

HOUSE BILL No. 5715

March 24, 1992, Introduced by Reps. DeLange, Weeks, Dolan, Saunders, Randall, Gernaat, Gnodtke, Brackenridge, Goss, Dresch, Sparks, Oxender, Hillegonds, Dalman, Bryant and Bennett and referred to the Committee on Taxation.

A bill to amend sections 57, 60, 61, 73c, 74, 108, 131, 131c, and 131e of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

section 60 as amended by Act No. 503 of the Public Acts of 1982, sections 61 and 74 as amended by Act No. 539 of the Public Acts of 1982, and sections 131, 131c, and 131e as amended by Act No. 406 of the Public Acts of 1984, being sections 211.57, 211.60, 211.61, 211.73c, 211.74, 211.108, 211.131, 211.131c, and 211.131e of the Michigan Compiled Laws; and to add section 55a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 57, 60, 61, 73c, 74, 108, 131, 131c,
2 and 131e of Act No. 206 of the Public Acts of 1893, section 60 as
3 amended by Act No. 503 of the Public Acts of 1982, sections 61
4 and 74 as amended by Act No. 539 of the Public Acts of 1982, and

1 sections 131, 131c, and 131e as amended by Act No. 406 of the
2 Public Acts of 1984, being sections 211.57, 211.60, 211.61,
3 211.73c, 211.74, 211.108, 211.131, 211.131c, and 211.131e of the
4 Michigan Compiled Laws, are amended and section 55a is added to
5 read as follows:

6 SEC. 55A. (1) FOR TAXES RETURNED AS DELINQUENT AFTER
7 DECEMBER 31, 1992, THE DELINQUENT TAX ROLL OR ORIGINAL TAX ROLL,
8 IF USED AS A DELINQUENT TAX ROLL, SHALL IDENTIFY PARCELS THAT ARE
9 ABANDONED RESIDENTIAL PARCELS FOR WHICH THE TAXES ARE UNPAID.

10 (2) THE TREASURER OF THE LOCAL TAX COLLECTING UNIT MAY IDEN-
11 TIFY ADDITIONAL PARCELS AS ABANDONED RESIDENTIAL PARCELS NOT
12 LATER THAN 180 DAYS AFTER THE TAXES ON THE PROPERTY HAVE BEEN
13 RETURNED AS DELINQUENT.

14 (3) THE DELINQUENT TAX ROLL, ORIGINAL TAX ROLL, OR ANY SUP-
15 PLEMENTAL LIST OF PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL
16 PARCELS UNDER THIS SECTION SHALL CONTAIN AN AFFIDAVIT OF THE
17 OFFICIAL OF THE LOCAL TAX COLLECTING UNIT RESPONSIBLE FOR IDENTI-
18 FYING THOSE PARCELS IN SUBSECTION (1) INDICATING THAT THOSE PAR-
19 CELS MEET THE CRITERIA OF ABANDONED RESIDENTIAL PROPERTY.

20 (4) FOR PURPOSES OF THIS SECTION, PROPERTY IS PRESUMED TO BE
21 ABANDONED IF EITHER OF THE FOLLOWING APPLIES:

22 (A) THE LOCAL TAX COLLECTING UNIT OR A DESIGNATED PARTY
23 RECORDS WITH THE TREASURER OF THE LOCAL TAX COLLECTING UNIT AN
24 AFFIDAVIT STATING THE PROPERTY HAS BEEN DETERMINED ABANDONED AS
25 PROVIDED FOR IN SUBSECTION (7).

26 (B) THE LOCAL TAX COLLECTING UNIT OR A DESIGNATED PARTY
27 RECORDS WITH THE TREASURER OF THE LOCAL TAX COLLECTING UNIT AN

1 AFFIDAVIT STATING THE PROPERTY HAS BEEN DETERMINED ABANDONED
2 UNDER AN ORDINANCE PASSED BY THE GOVERNING BODY OF THE LOCAL TAX
3 COLLECTING UNIT THAT HAS PROCEDURAL REQUIREMENTS FOR TAX FORECLO-
4 SURE THAT ARE THE SAME AS OR STRICTER THAN THIS ACT. IF THE
5 PROPERTY IS DETERMINED ABANDONED UNDER A LOCAL ORDINANCE, THE
6 LOCAL TAX COLLECTING UNIT SHALL ALSO NOTIFY EACH PERSON WITH A
7 LEGAL INTEREST IN THE PROPERTY THAT THE PROPERTY IS TAX DELIN-
8 QUENT AND IS SUBJECT TO SALE THE FOLLOWING MAY.

