

**SUBSTITUTE FOR
HOUSE BILL NO. 4039**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78f and 78i (MCL 211.78f and 211.78i), section
78f as amended by 2003 PA 263 and section 78i as amended by 2006 PA
611, and by adding section 78s.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78f. (1) Except as otherwise provided in section 79 for
2 certified abandoned property, not later than the February 1
3 immediately succeeding the date that unpaid taxes were returned to
4 the county treasurer for forfeiture, foreclosure, and sale under
5 section 60a(1) or (2) or returned to the county treasurer as
6 delinquent under section 78a, the county treasurer shall send a
7 notice by certified mail, return receipt requested, to the person
8 to whom a tax bill for property returned for delinquent taxes was

1 last sent and, if different, to the person identified as the owner
2 of property returned for delinquent taxes as shown on the current
3 records of the county treasurer and to those persons identified
4 under section 78e(2). The notice required under this subsection
5 shall include all of the following:

6 (a) The date property on which those unpaid taxes were
7 returned as delinquent will be forfeited to the county treasurer
8 for the unpaid delinquent taxes, interest, penalties, and fees.

9 (b) A statement that a person who holds a legal interest in
10 the property may lose that interest as a result of the forfeiture
11 and subsequent foreclosure proceeding.

12 (c) A legal description or parcel number of the property and
13 the street address of the property, if available.

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

15 (e) The unpaid delinquent taxes, interest, penalties, and fees
16 due on the property.

17 (f) A schedule of the additional interest, penalties, and fees
18 that will accrue on the immediately succeeding March 1 pursuant to
19 section 78g if those unpaid delinquent taxes, interest, penalties,
20 and fees due on the property are not paid.

21 (g) A statement that unless those unpaid delinquent taxes,
22 interest, penalties, and fees are paid on or before the March 31
23 immediately succeeding the entry in an uncontested case of a
24 judgment foreclosing the property under section 78k, absolute title
25 to the property shall vest in the foreclosing governmental unit.

26 (h) A statement of the person's rights of redemption and
27 notice that the rights of redemption will expire on the March 31

1 immediately succeeding the entry in an uncontested case of a
2 judgment foreclosing the property under section 78k.

3 (2) The notice required under subsection (1) shall also be
4 mailed to the property by first-class mail, addressed to
5 "occupant", if the notice was not sent to the occupant of the
6 property pursuant to subsection (1).

7 (3) A county treasurer may insert 1 or more additional notices
8 in a ~~newspaper published and~~ **NOTICE PUBLICATION** circulated in the
9 county in which the property is located. ~~, if there is one. If no~~
10 ~~newspaper is published in that county, publication may be made in a~~
11 ~~newspaper published and circulated in an adjoining county.~~ **IF NO**
12 **NOTICE PUBLICATION IS CIRCULATED IN THE COUNTY IN WHICH THE**
13 **PROPERTY IS LOCATED, THE COUNTY TREASURER MAY INSERT 1 OR MORE**
14 **ADDITIONAL NOTICES IN A NOTICE PUBLICATION CIRCULATED IN AN**
15 **ADJOINING COUNTY. ADDITIONALLY, A COUNTY TREASURER MAY POST 1 OR**
16 **MORE ADDITIONAL NOTICES ON A WEBSITE, INCLUDING, BUT NOT LIMITED**
17 **TO, A WEBSITE MAINTAINED BY THE COUNTY TREASURER.**

18 (4) The county treasurer may ~~publish~~ **INSERT IN A NOTICE**
19 **PUBLICATION CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS**
20 **LOCATED, NOTICE OF** the street address, if available, of property
21 subject to forfeiture under section 78g on the immediately
22 succeeding March 1 for delinquent taxes or the street address, if
23 available, of property subject to forfeiture under section 78g on
24 the immediately succeeding March 1 for delinquent taxes and the
25 name of the person to whom a tax bill for property returned for
26 delinquent taxes was last sent and, if different, the name of the
27 person identified as the owner of the property returned for

1 delinquent taxes as shown on the current records of the county
2 treasurer. ~~in a newspaper published and circulated in the county in~~
3 ~~which the property is located, if there is one. If no newspaper is~~
4 ~~published in that county, publication may be made in a newspaper~~
5 ~~published and circulated in an adjoining county.~~ IF NO NOTICE

6 PUBLICATION IS CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS
7 LOCATED, THE COUNTY TREASURER MAY INSERT A NOTICE UNDER THIS
8 SUBSECTION IN A NOTICE PUBLICATION CIRCULATED IN AN ADJOINING
9 COUNTY. ADDITIONALLY, A COUNTY TREASURER MAY POST ON A WEBSITE,
10 INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED BY THE COUNTY
11 TREASURER.

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

25 (2) After conducting the search of records under subsection
26 (1), the foreclosing governmental unit or its authorized
27 representative shall determine the address reasonably calculated to

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

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

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

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

25 (d) For a business entity other than a partnership, a search
26 of business entity records filed with the department of labor and
27 economic growth.

