

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5124**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78g, 78k, and 78q (MCL 211.78g, 211.78k, and
211.78q), section 78g as amended by 2014 PA 500, section 78k as
amended by 2016 PA 433, and section 78q as amended by 2019 PA 35.

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
7 forfeited to a county treasurer under this subsection, the



1 foreclosing governmental unit does not have a right to possession
2 of the property until the April 1 immediately succeeding the entry
3 of a judgment foreclosing the property under section 78k or in a
4 contested case until 22 days after the entry of a judgment
5 foreclosing the property under section 78k. If property is
6 forfeited to a county treasurer under this subsection, the county
7 treasurer shall add a \$175.00 fee to each parcel of property for
8 which those delinquent taxes, interest, penalties, and fees remain
9 unpaid. A county treasurer shall withhold a parcel of property from
10 forfeiture for any reason determined by the state tax commission.
11 The **state tax commission shall determine the** procedure for
12 withholding a parcel of property from forfeiture under this
13 subsection. ~~shall be determined by the state tax commission.~~

14 (2) Not more than 45 days after property is forfeited under
15 subsection (1), the county treasurer shall record with the county
16 register of deeds a certificate in a form determined by the
17 department of treasury for each parcel of property forfeited to the
18 county treasurer, specifying that the property has been forfeited
19 to the county treasurer and not redeemed and that absolute title to
20 the property ~~shall~~**will** vest in the county treasurer on the March
21 31 immediately succeeding the entry of a judgment foreclosing the
22 property under section 78k or in a contested case 21 days after the
23 entry of a judgment foreclosing the property under section 78k. If
24 a certificate of forfeiture is recorded in error, the county
25 treasurer shall record with the county register of deeds a
26 certificate of error in a form prescribed by the department of
27 treasury. A certificate submitted to the county register of deeds
28 for recording under this subsection need not be notarized and may
29 be authenticated by a digital signature of the county treasurer or



1 by other electronic means. If the county has elected under section
 2 78 to have this state foreclose property under this act forfeited
 3 to the county treasurer under this section, the county treasurer
 4 shall immediately transmit to the department of treasury a copy of
 5 each certificate recorded under this subsection. The county
 6 treasurer shall upon collection transmit to the department of
 7 treasury within 30 days the fee added to each parcel under
 8 subsection (1), which may be paid from the county's delinquent tax
 9 revolving fund and ~~shall~~**must** be deposited in the land
 10 reutilization fund created under section 78n.

11 (3) Property forfeited to the county treasurer under
 12 subsection (1) may be redeemed at any time on or before the March
 13 31 immediately succeeding the entry of a judgment foreclosing the
 14 property under section 78k or in a contested case within 21 days of
 15 the entry of a judgment foreclosing the property under section 78k
 16 upon payment to the county treasurer of all of the following:

17 (a) The total amount of unpaid delinquent taxes, interest,
 18 penalties, and fees for which the property was forfeited or the
 19 reduced amount of unpaid delinquent taxes, interest, penalties, and
 20 fees payable under subsection (8), if applicable.

21 (b) Except as otherwise provided in this subdivision and
 22 subdivision (c), in addition to the interest calculated under
 23 sections 60a(1) or (2) and 78a(3), additional interest computed at
 24 a noncompounded rate of 1/2% per month or fraction of a month on
 25 the taxes that were originally returned as delinquent, computed
 26 from the March 1 preceding the forfeiture. The county treasurer may
 27 waive the additional interest under this subdivision if the
 28 property is withheld from the petition for foreclosure under
 29 section 78h(3)(c).



1 (c) If the property is classified as residential real property
 2 under section 34c, the property is a principal residence exempt
 3 from the tax levied by a local school district for school operating
 4 purposes under section 7cc, and a tax foreclosure avoidance
 5 agreement is in effect for the property under section 78q(5), while
 6 the tax foreclosure avoidance agreement is effective, all of the
 7 following ~~shall~~ apply:

8 (i) The property ~~shall~~**must** be withheld from the petition for
 9 foreclosure under section 78h.

10 (ii) The additional interest under subdivision (b) ~~shall~~**does**
 11 not apply and interest computed at a noncompounded rate of 1/2% per
 12 month or fraction of a month on the taxes that were originally
 13 returned as delinquent, computed from the date that the taxes
 14 originally were returned as delinquent, ~~shall apply~~**applies** to the
 15 property.

16 (d) All recording fees and all fees for service of process or
 17 notice.