9 (5) AN OWNER OR PERSON WITH A LEGAL INTEREST IN THE PROPERTY
10 MAY CLAIM THE PROPERTY IS NOT A PARCEL OF ABANDONED RESIDENTIAL
11 PROPERTY BY FILING WITH OR SENDING BY FIRST-CLASS MAIL TO THE
12 CLERK OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED AN AFFIDAVIT
13 STATING THAT THE OWNER OR PERSON WITH A LAWFUL INTEREST IN THE
14 PROPERTY IS OCCUPYING OR INTENDS TO OCCUPY THE PROPERTY.

15 (6) A DESIGNATED PARTY IS SUBJECT TO THE DIRECTION OF THE
16 LOCAL TAXING UNIT. THE LOCAL TAXING UNIT SHALL REVIEW A DESIG-
17 NATED PARTY ANNUALLY TO VERIFY COMPLIANCE WITH THE REQUIREMENTS
18 OF SUBSECTION (7)(B). A DESIGNATED PARTY'S STATUS MAY BE TERMI-
19 NATED FOR GOOD CAUSE SHOWN OR FAILURE TO COMPLY WITH THE REQUIRE-
20 MENTS OF SUBSECTION (7)(B).

21 (7) AS USED IN THIS ACT:

22 (A) "ABANDONED RESIDENTIAL PROPERTY" MEANS A PARCEL OF PROP-
23 ERTY CLASSIFIED AS RESIDENTIAL UNDER SECTION 34C, BUT EXCLUDING
24 PROPERTY USED FOR AGRICULTURAL PURPOSES, OR PROPERTY CLASSIFIED
25 AS COMMERCIAL UNDER SECTION 34C THAT IS USED FOR RESIDENTIAL PUR-
26 POSES, EITHER OF WHICH IS DETERMINED TO BE ABANDONED UNDER THE
27 FOLLOWING PROCEDURES:

1 (i) A REPRESENTATIVE OF THE LOCAL TAX COLLECTING UNIT OR A
2 DESIGNATED PARTY MADE A PERSONAL INSPECTION OF THE PROPERTY THAT
3 REVEALED THE OWNER OR A PERSON CLAIMING UNDER THE OWNER OR A
4 PERSON WITH A LEGAL INTEREST IN THE PROPERTY DOES NOT AND WILL
5 NOT OCCUPY THE PROPERTY.

6 (ii) A NOTICE WAS POSTED ON THE PROPERTY AT THE TIME OF THE
7 PERSONAL INSPECTION BY THE LOCAL TAX COLLECTING UNIT OR A DESIG-
8 NATED PARTY AND A NOTICE WAS SENT BY CERTIFIED MAIL TO EACH OWNER
9 AND PERSON WITH A LEGAL INTEREST IN THE PROPERTY ACCORDING TO THE
10 RECORDS OF THE LOCAL TREASURER. THE NOTICE SHALL INCLUDE ALL OF
11 THE FOLLOWING INFORMATION:

12 (A) THE LEGAL DESCRIPTION AND STREET ADDRESS OF THE
13 PROPERTY.

14 (B) THE PROPERTY IS TAX DELINQUENT, IS CONSIDERED ABANDONED,
15 AND IS SUBJECT TO SALE THE FOLLOWING MAY.

16 (C) THE PROPERTY, DUE TO ABANDONMENT, IS SUBJECT TO ACCELER-
17 ATED FORECLOSURE UNLESS THE OWNER OR A PERSON CLAIMING A LAWFUL
18 INTEREST RESPONDS WITHIN 15 DAYS AFTER RECEIPT OF THE NOTICE WITH
19 AN AFFIDAVIT PROVIDED FOR IN SUBSECTION (5).

20 (B) "DESIGNATED PARTY" MEANS A PERSON THAT HAS BEEN GIVEN
21 RESPONSIBILITY AND CONTROL WITH RESPECT TO A PARCEL OF ABANDONED
22 RESIDENTIAL PROPERTY UNDER A LOCAL ORDINANCE OR A PERSON DESIG-
23 NATED WITH RESPECT TO A PARCEL OF ABANDONED RESIDENTIAL PROPERTY
24 THAT MEETS THE FOLLOWING REQUIREMENTS, AS CERTIFIED BY A PROCE-
25 DURE ADOPTED BY THE GOVERNING BODY OF THE LOCAL TAXING UNIT TO
26 DETERMINE A DESIGNATED PARTY:

(i) QUALIFIES FOR EXEMPTION FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE.

(ii) HAS A DEMONSTRABLE CAPABILITY FOR HOME REHABILITATION OR COMMUNITY ECONOMIC DEVELOPMENT.