1 (3) The foreclosing governmental unit or its authorized
2 representative or authorized agent shall make a personal visit to
3 each parcel of property forfeited to the county treasurer under
4 section 78g to ascertain whether or not the property is occupied.
5 If the property appears to be occupied, the foreclosing
6 governmental unit or its authorized representative shall do all of
7 the following:

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

11 (b) If a person occupying the property is personally served,
12 orally inform the occupant that the property will be foreclosed and
13 the occupants will be required to vacate unless all forfeited
14 unpaid delinquent taxes, interest, penalties, and fees are paid, of
15 the time within which all forfeited unpaid delinquent taxes,
16 interest, penalties, and fees must be paid, and of agencies or
17 other resources that may be available to assist the owner to avoid
18 loss of the property.

19 (c) If the occupant appears to lack the ability to understand
20 the advice given, notify the department of human services or
21 provide the occupant with the names and telephone numbers of the
22 agencies that may be able to assist the occupant.

23 (d) If the foreclosing governmental unit or its authorized
24 representative is not able to personally meet with the occupant,
25 the foreclosing governmental unit or its authorized representative
26 shall place the notice in a conspicuous manner on the property and
27 shall also place in a conspicuous manner on the property a notice

1 that explains, in plain English, that the property will be
2 foreclosed unless forfeited unpaid delinquent taxes, interest,
3 penalties, and fees are paid, the time within which forfeited
4 unpaid delinquent taxes, interest, penalties, and fees must be
5 paid, and the names, addresses, and telephone numbers of agencies
6 or other resources that may be available to assist the occupant to
7 avoid loss of the property. If this state is the foreclosing
8 governmental unit within a county, the department of treasury shall
9 perform the personal visit to each parcel of property under this
10 subsection on behalf of this state.

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

16 (5) If the foreclosing governmental unit or its authorized
17 representative is unable to ascertain the address reasonably
18 calculated to apprise the owners of a property interest entitled to
19 notice under this section, or is unable to notify the owner of a
20 property interest under subsection (2), the notice shall be made by
21 publication **AS PROVIDED IN THIS SUBSECTION AND SECTION 78S**. A
22 notice shall be ~~published~~ **INSERTED** for ~~3-2~~ successive weeks, once
23 each week, in a ~~newspaper published and circulated in the county in~~
24 ~~which the property is located, if there is one. If no paper is~~
25 ~~published in that county, publication shall be made in a newspaper~~
26 ~~published and circulated in an adjoining county~~ **NOTICE PUBLICATION**
27 **CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED**. This

~~publication~~ NOTICE shall be instead of notice under subsection (2).
IF A NOTICE PUBLICATION IS NOT CIRCULATED IN THE COUNTY IN WHICH
THE PROPERTY IS LOCATED, THE FORECLOSING GOVERNMENTAL UNIT SHALL
INSERT THE NOTICE IN A NOTICE PUBLICATION CIRCULATED IN AN
ADJOINING COUNTY. IN ADDITION TO PROVISION OF NOTICE IN A NOTICE
PUBLICATION, THE FORECLOSING GOVERNMENTAL UNIT MAY ALSO POST THE
NOTICE UNDER THIS SUBSECTION FOR NOT LESS THAN 14 DAYS ON A
WEBSITE, INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED BY THE
FORECLOSING GOVERNMENTAL UNIT.

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

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

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

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

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

(7) The notice required under subsections (2) and (3) shall
include all of the following:

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

(b) A statement that the person notified may lose his or her
interest in the property as a result of the foreclosure proceeding
under section 78k.

1 (c) A legal description or parcel number of the property and
2 the street address of the property, if available.

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

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

6 (f) The date and time of the show cause hearing under section
7 78j.

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

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

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

26 (h) An explanation of the person's rights of redemption and
27 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 (8) The published notice required under subsection (5) shall
5 include all of the following:

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

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

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

10 (d) The date and time of the show cause hearing under section
11 78j.

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

14 (f) A statement that unless all forfeited unpaid delinquent
15 taxes, interest, penalties, and fees are paid on or before the
16 March 31 immediately succeeding the entry of a judgment foreclosing
17 the property under section 78k, or in a contested case within 21
18 days of the entry of a judgment foreclosing the property under
19 section 78k, the title to the property shall vest absolutely in the
20 foreclosing governmental unit and that all existing interests in
21 oil or gas in that property shall be extinguished except the
22 following:

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

1 under section 78h.

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

4 (g) A statement that a person with an interest in the property
5 may lose his or her interest in the property as a result of the
6 foreclosure proceeding under section 78k and that all existing
7 interests in oil or gas in that property shall be extinguished
8 except the following:

9 (i) The interests of a lessee or an assignee of an interest of
10 a lessee under an oil or gas lease in effect as to that property or
11 any part of that property if the lease was recorded in the office
12 of the register of deeds in the county in which the property is
13 located before the date of filing the petition for foreclosure
14 under section 78h.

