

**SUBSTITUTE FOR
SENATE BILL NO. 1137**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78g, 78i, and 78l (MCL 211.78g, 211.78i, and
211.78l), section 78g as amended by 2020 PA 33, section 78i as
amended by 2015 PA 190, and section 78l as amended by 2003 PA 263,
and by adding section 78t.

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



1 delinquent taxes, interest, penalties, and fees. If property is
2 forfeited to a county treasurer under this subsection, the
3 foreclosing governmental unit does not have a right to possession
4 of the property until the April 1 immediately succeeding the entry
5 of a judgment foreclosing the property under section 78k or in a
6 contested case until 22 days after the entry of a judgment
7 foreclosing the property under section 78k. If property is
8 forfeited to a county treasurer under this subsection, the county
9 treasurer shall add a \$175.00 fee to each ~~parcel of property~~ for
10 which those delinquent taxes, interest, penalties, and fees remain
11 unpaid. **The fee added under this subsection must be used by the**
12 **foreclosing governmental unit and the fee added under section 78d**
13 **must be used by the county treasurer for the administration of**
14 **sections 78 to 79a, including, but not limited to, costs associated**
15 **with providing required notices and with the forfeiture,**
16 **foreclosure, sale, maintenance, repair, and remediation of**
17 **property.** A county treasurer shall withhold a ~~parcel of property~~
18 from forfeiture for any reason determined by the state tax
19 commission. The state tax commission shall determine the procedure
20 for withholding a ~~parcel of property~~ from forfeiture under this
21 subsection.

22 (2) Not more than 45 days after property is forfeited under
23 subsection (1), the county treasurer shall record with the county
24 register of deeds a certificate in a form determined by the
25 department of treasury for each ~~parcel of property~~ forfeited to the
26 county treasurer, specifying that the property has been forfeited
27 to the county treasurer and not redeemed and that absolute title to
28 the property **and any equity associated with an interest in the**
29 **property** will vest in the ~~county treasurer~~ **foreclosing governmental**



1 **unit** on the March 31 immediately succeeding the entry of a judgment
 2 foreclosing the property under section 78k or in a contested case
 3 21 days after the entry of a judgment foreclosing the property
 4 under section 78k. **The certificate must include an explanation of**
 5 **the right of a person with an interest in the property at the time**
 6 **a judgment of foreclosure of the property is effective under**
 7 **section 78k to claim that person's interest in any remaining**
 8 **proceeds pursuant to section 78t after a sale or transfer of the**
 9 **property under section 78m.** If a certificate of forfeiture is
 10 recorded in error, the county treasurer shall record with the
 11 county register of deeds a certificate of error in a form
 12 prescribed by the department of treasury. A certificate submitted
 13 to the county register of deeds for recording under this subsection
 14 need not be notarized and may be authenticated by a digital
 15 signature of the county treasurer or by other electronic means. If
 16 the county has elected under section 78 to have this state
 17 foreclose property under this act forfeited to the county treasurer
 18 under this section, the county treasurer shall immediately transmit
 19 to the department of treasury a copy of each certificate recorded
 20 under this subsection. The county treasurer shall upon collection
 21 transmit to the department of treasury within 30 days the fee added
 22 to each ~~parcel~~ **property** under subsection (1), which may be paid
 23 from the county's delinquent tax revolving fund and **upon receipt**
 24 must be deposited **by the department of treasury** in the land
 25 reutilization fund created under section 78n.

26 (3) Property forfeited to the county treasurer under
 27 subsection (1) may be redeemed at any time on or before the March
 28 31 immediately succeeding the entry of a judgment foreclosing the
 29 property under section 78k or in a contested case within 21 days of



1 the entry of a judgment foreclosing the property under section 78k
 2 upon payment to the county treasurer of all of the following:

3 (a) The total amount of unpaid delinquent taxes, interest,
 4 penalties, and fees for which the property was forfeited or the
 5 reduced amount of unpaid delinquent taxes, interest, penalties, and
 6 fees payable under subsection (8), if applicable.

7 (b) Except as otherwise provided in this subdivision and
 8 subdivision (c), in addition to the interest calculated under
 9 sections 60a(1) or (2) and 78a(3), additional interest computed at
 10 a noncompounded rate of 1/2% per month or fraction of a month on
 11 the taxes that were originally returned as delinquent, computed
 12 from the March 1 preceding the forfeiture. The county treasurer may
 13 waive the additional interest under this subdivision if the
 14 property is withheld from the petition for foreclosure under
 15 section 78h(3)(c).