(iii) HAS A COMMUNITY BASED BOARD WITH 51% OR MORE OF BOARD MEMBERS BEING RESIDENTS OF THE LOCAL TAXING UNIT IN WHICH THE PROPERTY IS LOCATED.

(iv) HAS OPEN MEETINGS, MAINTAINS RECORDS OF MEETINGS, AND PREPARES FINANCIAL REPORTS.

Sec. 57. (1) When a county treasurer receives from a township, city, or village treasurer a statement of unpaid taxes, together with a list of the lands on which the same are delinquent, verified according to law, the county treasurer shall enter the same at length on the books in his OR HER office provided for that purpose. ~~and he~~ THE TREASURER shall make a statement of all descriptions of land returned as delinquent for unpaid taxes, except ~~such as may have been~~ THOSE rejected by him OR HER, with the several taxes assessed upon ~~such~~ THOSE descriptions respectively. ~~which~~ THE statement shall be compared by the county clerk with the statement of unpaid taxes filed by the township, city, or village treasurer, and if the county clerk finds it to be a true statement thereof, he OR SHE shall add to it a certificate that ~~he~~ THE COUNTY CLERK has, upon careful examination, found it correct. The statement, so made, compared, and certified, shall be considered the return of delinquent taxes by the county treasurer to the department of ~~the state~~ treasury under this act, and shall be completed not

1 later than May 1 next after the return to the county treasurer of
2 the statements of the several township treasurers. The state
3 treasurer, ~~when in his judgment it may be deemed~~ IF CONSIDERED
4 expedient, may extend for a period not to exceed 30 days the time
5 within which the statement shall be completed. The state trea-
6 surer shall promulgate rules and regulations governing and shall
7 supervise the preparation of the statement. The statement shall
8 be kept on file in the office of the several county treasurers as
9 custodians for the state treasurer and shall not be forwarded to
10 the state treasurer. The county treasurers shall perform ~~such~~
11 THE duties with respect to the maintenance and correction of the
12 statement as ~~shall be~~ prescribed by the state treasurer. The
13 keeping of the statement ~~shall take~~ TAKES the place of the
14 records of delinquent taxes in the department of the state trea-
15 sury before sale of lands delinquent for taxes, as PROVIDED in
16 this act. ~~provided.~~

17 (2) Within 120 days after the county treasurer ~~shall~~
18 ~~receive~~ RECEIVES from the township treasurer a statement of
19 unpaid taxes, together with a list of the lands on which the same
20 are delinquent, verified according to law, the county treasurer
21 shall mail to the persons assessed for those unpaid taxes as well
22 as the legal owner of the property, ~~in cases where~~ IF they are
23 not the same party, a notice that the ~~same~~ TAXES have been
24 returned to the county treasurer as unpaid. The notice shall
25 state the amount of taxes unpaid, and penalties, interest, and
26 charges ~~thereon~~ ON THE TAXES, and shall state that a

1 description of the property assessed is on file in the office of
2 the county treasurer.

3 (3) Within 120 days after March 1 of the year following the
4 return of the delinquent taxes to the county treasurer, the
5 county treasurer shall again mail the notice on all parcels for
6 which the tax is still unpaid. THIS SUBSECTION DOES NOT APPLY TO
7 PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SEC-
8 TION 55A.

9 (4) Any person who wishes at any time to receive notice of
10 the return of taxes on a parcel of property may pay an annual fee
11 not to exceed \$5.00 by February 1 to the county treasurer
12 together with a parcel identification number and address of the
13 property. ~~and the~~ THE county treasurer will thereafter notify
14 the person if the property is returned delinquent within that
15 year.

16 (5) The notices required by this section shall be sent by
17 first class mail, address correction requested.

18 Sec. 60. Those lands ~~which~~ THAT are returned as delin-
19 quent for taxes, and upon which taxes remain unpaid ~~and~~ after
20 their return under this act ~~and~~ or to the county treasurers of
21 the state, ~~shall be~~ ARE subject to disposition, sale, and
22 redemption for the enforcement and collection of the tax liens,
23 in the method and manner as provided in this act. On the first
24 Tuesday in May in each year, a tax sale shall be held in the
25 counties of this state by the county treasurers of those counties
26 for and in behalf of the state. At the tax sale, lands, OTHER
27 THAN ABANDONED RESIDENTIAL PROPERTY, delinquent for taxes