18 (4) If property is redeemed by a person with a legal interest
 19 as provided under subsection (3), any unpaid taxes not returned as
 20 delinquent to the county treasurer under section 78a are not
 21 extinguished.

22 (5) If property is redeemed by a person with a legal interest
 23 as provided under subsection (3), the person redeeming does not
 24 acquire a title or interest in the property greater than that
 25 person would have had if the property had not been forfeited to the
 26 county treasurer, but the person redeeming, other than the owner,
 27 is entitled to a lien for the amount paid to redeem the property in
 28 addition to any other lien or interest the person may have, which
 29 ~~shall~~**must** be recorded within 30 days with the register of deeds by



1 the person entitled to the lien. The lien acquired ~~shall have~~ **has**
 2 the same priority as the existing lien, title, or interest.

3 (6) If property is redeemed as provided under subsection (3),
 4 the county treasurer shall issue a redemption certificate in
 5 quadruplicate in a form prescribed by the department of treasury.
 6 One of the quadruplicate certificates ~~shall~~ **must** be delivered to
 7 the person making the redemption payment, 1 ~~shall~~ **must** be filed in
 8 the office of the county treasurer, 1 ~~shall~~ **must** be recorded in the
 9 office of the county register of deeds, and 1 ~~shall~~ **must** be
 10 immediately transmitted to the department of treasury if this state
 11 is the foreclosing governmental unit. The county treasurer shall
 12 also make a note of the redemption certificate in the tax record
 13 kept in his or her office, with the name of the person making the
 14 final redemption payment, the date of the payment, and the amount
 15 paid. If the county treasurer accepts partial redemption payments,
 16 the county treasurer shall include in the tax record kept in his or
 17 her office the name of the person or persons making each partial
 18 redemption payment, the date of each partial redemption payment,
 19 the amount of each partial redemption payment, and the total amount
 20 of all redemption payments. A certificate and the entry of the
 21 certificate in the tax record by the county treasurer is prima
 22 facie evidence of a redemption payment in the courts of this state.
 23 A certificate submitted to the county register of deeds for
 24 recording under this subsection need not be notarized and may be
 25 authenticated by a digital signature of the county treasurer or by
 26 other electronic means. If a redemption certificate is recorded in
 27 error, the county treasurer shall record with the county register
 28 of deeds a certificate of error in a form prescribed by the
 29 department of treasury. A copy of a certificate of error recorded



1 under this section ~~shall~~**must** be immediately transmitted to the
 2 department of treasury if this state is the foreclosing
 3 governmental unit.

4 (7) If a foreclosing governmental unit has reason to believe
 5 that a property forfeited under this section may be the site of
 6 environmental contamination, the foreclosing governmental unit
 7 shall provide the department of environmental quality with any
 8 information in the possession of the foreclosing governmental unit
 9 that suggests the property may be the site of environmental
 10 contamination.

11 ~~(8) Before July 1, 2016, if the amount of unpaid delinquent~~
 12 ~~taxes, interest, penalties, and fees for which a property was~~
 13 ~~forfeited is greater than 50% of the state equalized valuation of~~
 14 ~~the property and the property is subject to and in compliance with~~
 15 ~~a delinquent property tax installment payment plan under section~~
 16 ~~78q(1) or a tax foreclosure avoidance agreement under section~~
 17 ~~78q(5), or both, the foreclosing governmental unit may reduce the~~
 18 ~~amount of taxes, interest, penalties, and fees required to be paid~~
 19 ~~to redeem the property under subdivision (3)(a) to an amount equal~~
 20 ~~to 50% of the state equalized valuation of the property. If a~~
 21 ~~property is redeemed by payment of the reduced amount under this~~
 22 ~~subsection, any remaining unpaid taxes, interest, penalties, and~~
 23 ~~fees for which the property was forfeited and otherwise payable~~
 24 ~~shall be canceled by the county treasurer. A foreclosing~~
 25 ~~governmental unit may not approve a reduction in the amount~~
 26 ~~necessary to redeem property under this subsection if the reduction~~
 27 ~~would cause noncompliance with section 87c(7) or otherwise~~
 28 ~~impermissibly impair an outstanding debt of the county.~~

29 **(8) Notwithstanding any provision of this act or charter to**



1 the contrary, until July 1, 2023, all of the following apply to
 2 property for which delinquent property taxes remain unpaid,
 3 including property forfeited under this section, located in a local
 4 unit of government that, pursuant to subsection (10) (b) (i) or (ii) ,
 5 is participating in a payment reduction program authorized by this
 6 subsection:

7 (a) If the property is subject to an exemption under section
 8 7u and the property's owner has not previously received a payment
 9 reduction under this subsection, the foreclosing governmental unit
 10 may do 1 or more of the following:

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

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

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



1 (b) If the amount required to be paid under this act is
2 reduced under subdivision (a), the foreclosing governmental unit
3 may further reduce the amount by an amount not to exceed 10% of the
4 unpaid delinquent taxes required to be paid to redeem the property
5 if the property is redeemed by a single lump-sum payment made
6 within a period to be determined by the foreclosing governmental
7 unit.

