foreclosing the  
15 property under this section, if the property has not been  
16 transferred under section 78m to a person other than the  
17 foreclosing governmental unit, a foreclosing governmental unit may  
18 cancel the foreclosure by recording with the register of deeds for  
19 the county in which the property is located a certificate of error  
20 in a form prescribed by the department of treasury, if the  
21 foreclosing governmental unit discovers any of the following:

22 (a) The foreclosed property was not subject to taxation on the  
23 date of the assessment of the unpaid taxes for which the property  
24 was foreclosed.

25 (b) The description of the property used in the assessment of  
26 the unpaid taxes for which the property was foreclosed was so  
27 indefinite or erroneous that the forfeiture of the property was  
28 void.

29 (c) The taxes for which the property was foreclosed had been

1 paid to the proper officer within the time provided under this act  
2 for the payment of the taxes or the redemption of the property.

3 (d) A certificate, including a certificate issued under  
4 section 135, or other written verification authorized by law was  
5 issued by the proper officer within the time provided under this  
6 act for the payment of the taxes for which the property was  
7 foreclosed or for the redemption of the property.

8 (e) An owner of an interest in the property entitled to notice  
9 under section 78i was not provided notice sufficient to satisfy the  
10 minimum requirements of due process required under the state  
11 constitution of 1963 and the Constitution of the United States.

12 (f) A judgment of foreclosure was entered under this section  
13 in violation of an order issued by a United States Bankruptcy  
14 Court.

15 (12) ~~(10)~~—A certificate of error submitted to the county  
16 register of deeds for recording under subsection (9) need not be  
17 notarized and may be authenticated by a digital signature of the  
18 foreclosing governmental unit or by other electronic means.

19 **(13) As used in this section, "sold" means a bid for a**  
20 **property at an auction sale under section 78m(2) that was accepted**  
21 **by the foreclosing governmental unit.**

22 Sec. 78m. (1) Not later than the first Tuesday in July ~~7~~  
23 immediately succeeding the entry of judgment under section 78k  
24 vesting absolute title to tax delinquent property in the  
25 foreclosing governmental unit, this state ~~is granted~~ **may exercise**  
26 the right of first refusal to purchase property at the greater of  
27 the minimum bid or its fair market value by paying that amount to  
28 the foreclosing governmental unit if the foreclosing governmental  
29 unit is not this state. If this state elects not to purchase the

1 property under its right of first refusal, a city, village, or  
 2 township may purchase for a public purpose any property located  
 3 within that city, village, or township ~~set forth~~**included** in the  
 4 judgment and subject to sale under this section by ~~payment to~~  
 5 **paying** the foreclosing governmental unit ~~of~~ the minimum bid. If a  
 6 city, village, or township does not purchase that property, the  
 7 county in which that property is located may purchase that property  
 8 under this section by ~~payment to~~**paying** the foreclosing  
 9 governmental unit ~~of~~ the minimum bid. If property is purchased by a  
 10 city, village, township, or county under this subsection, the  
 11 foreclosing governmental unit shall convey the property to the  
 12 purchasing city, village, township, or county within 30 days. If  
 13 property purchased by a city, village, township, or county under  
 14 this subsection is subsequently sold for an amount in excess of the  
 15 minimum bid and all costs incurred relating to demolition,  
 16 renovation, improvements, or infrastructure development, the excess  
 17 amount ~~shall~~**must** be returned to the delinquent tax property sales  
 18 proceeds account for the year in which the property was purchased  
 19 by the city, village, township, or county or, if this state is the  
 20 foreclosing governmental unit within a county, to the land  
 21 reutilization fund created under section 78n. Upon the request of  
 22 the foreclosing governmental unit, a city, village, township, or  
 23 county that purchased property under this subsection shall provide  
 24 to the foreclosing governmental unit without cost information  
 25 regarding any subsequent sale or transfer of the property. This  
 26 subsection applies to the purchase of property by this state, a  
 27 city, village, or township, or a county ~~prior to~~**before** a sale held  
 28 under subsection (2).