16 (c) If the property is classified as residential real property
 17 under section 34c, the property is a principal residence exempt
 18 from the tax levied by a local school district for school operating
 19 purposes under section 7cc, and a tax foreclosure avoidance
 20 agreement is in effect for the property under section 78q(5), while
 21 the tax foreclosure avoidance agreement is effective, all of the
 22 following apply:

23 (i) The property must be withheld from the petition for
 24 foreclosure under section 78h.

25 (ii) The additional interest under subdivision (b) does not
 26 apply and interest computed at a noncompounded rate of 1/2% per
 27 month or fraction of a month on the taxes that were originally
 28 returned as delinquent, computed from the date that the taxes
 29 originally were returned as delinquent, applies to the property.



1 (d) All recording fees and all fees for service of process or
2 notice.

3 (4) If property is redeemed by a person with a legal interest
4 **in the property** as provided under subsection (3), any unpaid taxes,
5 **interest, penalties, and fees** not returned as delinquent to the
6 county treasurer under section 78a are not extinguished.

7 (5) If property is redeemed by a person with a legal interest
8 **in the property** as provided under subsection (3), the person
9 redeeming does not acquire a title or interest in the property
10 greater than that person would have had if the property had not
11 been forfeited to the county treasurer, but ~~the~~**a** person redeeming,
12 other than the owner, is entitled to a lien for the amount paid to
13 redeem the property in addition to any other lien or interest the
14 person may have, which must be recorded within 30 days with the
15 register of deeds by the person entitled to the lien. The lien
16 acquired has the same priority as the existing lien, title, or
17 interest.

18 (6) If property is redeemed as provided under subsection (3),
19 the county treasurer shall issue a redemption certificate in
20 quadruplicate in a form prescribed by the department of treasury.
21 One of the quadruplicate certificates must be delivered to the
22 person making the redemption payment, 1 must be filed in the office
23 of the county treasurer, 1 must be recorded in the office of the
24 county register of deeds, and 1 must be immediately transmitted to
25 the department of treasury if this state is the foreclosing
26 governmental unit. The county treasurer shall also make a note of
27 the redemption certificate in the tax record kept in his or her
28 office, with the name of the person making the final redemption
29 payment, the date of the payment, and the amount paid. If the



1 county treasurer accepts partial redemption payments, the county
 2 treasurer shall include in the tax record kept in his or her office
 3 the name of the person or persons making each partial redemption
 4 payment, the date of each partial redemption payment, the amount of
 5 each partial redemption payment, and the total amount of all
 6 redemption payments. A certificate and the entry of the certificate
 7 in the tax record by the county treasurer is ~~prima facie~~ evidence
 8 of a redemption payment in the courts of this state. A certificate
 9 submitted to the county register of deeds for recording under this
 10 subsection need not be notarized and may be authenticated by a
 11 digital signature of the county treasurer or by other electronic
 12 means. If a redemption certificate is recorded in error, the county
 13 treasurer shall record with the county register of deeds a
 14 certificate of error in a form prescribed by the department of
 15 treasury. A copy of a certificate of error recorded under this
 16 section must be immediately transmitted to the department of
 17 treasury if this state is the foreclosing governmental unit.

18 (7) If a foreclosing governmental unit has reason to believe
 19 that a property forfeited under this section may be the site of
 20 environmental contamination, the foreclosing governmental unit
 21 shall provide the department of ~~environmental quality~~ **environment,**
 22 **Great Lakes, and energy** with any information in the possession of
 23 the foreclosing governmental unit that suggests the property may be
 24 the site of environmental contamination.

