

**SUBSTITUTE FOR  
HOUSE BILL NO. 5761**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78a (MCL 211.78a), as amended by 2014 PA 499,  
and by adding section 44e.

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

1           **Sec. 44e. (1) A local tax collecting unit that collects a**  
2 **summer 2020 property tax shall defer the collection of summer 2020**  
3 **property taxes against property for which a deferment is properly**  
4 **claimed by an owner of the property that qualifies under subsection**  
5 **(2). A deferment under this section continues until the last day**  
6 **that summer 2020 property taxes are due and payable before being**  
7 **returned as delinquent to the county treasurer under section 78a.**  
8 **Summer 2020 property taxes deferred under this section are not**



1 subject to penalties or interest for the period of deferment.

2 (2) An owner of property on which summer 2020 property taxes  
3 have been levied qualifies for the deferment described in  
4 subsection (1) only if the property owner meets all of the  
5 following:

6 (a) Is a person that experienced economic hardship as a result  
7 of the COVID-19 pandemic or the government's response to the  
8 pandemic, or both.

9 (b) By not later than August 28, 2020, files both of the  
10 following, in a form and manner prescribed by the department of  
11 treasury, with the treasurer, assessor, or other designated  
12 official or employee of the local tax collecting unit in which the  
13 property is located:

14 (i) A statement of intent to defer payment of those summer 2020  
15 property taxes.

16 (ii) An affidavit attesting to the economic hardship described  
17 in subdivision (a) and its nature and surrounding circumstances.  
18 For purposes of this subparagraph, evidence of an economic hardship  
19 includes, but is not limited to, a property owner's inability to  
20 timely pay summer 2020 property taxes due to a closure of the  
21 property owner's business or a restriction of its operation  
22 resulting from the COVID-19 pandemic or an executive order issued  
23 in response to the COVID-19 pandemic, or due to an adverse effect  
24 that the COVID-19 pandemic or an executive order issued in response  
25 to the COVID-19 pandemic had on the property owner's employment or  
26 income, such as the loss of a job, a reduction in work hours, or a  
27 reduction in pay. Absent a statement in the affidavit attesting to  
28 a business closure or restriction or an adverse impact on  
29 employment or income, as described in this subparagraph, or a



1 similar adverse consequence, a property owner is presumed not to  
2 have incurred economic hardship for purposes of this subsection.

3 (c) Is not a party to an escrow agreement or other agreement  
4 obligating another individual or legal entity to pay those summer  
5 2020 property taxes for that property owner.

6 (d) Has not obtained a deferment of the collection of summer  
7 2020 property taxes against the property on some other basis,  
8 including, but not limited to, a basis for deferment under section  
9 51.

10 (3) A property owner that fraudulently claims eligibility for  
11 a deferment of summer 2020 property taxes under subsection (2) is  
12 guilty of a misdemeanor punishable by imprisonment in the county  
13 jail for not less than 30 days or more than 6 months or by a fine  
14 of not less than \$500.00 or more than \$2,500.00, or both. If the  
15 assessor for the local tax collecting unit is satisfied that a  
16 property owner is liable under this subsection, he or she shall  
17 report the case to the prosecuting attorney of the county in which  
18 the property is located.

19 (4) As used in this section:

20 (a) "Person" means an individual, corporation, limited  
21 liability company, partnership, association, or any other legal  
22 entity.

23 (b) "Summer 2020 property tax" means any tax or assessment  
24 levied in the 2020 calendar year on real property that is collected  
25 under this act and that first becomes a lien before December 1,  
26 2020.

27 Sec. 78a. (1) For taxes levied after December 31, 1998, all  
28 property returned for delinquent taxes, and upon which taxes,  
29 interest, penalties, and fees remain unpaid after the property is



1 returned as delinquent to the county treasurers of this state under  
2 this act, is subject to forfeiture, foreclosure, and sale for the  
3 enforcement and collection of the delinquent taxes as provided in  
4 section 78, this section, and sections 78b to 79a. As used in  
5 section 78, this section, and sections 78b to 79a, "taxes" includes  
6 interest, penalties, and fees imposed before the taxes become  
7 delinquent and unpaid special assessments or other assessments that  
8 are due and payable up to and including the date of the foreclosure  
9 hearing under section 78k.

10 (2) On March 1 in each year, taxes levied in the immediately  
11 preceding year that remain unpaid shall be returned as delinquent  
12 for collection. However, if the last day in a year that taxes are  
13 due and payable before being returned as delinquent is on a  
14 Saturday, Sunday, or legal holiday, the last day taxes are due and  
15 payable before being returned as delinquent is on the next business  
16 day and taxes levied in the immediately preceding year that remain  
17 unpaid shall be returned as delinquent on the immediately  
18 succeeding business day. Except as otherwise provided in section 79  
19 for certified abandoned property, property delinquent for taxes  
20 levied in the second year preceding the forfeiture under section  
21 78g or in a prior year to which this section applies shall be  
22 forfeited to the county treasurer for the total of the unpaid  
23 taxes, interest, penalties, and fees for those years as provided  
24 under section 78g.

25 (3) A county property tax administration fee of 4% and, except  
26 as provided in **subsection (6) and** section 78g(3)(c), interest  
27 computed at a noncompounded rate of 1% per month or fraction of a  
28 month on the taxes that were originally returned as delinquent,  
29 computed from the date that the taxes originally became delinquent,



1 shall be added to property returned as delinquent under this  
2 section. A county property tax administration fee provided for  
3 under this subsection shall not be less than \$1.00.

4 (4) Any person with an unrecorded property interest or any  
5 other person who wishes at any time to receive notice of the return  
6 of delinquent taxes on a parcel of property may pay an annual fee  
7 not to exceed \$5.00 by February 1 to the county treasurer and  
8 specify the parcel identification number, the address of the  
9 property, and the address to which the notice shall be sent.  
10 Holders of any undischarged mortgages wishing to receive notice of  
11 the return of delinquent taxes on a parcel or parcels of property  
12 may provide a list of such parcels in a form prescribed by the  
13 county treasurer and pay an annual fee not to exceed \$1.00 per  
14 parcel to the county treasurer and specify for each parcel the  
15 parcel identification number, the address of the property, and the  
16 address to which the notice should be sent. The county treasurer  
17 shall notify the person or holders of undischarged mortgages if  
18 delinquent taxes on the property or properties are returned within  
19 that year.

20 (5) Notwithstanding any charter provision to the contrary, the  
21 governing body of a local governmental unit that collects  
22 delinquent taxes may establish for any property, by ordinance,  
23 procedures for the collection of delinquent taxes and the  
24 enforcement of tax liens and the schedule for the forfeiture or  
25 foreclosure of delinquent tax liens. The procedures and schedule  
26 established by ordinance shall conform at a minimum to those  
27 procedures and schedules established under sections 78a to 78l,  
28 except that those taxes subject to a payment plan approved by the  
29 treasurer of the local governmental unit as of July 1, 1999 shall



1 not be considered delinquent if payments are not delinquent under  
2 that payment plan.

3       **(6) For unpaid summer 2020 property taxes the collection of**  
4 **which was deferred under section 44e and that are returned as**  
5 **delinquent under this section, the 1% monthly interest charge**  
6 **described in subsection (3) does not begin accruing until June 1,**  
7 **2021. As used in this subsection, "summer 2020 property tax" means**  
8 **that term as defined in section 44e.**

9       Enacting section 1. This amendatory act does not take effect  
10 unless House Bill No. 5810 of the 100th Legislature is enacted into  
11 law.