29 (2) Subject to subsection (1), beginning on the third Tuesday

1 in July immediately succeeding the entry of the judgment under  
2 section 78k vesting absolute title to tax delinquent property in  
3 the foreclosing governmental unit and ending on the immediately  
4 succeeding first Tuesday in November, the foreclosing governmental  
5 unit, or its authorized agent, at the option of the foreclosing  
6 governmental unit, shall hold 1 or more property sales at 1 or more  
7 convenient locations at which property foreclosed by the judgment  
8 entered under section 78k ~~shall~~**will** be sold by auction sale, which  
9 may include an auction sale conducted via an internet website.  
10 Notice of the time and location of a sale ~~shall~~**must** be published  
11 not less than 30 days before a sale in a newspaper published and  
12 circulated in the county in which the property is located, if there  
13 is one. If no newspaper is published in that county, publication  
14 ~~shall~~**must** be made in a newspaper published and circulated in an  
15 adjoining county. Each sale ~~shall~~**must** be completed before the  
16 first Tuesday in November immediately succeeding the entry of  
17 judgment under section 78k vesting absolute title to the tax  
18 delinquent property in the foreclosing governmental unit. Except as  
19 provided in this subsection and subsection (5), property ~~shall~~**must**  
20 be sold to the person bidding the minimum bid, or if a bid is  
21 greater than the minimum bid, the highest amount above the minimum  
22 bid. The foreclosing governmental unit may sell parcels  
23 individually or may offer 2 or more parcels for sale as a group.  
24 The minimum bid for a group of parcels ~~shall~~**must** equal the sum of  
25 the minimum bid for each parcel included in the group. The  
26 foreclosing governmental unit may adopt procedures governing the  
27 conduct of the sale and the conveyance of parcels under this  
28 section and may cancel the sale ~~prior to~~**before** the issuance of a  
29 deed under this subsection if authorized under the procedures. **The**

1 **foreclosing governmental unit may impose terms of sale that the**  
2 **foreclosing governmental unit determines necessary for the**  
3 **protection of public health, safety, or welfare.** The foreclosing  
4 governmental unit shall require full payment at the close of each  
5 day's bidding or by a date not more than 21 days after the sale.  
6 Before the foreclosing governmental unit conveys a parcel sold at a  
7 sale, the purchaser shall provide the foreclosing governmental unit  
8 with proof of payment to the local tax collecting unit in which the  
9 property is located of any property taxes owed on the parcel at the  
10 time of the sale. A foreclosing governmental unit shall cancel a  
11 sale if unpaid property taxes owed on a parcel or parcels at the  
12 time of a sale are not paid within 21 days of the sale. If a sale  
13 is canceled under this subsection, the foreclosing governmental  
14 unit may offer the property to the next highest bidder and convey  
15 the property to that bidder under this subsection, subject to the  
16 requirements of this subsection for the highest bidder. Not more  
17 than 14 days after payment to the foreclosing governmental unit of  
18 all amounts required by the highest bidder or the next highest  
19 bidder under this subsection, the foreclosing governmental unit  
20 shall convey the property by deed to the person bidding the minimum  
21 bid, or if a bid is greater than the minimum bid, the highest  
22 amount above the minimum bid, or the next highest bidder if the  
23 sale to the highest bidder is canceled and the next highest bidder  
24 pays the amount required under this section to purchase the  
25 property. The deed ~~shall~~**must** vest fee simple title to the property  
26 in the person bidding the highest amount above the minimum bid,  
27 unless the foreclosing governmental unit discovers a defect in the  
28 foreclosure of the property under sections 78 to 78/ or the sale is  
29 canceled under this subsection or subsection (5). If this state is

1 the foreclosing governmental unit within a county, the department  
2 of treasury shall be responsible for conducting the sale of  
3 property under this subsection and subsections (4) and (5) on  
4 behalf of this state. Before issuing a deed to a person purchasing  
5 property under this subsection or subsection (5), the foreclosing  
6 governmental unit shall require the person to execute and file with  
7 the foreclosing governmental unit an affidavit under penalty of  
8 perjury. If the person fails to execute and file the affidavit  
9 required by this subsection by the date payment for the property is  
10 required under this section, the foreclosing governmental unit  
11 shall cancel the sale. An affidavit under this section ~~shall~~**must**  
12 indicate that the person meets all of the following conditions:

13 (a) The person does not directly or indirectly hold more than  
14 a de minimis legal interest in any property with delinquent  
15 property taxes located in the same county as the property.

16 (b) The person is not directly or indirectly responsible for  
17 any unpaid civil fines for a violation of an ordinance authorized  
18 by section 41 of the home rule city act, 1909 PA 279, MCL 117.41, in  
19 the local tax collection unit in which the property is located.

