



HOUSE BILL No. 4346

February 24, 1993, Introduced by Reps. DeLange and Murphy and referred to the Committee on Taxation.

A bill to amend sections 57, 60, 61, 73c, 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, section 61 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, 211.131, 211.131c, and 211.131e of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

5 Sec. 57. (1) When a county treasurer receives from a town-
6 ship, city, or village treasurer a statement of unpaid taxes,
7 together with a list of the lands on which the same are delin-
8 quent, verified according to law, the county treasurer shall
9 enter the same at length on the books in his OR HER office pro-
10 vided for that purpose. ~~and he~~ THE TREASURER shall make a
11 statement of all descriptions of land returned as delinquent for
12 unpaid taxes, except ~~such as may have been~~ THOSE rejected by
13 him OR HER, with the several taxes assessed upon ~~such~~ THOSE
14 descriptions respectively. ~~which~~ THE statement shall be com-
15 pared by the county clerk with the statement of unpaid taxes
16 filed by the township, city, or village treasurer, and if the
17 county clerk finds it to be a true statement thereof, he OR SHE
18 shall add to it a certificate that ~~he~~ THE COUNTY CLERK has,
19 upon careful examination, found it correct. The statement, so
20 made, compared, and certified, shall be considered the return of
21 delinquent taxes by the county treasurer to the department of
22 ~~the state~~ treasury under this act, and shall be completed not
23 later than May 1 next after the return to the county treasurer of
24 the statements of the several township treasurers. The state
25 treasurer, ~~when in his judgment it may be deemed~~ IF CONSIDERED
26 expedient, may extend for a period not to exceed 30 days the time
27 within which the statement shall be completed. The state

1 treasurer shall promulgate rules and regulations governing and
2 shall supervise the preparation of the statement. The statement
3 shall be kept on file in the office of the several county trea-
4 surers as custodians for the state treasurer and shall not be
5 forwarded to the state treasurer. The county treasurers shall
6 perform ~~such~~ THE duties with respect to the maintenance and
7 correction of the statement as ~~shall be~~ prescribed by the state
8 treasurer. The keeping of the statement ~~shall take~~ TAKES the
9 place of the records of delinquent taxes in the department of the
10 state treasury before sale of lands delinquent for taxes, as
11 PROVIDED in this act. ~~provided.~~

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

24 (3) Within 120 days after March 1 of the year following the
25 return of the delinquent taxes to the county treasurer, the
26 county treasurer shall again mail the notice on all parcels for
27 which the tax is still unpaid. THIS SUBSECTION DOES NOT APPLY TO

1 PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER
2 SECTION 55A.

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

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

12 Sec. 60. Those lands ~~which~~ THAT are returned as delin-
13 quent for taxes, and upon which taxes remain unpaid ~~and~~ after
14 their return under this act ~~and~~ or to the county treasurers of
15 the state, ~~shall be~~ ARE subject to disposition, sale, and
16 redemption for the enforcement and collection of the tax liens,
17 in the method and manner as provided in this act. On the first
18 Tuesday in May in each year, a tax sale shall be held in the
19 counties of this state by the county treasurers of those counties
20 for and in behalf of the state. At the tax sale, lands, OTHER
21 THAN ABANDONED RESIDENTIAL PROPERTY, delinquent for taxes
22 assessed in the third year preceding the sale or in a prior year
23 OR LAND IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SEC-
24 TION 55A DELINQUENT FOR TAXES ASSESSED IN THE SECOND YEAR PRECED-
25 ING THE SALE shall be sold for the total of the unpaid taxes of
26 those years. Delinquent tax sales shall include \$10.00 for
27 expenses, as provided in section 59, a county property tax

1 administration fee of 4%, and interest computed at a rate of
2 1.25% per month, except as provided in section 89, from the date
3 the taxes originally became delinquent pursuant to this act. In
4 the disposition and sale of delinquent tax lands, the people of
5 the state ~~shall~~ have a valid lien upon the lands, with rights
6 to enforce the lien as a preferred or first claim upon the
7 lands. The rights and choses to enforce the lien ~~shall be~~ ARE
8 the prima facie rights of the state, and shall not be set aside
9 or annulled except in the manner and for the causes specified in
10 this act.