1 assessed in the third year preceding the sale or in a prior year
2 OR LAND IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SEC-
3 TION 55A DELINQUENT FOR TAXES ASSESSED IN THE SECOND YEAR PRECED-
4 ING THE SALE shall be sold for the total of the unpaid taxes of
5 those years. Delinquent tax sales shall include \$10.00 for
6 expenses, as provided in section 59, a county property tax admin-
7 istration fee of 4%, and interest computed at a rate of 1.25% per
8 month, except as provided in section 89, from the date the taxes
9 originally became delinquent pursuant to this act. In the dispo-
10 sition and sale of delinquent tax lands, the people of the state
11 ~~shall~~ have a valid lien upon the lands, with rights to enforce
12 the lien as a preferred or first claim upon the lands. The
13 rights and choses to enforce the lien ~~shall be~~ ARE the prima
14 facie rights of the state, and shall not be set aside or annulled
15 except in the manner and for the causes specified in this act.

16 Sec. 61. Before the time fixed for the annual tax sale,
17 the state treasurer shall cause to be prepared and filed in the
18 office of the county clerk in each county in which lands are to
19 be sold under this act, a petition addressed to the circuit court
20 for the county, stating by appropriate reference to lists or
21 schedules annexed to the petition a description of those lands in
22 the county upon which taxes have remained unpaid for more than 1
23 year after the lands were returned as delinquent, OR FOR LAND
24 IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A,
25 90 DAYS AFTER THE LANDS WERE RETURNED AS DELINQUENT, and the
26 total amount of the taxes, with interest computed on the amount
27 as provided in this act to May 1 following the filing of the

1 petition, and a county property tax administration fee of 4%
2 extended separately against each parcel of land. Ten dollars
3 shall be added to the total amount against each parcel for
4 expenses as provided in section 59. The petition shall seek a
5 judgment in favor of the state against the land for the payment
6 of the several amounts specified, and in default of those
7 amounts, that the lands be sold. The petition shall be signed by
8 the state treasurer or his or her authorized representative and
9 need not be otherwise verified. ~~, and shall be~~ THE PETITION IS
10 considered equivalent to a bill in chancery to enforce the lien
11 for the taxes, interest, and charges, averring their validity,
12 that the amounts have not been paid, and seeking a sale to pay
13 the lien. Lands bid off in the name of the state and thus held,
14 and on which taxes have been assessed subsequent to the tax for
15 which the lands were sold and purchased by the state, shall be
16 included in the petition for those subsequent taxes ~~which~~ THAT
17 have remained unpaid for more than 1 year after they were
18 returned as delinquent. The petition shall be in a substantial
19 record book, with the lists of lands and taxes annexed following
20 the petition in the book. The record shall be ruled with appro-
21 priate columns, INCLUDING 1 containing a description of the
22 lands, with other columns as the state treasurer finds
23 necessary. ~~The word petition shall include~~ AS USED IN THIS
24 SECTION, "PETITION" INCLUDES the lists annexed to the petition.
25 The record shall be called tax record. Parts of descriptions of
26 land upon which taxes are paid before sale, or which are withheld
27 from sale, the amount paid on taxes before sale, the amount of

1 taxes, interest, and charges adjudged against lands, special
2 orders made by the court relating to a parcel of land or any tax,
3 the interest in each parcel of land sold, the name of each pur-
4 chaser and his or her address, and the number of certificate of
5 sale shall be entered in the record under their appropriate head-
6 ings, opposite the description of lands affected. The county
7 treasurer shall, under the direction of the state treasurer, pre-
8 pare the lists and schedules required in this section.

9 Sec. 73c. (1) Not later than 120 days OR FOR PARCELS IDEN-
10 TIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A, NOT
11 LATER THAN 60 DAYS, before the expiration of the redemption
12 period provided in section 74, the county treasurer of each
13 county shall send a notice to each person who, according to the
14 records of his OR HER office, has an interest in a piece or
15 parcel of land offered at the tax sale ~~provided in~~ UNDER sec-
16 tion 70 of this act ~~, and~~ THAT IS not yet redeemed. The county
17 treasurer shall also send notice to all other persons shown by
18 the records of the local assessing officer or local treasurer to
19 have an interest in those lands.

20 (2) On all parcels for which an address is known, the notice
21 shall also be mailed by regular mail addressed to "occupant" if
22 any of the following apply:

23 (a) A prior notice has not been sent to that address.

24 (b) A prior notice sent to that address has been forwarded
25 or returned as undeliverable, except as provided in subsection
26 (3).

1 (3) Certified mail notices returned as
 2 "undeliverable--unclaimed" shall be remailed by first class
 3 mail.