25 (8) Notwithstanding any provision of this act or charter to
 26 the contrary, until July 1, 2023, ~~2025~~, all of the following apply
 27 to property for which delinquent property taxes remain unpaid,
 28 including property forfeited under this section, located in a local
 29 unit of government that, pursuant to subsection (10) (b) (i) or (ii),



1 is participating in a payment reduction program authorized by this
2 subsection:

3 (a) If the property is subject to an exemption under section
4 7u and the property's owner has not previously received a payment
5 reduction under this subsection, the foreclosing governmental unit
6 may do 1 or more of the following:

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

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

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

26 (b) If the amount required to be paid under this act is
27 reduced under subdivision (a), the foreclosing governmental unit
28 may further reduce the amount by an amount not to exceed 10% of the
29 unpaid delinquent taxes required to be paid to redeem the property



1 if the property is redeemed by a single lump-sum payment made
2 within a period to be determined by the foreclosing governmental
3 unit.

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

22 (d) If a property owner has paid a reduced amount under this
23 subsection in accordance with the terms, conditions, and time
24 period established by the county treasurer, any remaining unpaid
25 taxes, interest, penalties, and fees otherwise payable shall be
26 canceled by the county treasurer, including, but not limited to,
27 any interest, fee, or penalty payment requirements set forth in a
28 delinquent property tax installment payment plan under section
29 78q(1) or a tax foreclosure avoidance agreement under section



1 78q(5) with respect to the property. A county treasurer shall not
2 impose any additional interest, penalties, fees, or other charges
3 of any kind in connection with a payment reduction program under
4 this subsection.

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

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

12 (A) The full amount of any unpaid delinquent taxes on the
13 property.

14 (B) Interest under ~~section 78g(3)(b)~~ **subsection (3)(b)** and any
15 additional interest, fees, charges, and penalties otherwise
16 applicable to any unpaid taxes on the property, including, but not
17 limited to, interest, fees, charges, and penalties canceled under
18 subdivision (d).

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

21 (f) A foreclosing governmental unit may not approve a
22 reduction in the amount required to redeem property under this
23 subsection if the reduction would cause noncompliance with section
24 87c(7) or otherwise impermissibly impair an outstanding debt of the
25 county or any taxing unit.

26 (g) All payments collected in connection with property under
27 this subsection must be distributed to each taxing unit that has
28 certified to the county treasurer unpaid delinquent taxes for the
29 property in an amount based on the proportion that the taxing



1 unit's unpaid delinquent taxes certified to the county treasurer
2 bear to the total amount of unpaid delinquent taxes certified to
3 the county treasurer in connection with the property.

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

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

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

26 (a) A foreclosing governmental unit that seeks to implement a
27 program under subsection (8) shall provide written notice to the
28 treasurer of each affected local unit of government within the
29 county in which the property is located of the foreclosing



1 governmental unit's intent to implement the program and state that
2 the local unit of government has the option of participating in the
3 program. The notice must contain all of the terms and conditions to
4 be offered under the program, in addition to any other information
5 that the foreclosing governmental unit considers necessary or
6 appropriate.

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

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

24 (ii) Written notice of participation in the program, if the
25 local unit of government is located in a county other than one
26 described in subparagraph (i) and the governing body of the local
27 unit of government has approved a resolution to participate in the
28 program. All property within a local unit of government that
29 provides written notice of participation under this subparagraph



1 will be included in the program. Any affected local unit of
 2 government whose treasurer does not provide written notice of
 3 participation under this subparagraph is conclusively presumed to
 4 have declined to participate in the program, and all property
 5 within that local unit of government will be excluded from the
 6 program.

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

9 Sec. 78i. (1) Not later than May 1 immediately succeeding the
 10 forfeiture of property to the county treasurer under section 78g,
 11 the foreclosing governmental unit shall initiate a search of
 12 records identified in subsection (6) to identify the ~~owners of~~
 13 **persons with** a property interest in the property ~~who are~~ entitled
 14 to notice under this section of the show cause hearing under
 15 section 78j and the foreclosure hearing under section 78k. The
 16 foreclosing governmental unit may enter into a contract with 1 or
 17 more authorized representatives to perform a title search or may
 18 request from 1 or more authorized representatives another title
 19 search product to identify the ~~owners of~~ **persons with** a property
 20 interest in the property as required under this subsection or to
 21 perform other functions required for the collection of delinquent
 22 taxes under this act, **including, but not limited to, the**
 23 **administration of sections 78 to 79a.**

24 (2) After conducting the search of records under subsection
 25 (1), the foreclosing governmental unit or its authorized
 26 representative shall determine the address reasonably calculated to
 27 apprise ~~those owners of a~~ **each person with a** property interest **in a**
 28 **forfeited property** of the show cause hearing under section 78j and
 29 the foreclosure hearing under section 78k and shall send notice of



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

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

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

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

24 (d) For a business entity other than a partnership, a search
 25 of business entity records filed with the department of ~~labor and~~
 26 ~~economic growth~~ **licensing and regulatory affairs**.