20 (3) For sales held under subsection (2), after the conclusion  
21 of that sale, and ~~prior to~~**before** any additional sale held under  
22 subsection (2), a city, village, or township may purchase any  
23 property not previously sold under subsection (1) or (2) by paying  
24 the minimum bid to the foreclosing governmental unit. If a city,  
25 village, or township does not purchase that property, the county in  
26 which that property is located may purchase that property under  
27 this section by payment to the foreclosing governmental unit of the  
28 minimum bid.

29 (4) If property is purchased by a city, village, township, or



1 county under subsection (3), the foreclosing governmental unit  
2 shall convey the property to the purchasing city, village,  
3 township, or county within 30 days.

4 (5) All property subject to sale under subsection (2) ~~shall~~  
5 **must** be offered for sale at 1 or more sales conducted as required  
6 by subsection (2). If the foreclosing governmental unit elects to  
7 hold more than 1 sale under subsection (2), the final sale held  
8 under subsection (2) ~~shall~~**must** be held not less than 28 days after  
9 the immediately preceding sale under subsection (2). At the final  
10 sale held under subsection (2), the sale is subject to the  
11 requirements of subsection (2), except that the minimum bid ~~shall~~  
12 **is** not ~~be~~ required. However, the foreclosing governmental unit may  
13 establish a reasonable opening bid at the sale to recover the cost  
14 of the sale of the parcel or parcels, and the foreclosing  
15 governmental unit shall require a person who held an interest in  
16 property sold under this subsection at the time a judgment of  
17 foreclosure was entered against the property under section 78k to  
18 pay the minimum bid for the property before issuing a deed to the  
19 person under subsection (2). If the person fails to pay the minimum  
20 bid for the property and other amounts by the date required under  
21 this section, the foreclosing governmental unit shall cancel the  
22 sale of the property.

23 (6) On or before December 1 immediately succeeding the entry  
24 of judgment under section 78k, a list of all property not  
25 previously sold by the foreclosing governmental unit under this  
26 section ~~shall~~**must** be transferred to the clerk of the city,  
27 village, or township in which the property is located. The city,  
28 village, or township may object in writing to the transfer of 1 or  
29 more parcels of property set forth on that list. On or before

1 December 30 immediately succeeding the entry of judgment under  
 2 section 78k, all property not previously sold by the foreclosing  
 3 governmental unit under this section ~~shall~~**must** be transferred to  
 4 the city, village, or township in which the property is located,  
 5 except those parcels of property to which the city, village, or  
 6 township has objected. Property located in both a village and a  
 7 township may be transferred under this subsection only to a  
 8 village. The city, village, or township may make the property  
 9 available under the urban homestead act, 1999 PA 127, MCL 125.2701  
 10 to 125.2709, or for any other lawful purpose.

11 (7) If property not previously sold is not transferred to the  
 12 city, village, or township in which the property is located under  
 13 subsection (6), the foreclosing governmental unit shall retain  
 14 possession of that property. If the foreclosing governmental unit  
 15 retains possession of the property and the foreclosing governmental  
 16 unit is this state, title to the property ~~shall~~**must** vest in the  
 17 land bank fast track authority created under section 15 of the land  
 18 bank fast track act, 2003 PA 258, MCL 124.765.

19 (8) A foreclosing governmental unit shall deposit the proceeds  
 20 from the sale of property under this section into a restricted  
 21 account designated as the "delinquent tax property sales proceeds  
 22 for the year \_\_\_\_\_". The foreclosing governmental unit shall  
 23 direct the investment of the account. The foreclosing governmental  
 24 unit shall credit to the account interest and earnings from account  
 25 investments. ~~Proceeds~~**The foreclosing governmental unit shall use**  
 26 **proceeds** in that account ~~shall only be used by the foreclosing~~  
 27 ~~governmental unit~~ for the following purposes in the following order  
 28 of priority:

29 (a) The delinquent tax revolving fund ~~shall~~**must** be reimbursed

1 for all taxes, interest, **penalties**, and fees on all of the  
2 property.  ~~, whether or not all of the property was sold.~~

3 (b) All costs ~~of~~ **incurred by the foreclosing governmental unit**  
4 **relating to** the sale of property for the year ~~shall~~ **must** be paid.

5 (c) Any costs of the foreclosure proceedings for the year,  
6 including, but not limited to, costs of mailing, publication,  
7 personal service, **legal fees and expenses, personnel**, and outside  
8 contractors ~~shall~~ **must** be paid.