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

17 (9) The owner of a property interest who has been properly
18 served with a notice of the show cause hearing under section 78j
19 and the foreclosure hearing under section 78k and who failed to
20 redeem the property as provided under this act shall not assert any
21 of the following:

22 (a) That notice was insufficient or inadequate on the grounds
23 that some other owner of a property interest was not also served.

24 (b) That the redemption period provided under this act was
25 extended in any way on the grounds that some other owner of a
26 property interest was not also served.

27 (10) The failure of the foreclosing governmental unit to

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1 comply with any provision of this section shall not invalidate any
2 proceeding under this act if the owner of a property interest or a
3 person to whom a tax deed was issued is accorded the minimum due
4 process required under the state constitution of 1963 and the
5 constitution of the United States.

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

8 (a) A title insurance company or agent licensed to conduct
9 business in this state.

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

11 (c) A person accredited in land title search procedures by a
12 nationally recognized organization in the field of land title
13 searching.

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

16 (12) The provisions of this section relating to notice of the
17 show cause hearing under section 78j and the foreclosure hearing
18 under section 78k are exclusive and exhaustive. Other requirements
19 relating to notice or proof of service under other law, rule, or
20 legal requirement are not applicable to notice and proof of service
21 under this section.

22 **SEC. 78S. (1) FOR INSERTION OF A NOTICE IN A NOTICE**
23 **PUBLICATION UNDER SECTIONS 78A TO [78R,] THIS SECTION AND SECTIONS**
24 **78A TO [78R] APPLY, NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY.**

25 **(2) A REQUIREMENT FOR INSERTION OF A NOTICE PUBLICATION UNDER**
26 **SECTIONS 78A TO [78R] IS SATISFIED BY INCLUDING THE NOTICE IN A**
27 **SEPARATE INSERT WITHIN THE NOTICE PUBLICATION. A FORECLOSING**

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1 GOVERNMENTAL UNIT MAY EXERCISE ITS DISCRETION IN SELECTING THE
2 NOTICE PUBLICATION IN WHICH THE NOTICE SHALL BE INSERTED BASED ON
3 THE NOTICE PUBLICATION'S COST AND CIRCULATION.

4 (3) AS USED IN THIS SECTION AND SECTIONS 78A TO [78R:]

5 (A) "INTERNET" MEANS THAT TERM AS DEFINED IN 47 USC 230.

6 (B) "NOTICE PUBLICATION" INCLUDES A NEWSPAPER, AS THAT TERM IS
7 DEFINED UNDER SECTION 1 OF 1963 PA 247, MCL 691.1051, A LEGAL
8 NEWSPAPER, OR OTHER PRINT PUBLICATION FOR THE DISSEMINATION OF
9 NEWS, EDITORIAL CONTENT, AND OTHER INFORMATION OF A PUBLIC
10 CHARACTER OR NATURE, INCLUDING, BUT NOT LIMITED TO, A PRINT
11 PUBLICATION TO WHICH ALL OF THE FOLLOWING APPLY:

12 (i) THE PRINT PUBLICATION IS PUBLISHED AND DISTRIBUTED IN NOT
13 LESS THAN WEEKLY INTERVALS.

14 (ii) NOT LESS THAN 50% OF THE WORDS IN THE PRINT PUBLICATION
15 ARE IN THE ENGLISH LANGUAGE.

16 (iii) THE PRINT PUBLICATION HAS A BONA FIDE LIST OF
17 SUBSCRIBERS IN 1 OR MORE COUNTIES IN THIS STATE OR IS AVAILABLE TO
18 THE PUBLIC AT NEWSSTANDS OR OTHER RETAIL LOCATIONS IN 1 OR MORE
19 COUNTIES IN THIS STATE, OR BOTH.

20 (iv) THE PRINT PUBLICATION ACCEPTS AND PUBLISHES OFFICIAL AND
21 OTHER NOTICES.

22 (v) THE PRINT PUBLICATION ANNUALLY AVERAGES NOT LESS THAN 25%
23 NEWS AND EDITORIAL CONTENT PER ISSUE. AS USED IN THIS SUBPARAGRAPH,
24 "NEWS AND EDITORIAL CONTENT" MEANS ANY PRINTED MATTER OTHER THAN
25 ADVERTISING.

26 (vi) THE PRINT PUBLICATION HAS BEEN PUBLISHED OR DISTRIBUTED
27 FOR NOT LESS THAN 1 YEAR.

1 (C) "WEBSITE" MEANS A COLLECTION OF PAGES OF THE INTERNET,
2 USUALLY IN HTML FORMAT, WITH CLICKABLE OR HYPERTEXT LINKS TO ENABLE
3 NAVIGATION FROM 1 PAGE OR SECTION TO ANOTHER, THAT OFTEN USES
4 ASSOCIATED GRAPHICS FILES TO PROVIDE ILLUSTRATION AND MAY CONTAIN
5 OTHER CLICKABLE OR HYPERTEXT LINKS.

6 Enacting section 1. This amendatory act takes effect 90 days
7 after the date it is enacted into law.