27 (3) The foreclosing governmental unit or its authorized
 28 representative or authorized agent shall make a personal visit to
 29 each ~~parcel of~~ property forfeited to the county treasurer under



1 section 78g to ascertain whether or not the property is occupied.
 2 If the property appears to be occupied, the foreclosing
 3 governmental unit or its authorized representative shall do all of
 4 the following:

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

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

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

22 (d) If the foreclosing governmental unit or its authorized
 23 representative ~~is not able to~~ **does not** personally meet with the
 24 occupant, the foreclosing governmental unit or its authorized
 25 representative shall place ~~the notice in a conspicuous manner on~~
 26 ~~the property and shall also place in a conspicuous manner~~ **location**
 27 on the property a notice that explains, in plain English, that the
 28 property will be foreclosed unless forfeited unpaid delinquent
 29 taxes, interest, penalties, and fees **owed on the property** are paid,



1 the time within which forfeited unpaid delinquent taxes, interest,
 2 penalties, and fees must be paid, and the names, addresses, and
 3 telephone numbers of agencies or other resources that may be
 4 available to assist ~~the occupant to avoid~~ **a person with an interest**
 5 **in the property with avoiding the** loss of the property interest and
 6 **any equity associated with the property interest. The notice also**
 7 **must include an explanation of the right of a person with an**
 8 **interest in the property at the time a judgment of foreclosure of**
 9 **the property is effective under section 78k to claim that person's**
 10 **interest in any remaining proceeds pursuant to section 78t after a**
 11 **sale or transfer of the property under section 78m.** If this state
 12 is the foreclosing governmental unit within a county, the
 13 department of treasury **or its authorized representative** shall
 14 perform the personal visit to each ~~parcel of~~ property under this
 15 subsection on behalf of this state.

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

21 (5) If the foreclosing governmental unit or its authorized
 22 representative is unable to ascertain ~~the~~ **an** address reasonably
 23 calculated to apprise ~~the owners of~~ **a person with** a property
 24 interest entitled to notice under this section, or is unable to
 25 notify ~~the owner of~~ **a person with** a property interest under
 26 subsection (2), ~~the notice shall be made~~ **foreclosing governmental**
 27 **unit shall provide notice** by publication as provided in this
 28 subsection and section 78s. ~~A~~ **The** notice ~~shall~~ **must** be inserted for
 29 2 successive weeks, once each week, in a notice publication



1 circulated in the county in which the property is located. ~~This~~
 2 ~~notice shall be instead of notice under subsection (2).~~ If a notice
 3 publication is not circulated in the county in which the property
 4 is located, the foreclosing governmental unit shall insert the
 5 notice in a notice publication circulated in an adjoining county.
 6 In addition to provision of notice in a notice publication, the
 7 foreclosing governmental unit may also post the notice under this
 8 subsection for not less than 14 days on a website, including, but
 9 not limited to, a website maintained by the foreclosing
 10 governmental unit.

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

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

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

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

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

22 (7) The notice required under subsections (2) and (3) ~~shall~~
 23 **must** include all of the following:

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

26 (b) A statement that the person notified may lose ~~his or her~~
 27 **that person's** interest in the property **and any equity associated**
 28 **with that property interest** as a result of the foreclosure
 29 proceeding under section 78k.



1 (c) A legal description or parcel number of the property and,
 2 **if available**, 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~~**will** vest absolutely in the foreclosing governmental
 16 unit and that all existing interests in oil or gas in that property
 17 ~~shall~~**will** 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 PA
 25 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
 28 immediately succeeding the entry of a judgment foreclosing the
 29 property under section 78k, or in a contested case 21 days after



1 the entry of a judgment foreclosing the property under section 78k.

2 (i) An explanation of the right of a person with an interest
3 in the property at the time a judgment of foreclosure of the
4 property is effective under section 78k to claim that person's
5 interest in any remaining proceeds pursuant to section 78t after a
6 sale or transfer of the property under section 78m.