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

26 (d) If a property owner has paid a reduced amount under this
27 subsection in accordance with the terms, conditions, and time
28 period established by the county treasurer, any remaining unpaid
29 taxes, interest, penalties, and fees otherwise payable shall be



1 canceled by the county treasurer, including, but not limited to,
2 any interest, fee, or penalty payment requirements set forth in a
3 delinquent property tax installment payment plan under section
4 78q(1) or a tax foreclosure avoidance agreement under section
5 78q(5) with respect to the property. A county treasurer shall not
6 impose any additional interest, penalties, fees, or other charges
7 of any kind in connection with a payment reduction program under
8 this subsection.

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

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

16 (A) The full amount of any unpaid delinquent taxes on the
17 property.

18 (B) Interest under section 78g(3)(b) and any additional
19 interest, fees, charges, and penalties otherwise applicable to any
20 unpaid taxes on the property, including, but not limited to,
21 interest, fees, charges, and penalties canceled under subdivision
22 (d).

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

25 (f) A foreclosing governmental unit may not approve a
26 reduction in the amount required to redeem property under this
27 subsection if the reduction would cause noncompliance with section
28 87c(7) or otherwise impermissibly impair an outstanding debt of the
29 county or any taxing unit.



1 (g) All payments collected in connection with property under
2 this subsection must be distributed to each taxing unit that has
3 certified to the county treasurer unpaid delinquent taxes for the
4 property in an amount based on the proportion that the taxing
5 unit's unpaid delinquent taxes certified to the county treasurer
6 bear to the total amount of unpaid delinquent taxes certified to
7 the county treasurer in connection with the property.

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

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

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



1 (a) A foreclosing governmental unit that seeks to implement a
2 program under subsection (8) shall provide written notice to the
3 treasurer of each affected local unit of government within the
4 county in which the property is located of the foreclosing
5 governmental unit's intent to implement the program and state that
6 the local unit of government has the option of participating in the
7 program. The notice must contain all of the terms and conditions to
8 be offered under the program, in addition to any other information
9 that the foreclosing governmental unit considers necessary or
10 appropriate.

11 (b) Not later than 21 days after the foreclosing governmental
12 unit provides the written notice described in subdivision (a), the
13 treasurer of any affected local unit of government may provide the
14 foreclosing governmental unit with 1 of the following, as
15 applicable:

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

28 (ii) Written notice of participation in the program, if the
29 local unit of government is located in a county other than one



1 described in subparagraph (i) and the governing body of the local
 2 unit of government has approved a resolution to participate in the
 3 program. All property within a local unit of government that
 4 provides written notice of participation under this subparagraph
 5 will be included in the program. Any affected local unit of
 6 government whose treasurer does not provide written notice of
 7 participation under this subparagraph is conclusively presumed to
 8 have declined to participate in the program, and all property
 9 within that local unit of government will be excluded from the
 10 program.

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

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

20 (2) A person claiming an interest in a parcel of property set
 21 forth in the petition for foreclosure may contest the validity or
 22 correctness of the forfeited unpaid delinquent taxes, interest,
 23 penalties, and fees for 1 or more of the following reasons:

24 (a) No law authorizes the tax.

25 (b) The person appointed to decide whether a tax ~~shall~~**will** be
 26 levied under a law of this state acted without jurisdiction, or did
 27 not impose the tax in question.

28 (c) The property was exempt from the tax in question, or the
 29 tax was not legally levied.



1 (d) The tax has been paid within the time limited by law for
2 payment or redemption.

3 (e) The tax was assessed fraudulently.

4 (f) The description of the property used in the assessment was
5 so indefinite or erroneous that the forfeiture was void.

6 (3) A person claiming an interest in a parcel of property set
7 forth in the petition for foreclosure who desires to contest that
8 petition shall file written objections with the clerk of the
9 circuit court and serve those objections on the foreclosing
10 governmental unit before the date of the hearing required under
11 this section.