4 (4) The notice to those persons shall be in substantially
 5 the form prescribed below. On parcels bid off to the state and
 6 still a state bid, the notice shall be sent by certified mail
 7 with return receipt demanded, with postage fully prepaid. On all
 8 other parcels not redeemed, the notice shall be sent by first
 9 class mail, address correction requested.

10 Sir OR MADAM:

11 ~~You are hereby notified~~ THIS IS TO NOTIFY YOU that,
 12 according to the records of this office, the following piece or
 13 parcel of land, which you may have an interest in, was sold at
 14 the annual tax sale of May, 19..., for delinquent taxes of 19...,
 15 and prior years. Unless redeemed from ~~said~~ THE sale on or
 16 before 19..., the title to ~~said~~ THE land will vest
 17 and become absolute in the state of Michigan or if the taxes were
 18 paid by a private tax lien buyer, a tax deed will be issued by
 19 the state of Michigan entitling the buyer to collect all taxes
 20 paid plus a 50% penalty and other fees.

21

22 Very truly yours,

1County treasurer or

2 Assessor of.....

3 (5) The cost of mailing the notice ~~herein provided for~~
 4 UNDER THIS SECTION shall be paid to the county treasurer by the
 5 county.

6 (6) Failure to receive or serve the notice or a defect in
 7 the notice ~~shall~~ DOES not invalidate the proceedings taken
 8 under the ~~auditor general's~~ STATE TREASURER'S petition and
 9 ~~decree~~ ORDER of the circuit court ~~—~~ in foreclosure and sale
 10 of the lands for taxes.

11 Sec. 74. (1) Any person, city, or other political subdivi-
 12 sion ~~—~~ owning land sold pursuant to this act ~~—~~ or any inter-
 13 est in these lands, ~~may,~~ at any time before the first Tuesday
 14 of May in the year following the sale, OR FOR PARCELS IDENTIFIED
 15 AS ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A, BEFORE THE
 16 SECOND TUESDAY IN JULY OF THE YEAR OF THE SALE, MAY redeem any
 17 parcel of these lands, or any part or interest in these lands ~~—~~
 18 by showing to the satisfaction of the county treasurer or depart-
 19 ment of treasury that the person, city, or other political subdivi-
 20 sion owns only that part or interest in the land ~~which~~ THAT
 21 the person, city, or other political subdivision proposes to
 22 redeem, and by paying to the county treasurer or department of
 23 treasury the amount of the sale of the parcel of land, or the
 24 portion of the land wished to be redeemed, and interest ~~thereon~~
 25 ON THAT AMOUNT computed at a rate of 1.25% per month or fraction
 26 of a month, except as provided in section 89, from the first day

1 of the month in which the tax sale opened. If a person, city, or
2 other political subdivision owns less than the whole description
3 sold, the amount required to redeem that part shall be calculated
4 pursuant to section 53. Upon the payment of the redemption money
5 and interest computed at a rate of 1.25% per month, or fraction
6 of a month, except as provided in section 89, to the county trea-
7 surer pursuant to this section, the county treasurer shall issue
8 a redemption certificate in triplicate in a form prescribed by
9 the department of treasury. One of the triplicate certificates
10 shall be delivered to the person making the redemption payment, 1
11 shall be filed in the office of the county treasurer, and 1 shall
12 be immediately transmitted to the department of treasury. If the
13 county treasurer fails to forward the certificate to the depart-
14 ment of treasury as required by this section, the department of
15 treasury may take possession of the certificate in the office of
16 the county treasurer, and the certificates shall after that time
17 be part of the records and files of the department of treasury.

18 (2) The county treasurer shall also make a note of the
19 redemption certificate in the tax record book kept in his or her
20 office, with the name of the payee, and the date and amount
21 paid. All redemption certificates issued pursuant to this sec-
22 tion shall be consecutively numbered by the printer. The county
23 treasurer shall account for each certificate issued and forward a
24 weekly report to the department of treasury accounting for each
25 certificate issued.

26 (3) A certificate, and the entry ~~thereof~~ OF THE
27 CERTIFICATE by the county treasurer, shall be evidence of a

1 redemption payment in the courts of this state. However, each
 2 county treasurer shall make a full and complete report to the
 3 department of treasury of all redemption certificates issued by
 4 him or her during the redemption period. This report shall be
 5 made not later than 20 days after the expiration of the redemp-
 6 tion period. The department of treasury shall compel, in the
 7 manner provided by law, the filing of these reports, as provided
 8 by this section, by the county treasurers and for that purpose
 9 may incur ~~such expense as shall be~~ EXPENSES AS required.