7 (8) The published notice required under subsection (5) ~~shall~~
8 **must** include all of the following:

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

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

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

13 (d) The date and time of the show cause hearing under section
14 78j.

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

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

26 (i) The interests of a lessee or an assignee of an interest of
27 a lessee under an oil or gas lease in effect as to that property or
28 any part of that property if the lease was recorded in the office
29 of the register of deeds in the county in which the property is



1 located before the date of filing the petition for foreclosure
2 under section 78h.

3 (ii) Interests preserved as provided in section 1(3) of 1963 PA
4 42, MCL 554.291.

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

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

17 (ii) Interests preserved as provided in section 1(3) of 1963 PA
18 42, MCL 554.291.

19 (h) **An explanation of the right of a person with an interest**
20 **in the property at the time a judgment of foreclosure of the**
21 **property is effective under section 78k to claim that person's**
22 **interest in any remaining proceeds pursuant to section 78t after a**
23 **sale or transfer of the property under section 78m.**

24 (9) ~~The owner of~~ **A person with** a property interest ~~who has~~
25 ~~been properly served~~ **under this section** with a notice of the show
26 cause hearing under section 78j and the foreclosure hearing under
27 section 78k ~~and who failed~~ **that fails** to redeem the property as
28 provided under this act shall not assert any of the following:

29 (a) That notice was insufficient or inadequate on the grounds



1 that some other ~~owner of~~ **person with** a property interest was not
2 also served.

3 (b) That the redemption period provided under this act was
4 extended in any way on the grounds that some other ~~owner of~~ **person**
5 **with** a property interest was not also served.

6 (c) **That the person did not receive the notice required by law**
7 **of the show cause hearing under section 78j or the foreclosure**
8 **hearing under section 78k.**

9 (10) The failure of the foreclosing governmental unit to
10 comply with any provision of this section ~~shall~~ **does** not invalidate
11 any proceeding under this act if the ~~owner of~~ **person with** a
12 property interest ~~or a person to whom a tax deed was issued is~~
13 ~~accorded~~ **is notified of the show cause hearing under section 78j**
14 **and the foreclosure hearing under section 78k consistent with** the
15 minimum due process required under the state constitution of 1963
16 and the ~~constitution~~ **Constitution** of the United States.

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

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

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

22 (c) A person accredited in land title search procedures by a
23 nationally recognized organization in the field of land title
24 searching.

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

27 (12) The provisions of this section relating to notice of the
28 show cause hearing under section 78j and the foreclosure hearing
29 under section 78k are exclusive and exhaustive. Other requirements



1 relating to notice or proof of service under other law, rule, or
 2 legal requirement are not applicable to notice and proof of service
 3 under this section.

4 Sec. 78l. (1) If a judgment for foreclosure is entered under
 5 section 78k and all existing recorded and unrecorded interests in a
 6 ~~parcel of property~~ are extinguished as provided in section 78k, the
 7 owner of any extinguished recorded or unrecorded interest in that
 8 property ~~who claims that he or she did not receive any notice~~
 9 ~~required under this act~~ shall not bring an action, **including an**
 10 **action** for possession **or recovery** of the property ~~against any~~
 11 ~~subsequent owner, but may only bring an action to recover monetary~~
 12 ~~damages as provided in this section.~~

13 ~~(2) The court of claims has original and exclusive~~
 14 ~~jurisdiction in any action to recover monetary damages under this~~
 15 ~~section.~~

16 ~~(3) An action to recover monetary damages under this section~~
 17 ~~shall not be brought more than 2 years after a judgment for~~
 18 ~~foreclosure is entered under section 78k.~~

19 ~~(4) Any monetary damages recoverable under this section shall~~
 20 ~~be determined as of the date a judgment for foreclosure is entered~~
 21 ~~under section 78k and shall not exceed the fair market value of the~~
 22 ~~interest in the property held by the person bringing the action~~
 23 ~~under this section on that date, less any taxes, interest,~~
 24 ~~penalties, and fees owed on the property as of that date.~~**or any**
 25 **interests in the property or of any proceeds from the sale or**
 26 **transfer of the property under this act, or other violation of this**
 27 **act or other law of this state, the state constitution of 1963, or**
 28 **the Constitution of the United States more than 2 years after the**
 29 **judgment of foreclosure of the property is effective under section**



1 78k.

