

**DEVELOPMENT OF BLIGHTING PROPERTY (EXCERPT)**  
**Act 27 of 2002**

\*\*\*\*\* 125.2808 THIS SECTION IS REPEALED BY ACT 27 OF 2002 EFFECTIVE MARCH 6, 2007 \*\*\*\*\*

**125.2808 Acceptance of deed in lieu of foreclosure.**

Sec. 8. (1) To encourage the donation or transfer of property designated as blighting property under this act, the municipality may accept from all persons with a legal interest in the blighting property a deed conveying those persons' interests in the blighting property in lieu of foreclosure of the blighting property for delinquent property taxes. A municipality shall not offer or accept a deed in lieu of foreclosure if either of the following applies:

(a) The blighting property has been forfeited to a county treasurer under section 78g of the general property tax act, 1893 PA 206, MCL 211.78g, and remains subject to foreclosure under section 78k of the general property tax act, 1893 PA 206, MCL 211.78k.

(b) The blighting property has been foreclosed under section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, and has not been transferred by the foreclosing governmental unit under section 78m of the general property tax act, 1893 PA 206, MCL 211.78m.

(2) If, under subsection (1), the municipality accepts a deed in lieu of foreclosure, all of the following shall occur:

(a) Any unpaid taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, are extinguished.

(b) All liens against the property, except future installments of special assessments and liens recorded by this state pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, are extinguished.

(c) All existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way, private deed restriction, or restriction imposed under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

(3) Not less than 28 days prior to acceptance of a deed in lieu of foreclosure under this section, a municipality shall inform each taxing jurisdiction that has levied taxes on the blighting property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. Each taxing jurisdiction shall be afforded the opportunity to inform the municipality of the revenue impact of the issuance of a deed in lieu of foreclosure and to show cause why the municipality should not accept a deed in lieu of foreclosure.

(4) A municipality shall record any deed in lieu of foreclosure in the office of the register of deeds in the county within which the property is located and pay any applicable recording costs.

(5) A municipality shall forward a copy of a deed in lieu of foreclosure recorded under subsection (4) to the treasurer of the city, village, or township, and to the treasurer of the county, within which the property is located.

(6) To encourage the donation or transfer of blighting property, a municipality may forgive fines levied by the municipality against the property or fines relating to the property levied against a person with a legal interest in the property.

**History:** 2002, Act 27, Imd. Eff. Mar. 6, 2002.