10 (4) Upon a redemption at the office of the state treasurer,
 11 the state treasurer shall issue a redemption certificate in trip-
 12 licate in a form prescribed by him or her. The original shall be
 13 furnished to the person making the redemption, the duplicate
 14 shall be filed with the department of treasury, and the tripli-
 15 cate shall be sent to the county treasurer of the proper county
 16 who shall cause the proper entries to be made on the tax record
 17 of his or her county. This certificate, or a copy of the certifi-
 18 cate, and the entry ~~thereof~~ OF THE CERTIFICATE by the county
 19 treasurer, ~~shall be~~ IS evidence of a redemption payment in the
 20 courts of this state.

21 Sec. 108. (1) The ~~authorities of any~~ GOVERNING BODY OF A
 22 city or village, the charter of which does not so provide, may
 23 provide by ordinance for the return of all unpaid taxes on real
 24 property to the county treasurer in the same manner and with like
 25 effect ~~as~~ as returns by township treasurers. ~~In such case the~~
 26 THE words and characters by which the property is described on
 27 the village DELINQUENT tax roll ~~and~~ so returned ~~must~~ SHALL be

1 the same as the words and characters used to describe the
 2 property as it appears on the regular township roll. ~~and the~~
 3 THE county treasurer shall reject, as provided in section 55,
 4 ~~hereof,~~ any description returned by the village treasurer
 5 ~~which~~ THAT does not agree with the description as it appears on
 6 the regular township tax roll for the same year. The taxes
 7 ~~thus~~ returned shall be collected in the same manner as other
 8 taxes returned ~~as provided in~~ DELINQUENT UNDER this act. The
 9 ~~authorities of any~~ GOVERNING BODY OF A city or village, which
 10 ~~by its charter~~ has the right to sell lands for unpaid
 11 taxes or assessments, may provide for judicial sale of ~~such~~
 12 THOSE lands. ~~Such~~ THE sale shall be made on petition filed in
 13 behalf of the city or village in interest, and shall conform, as
 14 near as practicable, to the provisions ~~as to~~ FOR A sale ~~in~~
 15 UNDER this act. ~~Provided, That whenever any~~ HOWEVER, IF
 16 lands are offered at ~~such~~ sale that have been bid to the state
 17 at any tax sale made under the provisions of any general tax law,
 18 and upon which ~~such~~ bid or bids remain undischarged, ~~any~~ A
 19 sale made of ~~such~~ THOSE lands at the city tax sale ~~shall be~~
 20 IS conditioned upon the payment of the tax lien held by the state
 21 on ~~said~~ THE land, OTHER THAN LAND IDENTIFIED AS ABANDONED RESI-
 22 DENTIAL PROPERTY UNDER SECTION 55A, and the sale, so made, shall
 23 be void if the tax lien held by the state ~~shall remain~~ REMAINS
 24 unsatisfied.

25 (2) FOR A SALE OF ABANDONED RESIDENTIAL PROPERTY MADE UNDER
 26 SUBSECTION (1), ALL TAXES AND SPECIAL ASSESSMENTS THAT ARE A LIEN

1 AGAINST THAT PROPERTY ARE CANCELED. THE STATE AND EACH TAXING
2 UNIT SHALL BEAR THE LOSS OF THEIR TAX OWED.

3 (3) IF THE PROVISIONS OF THE CITY CHARTER FAIL TO PROVIDE
4 SPECIFIC PROVISIONS FOR THE SALE OF ABANDONED RESIDENTIAL PROP-
5 ERTY CONSISTENT WITH THE PROCEDURES OF THIS ACT, A CITY MAY PRO-
6 SCRIBE BY ORDINANCE A PROCEDURE FOR THE SALE OF ABANDONED RESI-
7 DENTIAL PROPERTY CONSISTENT WITH THE PROCEDURES OF THIS ACT.

8 Sec. 131. (1) The director of the department of natural
9 resources may, with the approval of the commission of natural
10 resources, withhold from sale any land ~~which~~ THAT he or she
11 determines to be suitable for state forests, state parks, state
12 game refuges, public hunting, or recreational grounds. The
13 director may set a minimum price for land not withheld from
14 sale. ~~All~~ EXCEPT AS PROVIDED IN SUBSECTION (2), ALL land not
15 withheld from sale and not held by a city or village shall be
16 offered for sale by the director, at a price to be determined by
17 the director, in accordance with Act No. 21 of the Public Acts of
18 1873, as amended, being sections 322.261 to ~~322.264~~ 322.266 of
19 the Michigan Compiled Laws. A bid shall not be accepted for less
20 than the minimum price set by the director. If no bids are
21 received or accepted by the director of the department of natural
22 resources, the director may sell the land to a person applying
23 for the purchase of the land at a price not less than the minimum
24 price affixed by the director. The proceeds of the sale, after
25 deducting costs paid by the department of natural resources for
26 maintaining the land in condition to protect the public health
27 and safety, shall be accounted for to the state, county,