2 (2) ~~(5)~~—The right to sue for monetary damages under **recognized**
3 **by** this section is not transferable except by testate or intestate
4 succession.

5 Sec. 78t. (1) A claimant may submit a notice of intention to
6 claim an interest in any applicable remaining proceeds from the
7 sale or transfer of property foreclosed under section 78k after
8 December 31, 2020 pursuant to subsection (2). Subject to section
9 78l, a claimant may file a claim for applicable remaining proceeds
10 from the sale or transfer of property foreclosed under section 78k
11 before January 1, 2021 pursuant to subsection (6).

12 (2) For property foreclosed under section 78k after December
13 31, 2020, by the July 1 immediately following the effective date of
14 the foreclosure of the property, a claimant seeking remaining
15 proceeds for the property must notify the foreclosing governmental
16 unit using a form prescribed by the department of treasury. The
17 department of treasury shall make the form available to the public
18 on an internet website maintained by the department of treasury. A
19 foreclosing governmental unit shall make the form available to the
20 public on an internet website maintained by the foreclosing
21 governmental unit if the foreclosing governmental unit maintains an
22 internet website. Notice to a foreclosing governmental unit under
23 this subsection must be by personal service acknowledged by the
24 foreclosing governmental unit or by certified mail, return receipt
25 requested. The notice must be notarized and include all of the
26 following:

- 27 (a) The name of the claimant.
28 (b) The telephone number of the claimant.
29 (c) The address at which the claimant wants to receive



1 service.

2 (d) The parcel identification number of the property, and, if
3 available, the address of the property.

4 (e) An explanation of the claimant's interest in the property.

5 (f) A description of any other interest in the property
6 immediately before the foreclosure under section 78k held by other
7 persons and known by the claimant, including a lien or a mortgage.

8 (g) A sworn statement or affirmation by the claimant that the
9 information included in the notice is accurate.

10 (3) Not later than the January 31 immediately succeeding the
11 sale or transfer of the property under section 78m, the foreclosing
12 governmental unit shall send by certified mail, return receipt
13 requested, a notice in a form prescribed by the department of
14 treasury to each claimant that notified the foreclosing
15 governmental unit pursuant to subsection (2). The notice must
16 include the following information:

17 (a) The parcel identification number of the property.

18 (b) The legal description of the property.

19 (c) The address for the property if an address is available
20 for the property.

21 (d) The date on which the property was sold or transferred
22 under section 78m or, if the property was not sold or transferred
23 under section 78m, a statement indicating that the property was not
24 sold or transferred.

25 (e) The minimum bid for the property as determined by the
26 foreclosing governmental unit under section 78m.

27 (f) The amount for which the property was sold or transferred
28 under section 78m.

29 (g) The amount of the sale commission for the property, which



1 must be equal to 5% of the amount under subdivision (f).

2 (h) The amount of any outstanding unpaid state, federal, or
3 local tax collecting unit tax liens on the property immediately
4 preceding the effective date of the foreclosure of the property
5 under section 78k based on the records of the foreclosing
6 governmental unit.

7 (i) The total amount of any remaining proceeds, or the amount
8 of the shortfall in proceeds if the minimum bid under section 78m
9 and other fees incurred by the foreclosing governmental unit in
10 foreclosing and selling the property under section 78m exceed the
11 amount received by the foreclosing governmental unit from a sale or
12 transfer of the property under section 78m.

13 (j) The name and address provided by each claimant for the
14 property pursuant to subsection (2).

15 (k) A statement that a claimant must file pursuant to
16 subsection (4) a motion with the circuit court in the same
17 proceeding in which the judgment of foreclosure of the property was
18 effective under section 78k to claim any remaining proceeds payable
19 to the claimant.

20 (4) For a claimant seeking remaining proceeds from the sale or
21 transfer of a property foreclosed under section 78k after December
22 31, 2020, after receipt of a notice under subsection (3), the
23 claimant may file a motion with the circuit court in the same
24 proceeding in which the judgment of foreclosure of the property was
25 effective under section 78k to claim any portion of the remaining
26 proceeds that the claimant is entitled to under this section. A
27 motion under this subsection must be filed during the period
28 beginning on February 1 immediately succeeding the date on which
29 the property was sold or transferred under section 78m and ending



1 on the immediately succeeding May 15, and may not be filed after
2 that May 15 if notice was provided under section 78i of the show
3 cause hearing under section 78j and the foreclosure hearing under
4 section 78k before the show cause hearing and the foreclosure
5 hearing, notwithstanding section 78l.