12 (4) If the court determines that the owner of property subject
13 to foreclosure is a minor heir, is incompetent, is without means of
14 support, or is undergoing a substantial financial hardship, the
15 court may withhold that property from foreclosure for 1 year or may
16 enter an order extending the redemption period as the court
17 determines to be equitable. If the court withholds property from
18 foreclosure under this subsection, a taxing unit's lien for taxes
19 due is not prejudiced and that property ~~shall~~**must** be included in
20 the immediately succeeding year's tax foreclosure proceeding.

21 (5) The circuit court shall enter final judgment on a petition
22 for foreclosure filed under section 78h at any time after the
23 hearing under this section but not later than the March 30
24 immediately succeeding the hearing with the judgment effective on
25 the March 31 immediately succeeding the hearing for uncontested
26 cases or 10 days after the conclusion of the hearing for contested
27 cases. All redemption rights to the property expire on the March 31
28 immediately succeeding the entry of a judgment foreclosing the
29 property under this section, or in a contested case 21 days after



1 the entry of a judgment foreclosing the property under this
2 section. The circuit court's judgment ~~shall~~**must** specify all of the
3 following:

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

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

18 (c) That all liens against the property, including any lien
19 for unpaid taxes or special assessments, except future installments
20 of special assessments and liens recorded by this state or the
21 foreclosing governmental unit ~~pursuant to~~**under** the natural
22 resources and environmental protection act, 1994 PA 451, MCL
23 324.101 to 324.90106, are extinguished, if all forfeited delinquent
24 taxes, interest, penalties, and fees are not paid on or before the
25 March 31 immediately succeeding the entry of a judgment foreclosing
26 the property under this section, or in a contested case within 21
27 days of the entry of a judgment foreclosing the property under this
28 section.

29 (d) That, except as otherwise provided in subdivisions (c) and



1 (e), the foreclosing governmental unit has good and marketable fee
 2 simple title to the property, 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 (e) That all existing recorded and unrecorded interests in
 9 that property are extinguished, except a visible or recorded
 10 easement or right-of-way, private deed restrictions, interests of a
 11 lessee or an assignee of an interest of a lessee under a recorded
 12 oil or gas lease, interests in oil or gas in that property that are
 13 owned by a person other than the owner of the surface that have
 14 been preserved as provided in section 1(3) of 1963 PA 42, MCL
 15 554.291, interests in property assessable as personal property
 16 under section 8(g), or restrictions or other governmental interests
 17 imposed ~~pursuant to~~ **under** the natural resources and environmental
 18 protection act, 1994 PA 451, MCL 324.101 to 324.90106, if all
 19 forfeited delinquent taxes, interest, penalties, and fees are not
 20 paid on or before the March 31 immediately succeeding the entry of
 21 a judgment foreclosing the property under this section, or in a
 22 contested case within 21 days of the entry of a judgment
 23 foreclosing the property under this section.

24 (f) A finding that all persons entitled to notice and an
 25 opportunity to be heard have been provided that notice and
 26 opportunity. A person ~~shall be deemed~~ **is considered** to have been
 27 provided notice and an opportunity to be heard if the foreclosing
 28 governmental unit followed the procedures for provision of notice
 29 by mail, for visits to forfeited property, and for publication



1 under section 78i, or if 1 or more of the following apply:

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

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

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

10 (g) A judgment entered under this section is a final order
11 with respect to the property affected by the judgment and except as
12 provided in subsection (7) ~~shall~~**must** not be modified, stayed, or
13 held invalid after the March 31 immediately succeeding the entry of
14 a judgment foreclosing the property under this section, or for
15 contested cases 21 days after the entry of a judgment foreclosing
16 the property under this section.

17 (6) Except as otherwise provided in subsection (5)(c) and (e),
18 fee simple title to property set forth in a petition for
19 foreclosure filed under section 78h on which forfeited delinquent
20 taxes, interest, penalties, and fees are not paid on or before the
21 March 31 immediately succeeding the entry of a judgment foreclosing
22 the property under this section, or in a contested case within 21
23 days of the entry of a judgment foreclosing the property under this
24 section, ~~shall~~**will** vest absolutely in the foreclosing governmental
25 unit, and the foreclosing governmental unit ~~shall~~**will** have
26 absolute title to the property, including all interests in oil or
27 gas in that property except the interests of a lessee or an
28 assignee of an interest of a lessee under an oil or gas lease in
29 effect as to that property or any part of that property if the



1 lease was recorded in the office of the register of deeds in the
2 county in which the property is located before the date of filing
3 the petition for foreclosure under section 78h, and interests
4 preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.
5 The foreclosing governmental unit's title is not subject to any
6 recorded or unrecorded lien and ~~shall-must~~ not be stayed or held
7 invalid except as provided in subsection (7) or (9).