1 township, and school district in which the land is situated, pro
2 rata according to their several interests in the land arising
3 from the nonpayment of taxes and special assessments on the land
4 as ~~such~~ THAT interest appears in the offices of the state,
5 county, city, and village treasurers. A person who purchases
6 land under this section shall, in addition to paying the purchase
7 price, pay to the state a fee of \$10.00 per parcel of land pur-
8 chased plus 5% of the purchase price. The \$10.00 charge and 5%
9 of the purchase price shall be deposited in the state treasury to
10 the credit of the delinquent property tax administration fund.

11 (2) LAND IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER
12 SECTION 55A SHALL BE CONVEYED BY THE DIRECTOR OF THE DEPARTMENT
13 OF NATURAL RESOURCES TO THE LOCAL GOVERNMENTAL UNIT IN WHICH THE
14 LAND IS LOCATED OR, IF THE LOCAL GOVERNMENTAL UNIT REFUSES THE
15 LAND, TO A DESIGNATED PARTY WITHIN 90 DAYS AFTER THE HEARING HELD
16 UNDER SECTION 131E. IF MORE THAN 1 DESIGNATED PARTY DESIRES THE
17 LAND, THE DESIGNATED PARTY THAT WAS ACTIVELY INVOLVED IN THE
18 IDENTIFICATION OF THE ABANDONED RESIDENTIAL PROPERTY SHALL BE THE
19 RECIPIENT OF THAT PROPERTY.

20 Sec. 131c. (1) Parcels may at any time before the first
21 Tuesday in November following the vesting of title in the state
22 be redeemed by the payment to the county treasurer of all amounts
23 due on the lands as delinquent taxes and special assessments,
24 which had been assessed or were a lien at the time title vested
25 in the state, together with interest and penalties on the taxes
26 or assessments ~~, along with~~ AND a processing fee of \$50.00 a
27 parcel, interest to be computed to the date of the application to

1 redeem and in accordance with this act or the charter of a
2 municipality collecting its own delinquent taxes and assessments
3 for tax and assessment liens of that municipality. Of each
4 \$50.00 per parcel processing fee, the county shall retain \$10.00
5 and shall transmit \$40.00 to the state treasurer for deposit in
6 the state treasury to the credit of the delinquent property tax
7 administration fund. After the redemption has been effected, the
8 state treasurer shall so certify to the department of natural
9 resources, which shall convey the land described in the certifi-
10 cate to the owner.

11 (2) ~~Any~~ A municipality may at any time before the first
12 Tuesday in November following the vesting of title in the state
13 of Michigan, withhold from sale any land lying within its bounda-
14 ries by filing with the department of natural resources an appli-
15 cation for the withholding, which application shall accurately
16 describe the land by its legal description according to the
17 records of the state treasurer or the department of natural
18 resources. The withholding shall only be effective until the
19 first Tuesday in November of the year following the date of with-
20 holding and shall not affect the right of the state to take pos-
21 session of the land and manage and rent the ~~same~~ LAND during
22 the period it is withheld. The land withheld may be redeemed by
23 the payment of all amounts as provided in subsection (1). If
24 land included in the application to withhold is not redeemed, the
25 land shall be administered by the department of natural resources
26 as provided in section 131.

1 (3) A municipality collecting its own delinquent taxes and
2 assessments may redeem the land as owner as provided in this
3 section if the municipality, either before or during the with-
4 holding period, has acquired title to the property by foreclosure
5 of its tax or assessment liens or otherwise, and in which fore-
6 closure proceeding the state need not be named as a party. The
7 redemption may be effected by payment in the same manner as pro-
8 vided in this section for redemption for the benefit of the
9 former owner except that all delinquent taxes and special assess-
10 ments ~~which~~ THAT had been assessed or were a lien at the time
11 title vested in the state shall be paid in full, together with
12 interest and penalties, ~~thereon,~~ interest to be computed to the
13 date of application to redeem and in accordance with the provi-
14 sions of the general tax laws, and the tax and assessment liens
15 of the municipality so redeeming need not be paid. After the
16 redemption has been effected, the state treasurer shall so cer-
17 tify to the department of natural resources, which shall convey
18 the land described in the certificate to the municipality.