6 (5) At the end of the claim period described in subsection
7 (4), the foreclosing governmental unit shall file with the circuit
8 court proof of service of the notice required under subsection (3)
9 and, for each property for which a claimant provided notice under
10 subsection (2), a list of all of the following information:

11 (a) The parcel identification number of the property.

12 (b) The legal description of the property.

13 (c) The address for the property if an address is available
14 for the property.

15 (d) The date on which the property was sold or transferred
16 under section 78m or, if the property was not sold or transferred
17 under section 78m, a statement indicating that the property was not
18 sold or transferred.

19 (e) The minimum bid for the property as determined by the
20 foreclosing governmental unit under section 78m.

21 (f) The amount for which the property was sold or transferred
22 under section 78m.

23 (g) The amount of the sale commission for the property, which
24 must be equal to 5% of the amount under subdivision (f).

25 (h) The amount of any outstanding unpaid state, federal, or
26 local tax collecting unit tax liens on the property immediately
27 preceding the effective date of the foreclosure of the property
28 under section 78k based on the records of the county treasurer.

29 (i) The amount of any remaining proceeds, or the amount of the



1 shortfall in proceeds if the minimum bid under section 78m and
2 other fees incurred in foreclosing and selling the property exceed
3 the amount received by the foreclosing governmental unit from a
4 sale or transfer of the property under section 78m.

5 (j) The name and address provided by each claimant for the
6 property pursuant to subsection (2).

7 (6) For a claimant seeking remaining proceeds from the sale or
8 transfer of a property foreclosed under section 78k before January
9 1, 2021, the claimant may file a motion with the circuit court in
10 the same proceeding in which a judgment of foreclosure was
11 effective under section 78k to claim any portion of the remaining
12 proceeds that the claimant is entitled to under this section,
13 subject to section 78l. The motion must be certified and include all
14 of the following:

15 (a) The name of the claimant filing the motion.

16 (b) The telephone number of the claimant.

17 (c) The address at which the claimant wants to receive
18 service.

19 (d) The parcel identification number of the property, and, if
20 available, the address of the property.

21 (e) An explanation of the claimant's interest in the property.

22 (f) A description of any other interest in the property,
23 including a lien or a mortgage, immediately before the foreclosure
24 under section 78k held by any other person or entity and known by
25 the claimant.

26 (g) A sworn statement or affirmation by the claimant that the
27 information included in the motion is accurate.

28 (7) At the end of the claim period described in subsection (4)
29 or after receipt of a motion under subsection (6), the foreclosing



1 governmental unit shall file with the circuit court proof of
2 service of the notice required under subsection (3) and, for each
3 property for which a claimant provided notice under subsection (2)
4 or filed a motion under subsection (6), a list of all of the
5 following information:

6 (a) The parcel identification number of the property.

7 (b) The legal description of the property.

8 (c) The address for the property if an address is available
9 for the property.

10 (d) The date on which the property was sold or transferred
11 under section 78m or, if the property was not sold or transferred
12 under section 78m, a statement indicating that the property was not
13 sold or transferred.

14 (e) The minimum bid for the property as determined by the
15 foreclosing governmental unit under section 78m.

16 (f) The amount for which the property was sold or transferred
17 under section 78m.

18 (g) The amount of the sale commission for the property, which
19 must be equal to 5% of the amount under subsection (f).

20 (h) The amount of any remaining proceeds, or the amount of the
21 shortfall in proceeds if the minimum bid under section 78m and
22 other fees incurred in foreclosing and selling the property exceed
23 the amount received by the foreclosing governmental unit from a
24 sale or transfer of the property under section 78m.

25 (i) The amount of any outstanding unpaid state, federal, or
26 local tax collecting unit tax liens on the property immediately
27 preceding the effective date of the foreclosure of the property
28 under section 78k based on the records of the county treasurer.

29 (j) The name and address provided by each claimant for the



1 property pursuant to subsection (2) or (6).