9 (d) Any costs for the sale of property or foreclosure  
10 proceedings for any prior year that have not been paid or  
11 reimbursed from that prior year's delinquent tax property sales  
12 proceeds ~~shall~~ **must** be paid.

13 (e) Any costs incurred by the foreclosing governmental unit in  
14 maintaining, **repairing, or remediating** property foreclosed under  
15 section 78k before the sale under this section ~~shall~~ **must** be paid,  
16 including costs of any **maintenance, repair, and** environmental  
17 remediation.

18 (f) If the foreclosing governmental unit is not this state,  
19 any of the following:

20 (i) Any costs for the sale of property or foreclosure  
21 proceedings for any subsequent year that are not paid or reimbursed  
22 from that subsequent year's delinquent tax property sales proceeds  
23 ~~shall~~ **must** be paid from any remaining balance in any prior year's  
24 delinquent tax property sales proceeds account.

25 (ii) Any costs for the defense of title actions **and other legal**  
26 **challenges to the foreclosure.**

27 (iii) Any costs incurred in administering the foreclosure and  
28 disposition of property forfeited for delinquent taxes under this  
29 act.

1 (g) If the foreclosing governmental unit is this state, any  
 2 remaining balance ~~shall~~**must** be transferred to the land  
 3 reutilization fund created under section 78n.

4 (h) In 2008 and each year after 2008, if the foreclosing  
 5 governmental unit is not this state, not later than ~~June~~**September**  
 6 30 of the second calendar year after foreclosure, the foreclosing  
 7 governmental unit shall submit a written report to its board of  
 8 commissioners identifying any remaining balance and any contingent  
 9 costs of title or other legal claims described in subdivisions (a)  
 10 through (f), **as determined by the foreclosing governmental unit.**  
 11 ~~All~~**In 2008 and each year after 2008 and before 2021, all** or a  
 12 portion of any remaining balance, less any contingent costs of  
 13 title or other legal claims described in subdivisions (a) through  
 14 (f), may subsequently be transferred into the general fund of the  
 15 county by the board of commissioners.

16 (9) Two or more county treasurers of adjacent counties may  
 17 elect to hold a joint sale of property as provided in this section.  
 18 If 2 or more county treasurers elect to hold a joint sale, property  
 19 may be sold under this section at a location outside of the county  
 20 in which the property is located. The sale may be conducted by any  
 21 county treasurer participating in the joint sale. A joint sale held  
 22 under this subsection may include or be an auction sale conducted  
 23 via an internet website.

24 (10) The foreclosing governmental unit shall record a deed for  
 25 any property transferred under this section with the county  
 26 register of deeds. The foreclosing governmental unit may charge a  
 27 fee in excess of the minimum bid and any sale proceeds for the cost  
 28 of recording a deed under this subsection.

29 (11) For property transferred to this state under subsection

1 (1), a city, village, or township under subsection (6) or retained  
 2 by a foreclosing governmental unit under subsection (7), all taxes  
 3 due on the property as of the December 31 following the transfer or  
 4 retention of the property are canceled effective on that December  
 5 31.

6 (12) For property sold, **transferred, or retained** under this  
 7 section, ~~transferred to this state under subsection (1), a city,~~  
 8 ~~village, or township under subsection (6), or retained by a~~  
 9 ~~foreclosing governmental unit under subsection (7),~~ all liens for  
 10 costs of demolition, safety repairs, debris removal, or sewer or  
 11 water charges due on the property as of the December 31 immediately  
 12 succeeding the sale, transfer, or retention of the property are  
 13 canceled effective on that December 31. This subsection does not  
 14 apply to liens recorded by the department of ~~environmental quality~~  
 15 **environment, Great Lakes, and energy** under this act or the land  
 16 bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

17 (13) If property foreclosed under section 78k and held by or  
 18 under the control of a foreclosing governmental unit is a facility  
 19 as defined under section 20101 of the natural resources and  
 20 environmental protection act, 1994 PA 451, MCL 324.20101, ~~prior to~~  
 21 **before** the sale or transfer of the property under this section, the  
 22 property is subject to all of the following:

23 (a) Upon reasonable written notice from the department of  
 24 ~~environmental quality,~~ **environment, Great Lakes, and energy,** the  
 25 foreclosing governmental unit shall provide access to the  
 26 department of ~~environmental quality,~~ **environment, Great Lakes, and**  
 27 **energy,** its employees, contractors, and any other person expressly  
 28 authorized by the department of ~~environmental quality~~ **environment,**  
 29 **Great Lakes, and energy** to conduct response activities at the

1 foreclosed property. Reasonable written notice under this  
 2 subdivision may include, but is not limited to, notice by  
 3 electronic mail, ~~or facsimile,~~ if the foreclosing governmental unit  
 4 consents to notice by electronic mail ~~or facsimile prior to~~ **before**  
 5 the provision of notice by the department of ~~environmental~~  
 6 ~~quality.~~ **environment, Great Lakes, and energy.**

7 (b) If requested by the department of ~~environmental quality~~  
 8 **environment, Great Lakes, and energy** to protect public health,  
 9 safety, and welfare or the environment, the foreclosing  
 10 governmental unit shall grant an easement for access to conduct  
 11 response activities on the foreclosed property as authorized under  
 12 chapter 7 **of article II** of the natural resources and environmental  
 13 protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

14 (c) If requested by the department of ~~environmental quality~~  
 15 **environment, Great Lakes, and energy** to protect public health,  
 16 safety, and welfare or the environment, the foreclosing  
 17 governmental unit shall place and record deed restrictions on the  
 18 foreclosed property as authorized under chapter 7 **of article II** of  
 19 the natural resources and environmental protection act, 1994 PA  
 20 451, MCL 324.20101 to 324.20302.

21 (d) The department of ~~environmental quality~~ **environment, Great**  
 22 **Lakes, and energy** may place an environmental lien on the foreclosed  
 23 property as authorized under section 20138 of the natural resources  
 24 and environmental protection act, 1994 PA 451, MCL 324.20138.

25 (14) If property foreclosed under section 78k and held by or  
 26 under the control of a foreclosing governmental unit is a facility  
 27 as defined under section 20101 of the natural resources and  
 28 environmental protection act, 1994 PA 451, MCL 324.20101, ~~prior to~~  
 29 **before** the sale or transfer of the property under this section, the

1 department of ~~environmental quality~~**environment, Great Lakes, and**  
 2 **energy** shall request and the foreclosing governmental unit shall  
 3 transfer the property to the state land bank fast track authority  
 4 created under section 15 of the land bank fast track act, 2003 PA  
 5 258, MCL 124.765, if all of the following apply:

6 (a) The department of ~~environmental quality~~**environment, Great**  
 7 **Lakes, and energy** determines that conditions at a foreclosed  
 8 property are an acute threat to the public health, safety, and  
 9 welfare, to the environment, or to other property.

10 (b) The department of ~~environmental quality~~**environment, Great**  
 11 **Lakes, and energy** proposes to undertake or is undertaking state-  
 12 funded response activities at the property.

13 (c) The department of ~~environmental quality~~**environment, Great**  
 14 **Lakes, and energy** determines that the sale, retention, or transfer  
 15 of the property other than under this subsection would interfere  
 16 with response activities by the department of ~~environmental~~  
 17 ~~quality~~**environment, Great Lakes, and energy**.

18 (15) A person convicted for executing a false affidavit under  
 19 subsection (5) shall be prohibited from bidding for a property or  
 20 purchasing a property at any sale under this section.

21 (16) **Property held by a governmental entity, including a**  
 22 **foreclosing governmental unit, pursuant to this section is exempt**  
 23 **from the collection of taxes while held by the governmental entity.**

24 (17) ~~(16)~~As used in this section:

25 (a) "Minimum bid" is the minimum amount established by the  
 26 foreclosing governmental unit for which property may be sold under  
 27 this section. The minimum bid ~~shall~~**must** include all of the  
 28 following:

29 (i) All delinquent taxes, interest, penalties, and fees due on

1 the property. If a city, village, or township purchases the  
2 property, the minimum bid ~~shall~~**must** not include any taxes levied  
3 by that city, village, or township and any interest, penalties, or  
4 fees due on those taxes.

5 (ii) The expenses of administering the sale, including all  
6 preparations for the sale. The foreclosing governmental unit shall  
7 estimate the cost of preparing for and administering the annual  
8 sale for purposes of prorating the cost for each property included  
9 in the sale.

10 (b) "Person" means an individual, partnership, corporation,  
11 association, or other legal entity.