19 (4) A redemption deed issued pursuant to this section shall
20 not be construed to vest in the grantee named in the deed any
21 title or interest in the lands beyond that which he or she would
22 have owned, had not title become vested in the state. ~~, but~~
23 HOWEVER, the grantee ~~shall be~~ IS entitled to a lien on the
24 lands, or on such parts of the land or interests in the land as
25 was not owned by him or her, for the amount paid upon the redemp-
26 tion or the portion of the amount as may be lawfully charged to
27 those parts or interests, in addition to the lien or other

1 interests before held by the grantee, ~~—~~ which lien may be
2 enforced in any court of competent jurisdiction as ~~in other~~
3 ~~cases of~~ FOR liens upon lands, with interest on the lien ~~on~~ AT
4 6% per year from the date of payment. The deed, except ~~in those~~
5 ~~cases where~~ IF there is redemption as owner by foreclosure
6 decree by a municipality collecting its own delinquent taxes and
7 assessments for tax and assessment liens of the municipality as
8 provided in subsection (3), shall operate to revive all titles,
9 ~~liens~~, and encumbrances, with their respective priorities, as
10 ~~the same~~ would have existed had not the title become vested in
11 the state, subject to the lien of the grantee named in the deed
12 as provided in this subsection.

13 (5) During the periods of redemption provided by subsection
14 (1) or (2), the director of the department of natural resources
15 or his or her authorized agent shall make a personal visit to
16 each parcel of land deeded to the state for the purpose of ascer-
17 taining whether or not the land is occupied. If the land appears
18 to be occupied, the director or his or her authorized agent shall
19 attempt to personally serve upon a person occupying the land a
20 copy of a notice, stating that the property has been deeded to
21 the state, and unless redeemed, shall be sold to the highest
22 bidder, deeded to a local unit of government, or retained by the
23 state. If unable to personally serve the notice, the notice
24 shall be placed in a conspicuous manner on the premises.

25 (6) THIS SECTION DOES NOT APPLY TO PARCELS IDENTIFIED AS
26 ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A.

1 Sec. 131e. (1) The redemption period on those lands deeded
2 to the state pursuant to section 67a on or after May 4, 1976,
3 ~~which~~ THAT have a state equalized valuation of \$1,000.00 or
4 more shall be extended until owners of a significant property
5 interest in the lands have been notified of a hearing before the
6 department of treasury. Proof of notice to those persons and
7 notice of the hearing shall be recorded with the register of
8 deeds in the county in which the property is located. THE EXTEN-
9 SION OF THE REDEMPTION PERIOD UNDER THIS SUBSECTION DOES NOT
10 APPLY TO PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY
11 UNDER SECTION 55A.

12 (2) The hearing shall be held to allow these owners to show
13 cause as to why the tax sale and the deed to the state should be
14 canceled for any of the reasons specified in section 98. The
15 hearing shall be held after the expiration of the redemption per-
16 iods provided by section 131c EXCEPT FOR HEARINGS ON PARCELS
17 IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY, WHICH SHALL BE HELD
18 WITHIN 6 MONTHS AFTER TITLE VESTS IN THE STATE.

19 (3) Following expiration of the redemption periods provided
20 by section 131c, property may be redeemed up to 30 days following
21 the date of hearing provided by this section by the payment of
22 the amounts provided for in subsection (4) and in section
23 131c(1), plus an additional penalty of 50% of the tax upon which
24 foreclosure was made. This additional penalty shall be credited
25 to the delinquent property tax administration fund. A redemption
26 under this section shall reinstate title as provided in section
27 131c(4).

1 (4) If property redeemed pursuant to this section has been
2 exempt from taxes levied in any year following the year in which
3 foreclosure was made due to the issuance of a deed to the state,
4 an amount equal to the sum of the following amounts shall be
5 paid, as required by subsection (3), before redemption of the
6 property:

7 (a) An amount computed by applying the special assessment
8 and ad valorem property tax rates levied by taxing units in which
9 the property is located in the years the property was exempt
10 against the most recently established state equalized valuation
11 of the property. For purposes of this subsection special assess-
12 ments ~~shall~~ DOES not include special assessments or special
13 assessment installments deferred pursuant to section 67a.

14 (b) Interest on the delinquent taxes or special assessments
15 to be computed from the date title vested in the state to the
16 date of the application to redeem pursuant to this section.

17 (c) Interest and penalties on taxes and special assessments
18 identified by subdivision (a) that would have been imposed by law
19 or charter and would have accrued if the property had not been
20 exempt, as of the date of the application to redeem pursuant to
21 this section.