8 (7) The foreclosing governmental unit or a person claiming to
9 have a property interest under section 78i in property foreclosed
10 under this section may appeal the circuit court's order or the
11 circuit court's judgment foreclosing property to the court of
12 appeals. An appeal under this subsection is limited to the record
13 of the proceedings in the circuit court under this section ~~and~~
14 ~~shall-is~~ not ~~be~~ de novo. The circuit court's judgment foreclosing
15 property ~~shall-must~~ be stayed until the court of appeals has
16 reversed, modified, or affirmed that judgment. If an appeal under
17 this subsection stays the circuit court's judgment foreclosing
18 property, the circuit court's judgment is stayed only as to the
19 property that is the subject of that appeal and the circuit court's
20 judgment foreclosing other property that is not the subject of that
21 appeal is not stayed. To appeal the circuit court's judgment
22 foreclosing property, a person appealing the judgment shall pay to
23 the county treasurer the amount determined to be due to the county
24 treasurer under the judgment on or before the March 31 immediately
25 succeeding the entry of a judgment foreclosing the property under
26 this section, or in a contested case within 21 days of the entry of
27 a judgment foreclosing the property under this section, together
28 with a notice of appeal. If the circuit court's judgment
29 foreclosing the property is affirmed on appeal, the amount



1 determined to be due ~~shall~~**must** be refunded to the person who
 2 appealed the judgment. If the circuit court's judgment foreclosing
 3 the property is reversed or modified on appeal, the county
 4 treasurer shall refund the amount determined to be due to the
 5 person who appealed the judgment, if any, and retain the balance in
 6 accordance with the order of the court of appeals.

7 (8) The foreclosing governmental unit shall record a notice of
 8 judgment for each parcel of foreclosed property in the office of
 9 the register of deeds for the county in which the foreclosed
 10 property is located in a form prescribed by the department of
 11 treasury.

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

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

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

27 (c) The taxes for which the property was foreclosed had been
 28 paid to the proper officer within the time provided under this act
 29 for the payment of the taxes or the redemption of the property.



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

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

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

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

18 Sec. 78q. (1) Notwithstanding any provision of this act or
 19 charter to the contrary, a foreclosing governmental unit may create
 20 a delinquent property tax installment payment plan for eligible
 21 property, the title to which is held by a financially distressed
 22 person. **A delinquent property tax installment payment plan created**
 23 **under this subsection may be combined with and made subject to a**
 24 **delinquent property tax payment reduction under section 78g(8)(c).**
 25 **Any payment under that delinquent property tax installment payment**
 26 **plan made during a calendar year in which an owner of property is**
 27 **subject to a payment reduction under section 78g(8) must be**
 28 **credited to the amount owed under section 78g(8) and the credit**
 29 **must not exceed the amount owed under section 78g(8).**



1 (2) If a financially distressed person agrees to participate
 2 in a delinquent property tax installment payment plan created under
 3 subsection (1) and makes the initial payment required under that
 4 delinquent property tax installment payment plan, the foreclosing
 5 governmental unit may remove eligible property the title to which
 6 is held by that financially distressed person from the petition for
 7 foreclosure as provided in section 78h(3) (c).

8 (3) If a financially distressed person successfully completes
 9 a delinquent property tax installment payment plan created under
 10 subsection (1), interest under section 78g(3) (b) and any additional
 11 interest otherwise applicable ~~shall~~**must** be waived.

12 (4) If a financially distressed person does not successfully
 13 complete a delinquent property tax installment payment plan created
 14 under subsection (1), both of the following apply:

15 (a) Interest under section 78g(3) (b) and any additional
 16 interest otherwise applicable apply to any unpaid taxes on the
 17 property.

18 (b) The eligible property ~~shall~~**must** be included in the
 19 immediately succeeding petition for foreclosure under section 78h.