2 (8) A motion by a claimant under this section must provide the
3 specific basis for the claimant's asserted interest in some or all
4 of the remaining proceeds, including the claimant's interest in the
5 property immediately before its foreclosure under section 78k and
6 documentation evidencing that interest. The claimant also shall
7 affirm that the claimant did not transfer and was not otherwise
8 divested of the claimant's interest in the property before the
9 judgment of foreclosure was effective under section 78k. If a
10 claimant had a lien or other security interest in the property at
11 the time the judgment of foreclosure was effective under section
12 78k, the claimant shall indicate the amount owed to the claimant
13 pursuant to the lien or security interest and the priority of the
14 claimant's lien or security interest. The motion must be verified
15 and include a sworn statement or affirmation by the claimant of its
16 accuracy. A claimant filing a motion under this section must serve
17 a copy of the motion on the foreclosing governmental unit.

18 (9) After the foreclosing governmental unit responds to a
19 claimant's motion under this section, the court shall set a hearing
20 date and time for each property for which 1 or more claimants filed
21 a motion under this section and notify each claimant and the
22 foreclosing governmental unit of the hearing date at least 21 days
23 before the hearing date. At the hearing, the court shall determine
24 the relative priority and value of the interest of each claimant in
25 the foreclosed property immediately before the foreclosure was
26 effective. The foreclosing governmental unit may appear at the
27 hearing. The burden of proof of a claimant's interest in any
28 remaining proceeds for a claimant is on the claimant. The court
29 shall require payment to the foreclosing governmental unit of a



1 sale commission equal to 5% of the amount for which the property
2 was sold by the foreclosing governmental unit. The court shall
3 allocate any remaining proceeds based upon its determination and
4 order that the foreclosing governmental unit pay applicable
5 remaining proceeds to 1 or more claimants consistent with its
6 determination under this subsection. An order for the payment of
7 remaining proceeds must not unjustly enrich a claimant at the
8 expense of the public. The order must provide for the payment of
9 any unpaid amounts not otherwise payable to another claimant owed
10 by a claimant to satisfy a state, federal, or local tax collecting
11 unit tax lien on the property immediately preceding the effective
12 date of the foreclosure under section 78k if the lien had priority
13 over the claimant's interest in the property. The order also must
14 provide that any further claim by a claimant under this act
15 relating to the foreclosed property is barred.

16 (10) The foreclosing governmental unit shall pay the amounts
17 ordered by the court to the claimants and any other persons ordered
18 by the court under subsection (9) within 21 days of the order
19 pursuant to section 78m.

20 (11) A right to claim remaining proceeds under this section is
21 not transferable except by testate or intestate succession.

22 (12) As used in this section:

23 (a) "Claimant" means a person with a legal interest in
24 property immediately before the effectiveness of a judgment of
25 foreclosure of the property under section 78k who seeks pursuant to
26 this section recognition of its interest in any remaining proceeds
27 associated with the property.

28 (b) "Remaining proceeds" means the amount equal to the
29 difference between the amount paid to the foreclosing governmental



1 unit for a property due to the sale or transfer of the property
2 under section 78m and the sum of all of the following:

3 (i) The minimum bid under section 78m.

4 (ii) All other fees and expenses incurred by the foreclosing
5 governmental unit pursuant to section 78m in connection with the
6 forfeiture, foreclosure, sale, maintenance, repair, and remediation
7 of the property not included in the minimum bid.

8 (iii) A sale commission payable to the foreclosing governmental
9 unit equal to 5% of the amount paid to the foreclosing governmental
10 unit for the property.

11 Enacting section 1. Sections 78g and 78i of the general
12 property tax act, 1893 PA 206, MCL 211.78g and 211.78i, as amended
13 by this amendatory act, take effect January 1, 2021.

14 Enacting section 2. This amendatory act does not take effect
15 unless Senate Bill No. 676 of the 100th Legislature is enacted into
16 law.

17 Enacting section 3. This amendatory act is curative and is
18 intended to codify and give full effect to the right of a former
19 holder of a legal interest in property to any remaining proceeds
20 resulting from the foreclosure and sale of the property to satisfy
21 delinquent real property taxes under the general property tax act,
22 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan
23 supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849,
24 consistent with the legislative findings and intent under section
25 78 of the general property tax act, 1893 PA 206, MCL 211.78.