20 (5) Notwithstanding any provision of this act or charter to
 21 the contrary, until June 30, 2026, a county treasurer may enter
 22 into a tax foreclosure avoidance agreement for a term of up to 5
 23 years with an owner of property returned as delinquent to the
 24 county treasurer under this act or forfeited to the county
 25 treasurer under section 78g if the property is classified as
 26 residential real property under section 34c, if the property is
 27 eligible property, and if the owner makes an initial payment of ~~at~~
 28 ~~least 10% of the delinquent taxes owed on the property~~ **in an amount**
 29 **determined by the county treasurer. A tax foreclosure avoidance**



1 agreement entered into under this subsection may be combined with
2 and made subject to a delinquent property tax payment reduction
3 under section 78g(8) (c) . Any payment under that tax foreclosure
4 avoidance agreement made during a calendar year in which an owner
5 of property is subject to a payment reduction under section 78g(8)
6 must be credited to the amount owed under section 78g(8) and the
7 credit must not exceed the amount owed under section 78g(8) . While
8 a tax foreclosure avoidance agreement is effective, the property
9 ~~shall~~**must** be withheld or removed from the petition for foreclosure
10 as provided under section 78h(3) (c) , interest at the rate provided
11 in section 78g(3) (c) (ii) applies, and the owner shall make timely
12 payments as provided under the tax foreclosure avoidance agreement,
13 including timely payment of all nondelinquent taxes on the
14 property. A tax foreclosure avoidance agreement must require
15 regular periodic installment payments. The final payment must not
16 be disproportionately larger than a regular periodic installment
17 payment and regular periodic installment payments in the final year
18 must not be disproportionately larger than regular periodic
19 installment payments in prior years. A county treasurer may refuse
20 to enter into a tax foreclosure avoidance agreement with an owner
21 under this subsection if that owner is not in compliance with
22 another tax foreclosure avoidance agreement with the county
23 treasurer or with a delinquent property tax installment plan with
24 the county treasurer under this section. A county treasurer may not
25 enter into more than 2 tax foreclosure avoidance agreements with an
26 owner. If an owner fails to comply with a tax foreclosure avoidance
27 agreement or if the tax foreclosure avoidance agreement is no
28 longer effective, all of the following apply:

29 (a) Interest under section 78g(3) (b) and any additional



1 interest otherwise applicable apply to any unpaid taxes on the
2 property.

3 (b) The property ~~shall~~**must** be included in the immediately
4 succeeding petition for foreclosure under section 78h.

5 (c) The owner shall not bid on property subject to sale under
6 section 78m, if that property was subject to the tax foreclosure
7 avoidance agreement.

8 (6) A delinquent property tax installment payment plan or a
9 tax foreclosure avoidance agreement may not be approved under this
10 section if the delinquent property tax installment payment plan or
11 tax foreclosure avoidance agreement would impermissibly impair an
12 outstanding debt of the county.

13 (7) If a foreclosing governmental unit has created a
14 delinquent property tax installment payment plan under this
15 section, the department of treasury may audit the books and records
16 of that foreclosing governmental unit concerning the details of
17 that delinquent property tax installment payment plan.

18 (8) Property classified as industrial real property under
19 section 34c that is occupied at less than 10% of its facility
20 capacity for more than 3 years and that is located in a county with
21 a population of more than 1,500,000 according to the most recent
22 federal decennial census is not eligible to participate in a
23 delinquent property tax installment payment plan and is subject to
24 section 78m, including sale under section 78m(2) to the person
25 bidding the highest amount above the minimum bid.

26 (9) If a delinquent property tax installment payment plan is
27 in effect for property for which a county has issued notes under
28 this act that are secured by the delinquent taxes and interest on
29 that property, at any time 2 years after the date that those taxes



1 were returned as delinquent, the county treasurer may charge back
2 to any taxing unit the face amount of the delinquent taxes that
3 were owed to that taxing unit on the date those taxes were returned
4 as delinquent, less the amount of any principal installments
5 received by the county treasurer on that property under the
6 delinquent property tax installment payment plan. All subsequent
7 payments of delinquent taxes and interest on that property ~~shall~~
8 **must** be retained by the county treasurer in a separate account and
9 either paid to or credited to the account of that taxing unit.

10 (10) As used in this section:

11 (a) "Eligible property" means property that is a principal
12 residence exempt from the tax levied by a local school district for
13 school operating purposes under section 7cc.

14 (b) "Financially distressed person" means a person who meets
15 all of the following conditions:

16 (i) Is eligible to have property to which he or she holds title
17 withheld from a petition for foreclosure under section 78h(3) (b).

18 (ii) Is not delinquent in satisfying a delinquent property tax
19 installment payment plan or tax foreclosure avoidance agreement
20 under this section for any other property within the foreclosing
21 governmental unit.