11 Sec. 61. Before the time fixed for the annual tax sale,
12 the state treasurer shall cause to be prepared and filed in the
13 office of the county clerk in each county in which lands are to
14 be sold under this act ~~—~~ a petition addressed to the circuit
15 court for the county ~~—~~ stating by appropriate reference to
16 lists or schedules annexed to the petition a description of those
17 lands in the county upon which taxes have remained unpaid for
18 more than 1 year after the lands were returned as delinquent ~~—~~
19 ~~and~~ OR, FOR LAND IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY
20 UNDER SECTION 55A, 90 DAYS AFTER THE LANDS WERE RETURNED AS
21 DELINQUENT, the total amount of the taxes, with interest computed
22 on the amount as provided in this act to May 1 following the
23 filing of the petition, and a county property tax administration
24 fee of 4% extended separately against each parcel of land. Ten
25 dollars shall be added to the total amount against each parcel
26 for expenses as provided in section 59. The petition shall seek
27 a judgment in favor of the state against the land for the payment

1 of the several amounts specified, and in default of those
2 amounts, that the lands be sold. The petition shall be signed by
3 the state treasurer or his or her authorized representative and
4 need not be otherwise verified. ~~and shall be~~ THE PETITION IS
5 considered equivalent to a bill in chancery to enforce the lien
6 for the taxes, interest, and charges, averring their validity ~~and~~
7 AND that the amounts have not been paid, and seeking a sale to
8 pay the lien. Lands bid off in the name of the state and thus
9 held, and on which taxes have been assessed subsequent to the tax
10 for which the lands were sold and purchased by the state, shall
11 be included in the petition for those subsequent taxes ~~which~~
12 THAT have remained unpaid for more than 1 year after they were
13 returned as delinquent. The petition shall be in a substantial
14 record book, with the lists of lands and taxes annexed following
15 the petition in the book. The record shall be ruled with appro-
16 priate columns, INCLUDING 1 containing a description of the lands
17 ~~with~~ AND other columns as the state treasurer ~~finds~~
18 CONSIDERS necessary. The word petition ~~shall include~~ INCLUDES
19 the lists annexed to the petition. The record shall be called
20 tax record. Parts of descriptions of land upon which taxes are
21 paid before sale, or which are withheld from sale, the amount
22 paid on taxes before sale, the amount of taxes, interest, and
23 charges adjudged against lands, special orders made by the court
24 relating to a parcel of land or any tax, the interest in each
25 parcel of land sold, the name of each purchaser and his or her
26 address, and the number of THE certificate of sale shall be
27 entered in the record under ~~their~~ THE appropriate headings ~~and~~

1 opposite the description of lands affected. The county treasurer
2 shall, under the direction of the state treasurer, prepare the
3 lists and schedules required in this section.

4 Sec. 73c. (1) Not later than 120 days OR FOR PARCELS IDEN-
5 TIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A, NOT
6 LATER THAN 30 DAYS, before the expiration of the redemption
7 period provided in section 74, the county treasurer of each
8 county shall send a notice to each person who, according to the
9 records of his OR HER office, has an interest in a piece or
10 parcel of land offered at the tax sale ~~provided in~~ UNDER sec-
11 tion 70 of this act ~~, and~~ THAT IS not yet redeemed. The county
12 treasurer shall also send A notice to all other persons shown by
13 the records of the local assessing officer or local treasurer to
14 have an interest in those lands.

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

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

19 (b) A prior notice sent to that address has been forwarded
20 or returned as undeliverable, except as provided in subsection
21 (3).

22 (3) Certified mail notices returned as
23 "undeliverable--unclaimed" shall be remailed by first class
24 mail.

25 (4) ~~The notice to those persons shall be in substantially~~
26 ~~the form prescribed below.~~ On parcels bid off to the state and
27 still a state bid, the notice shall be sent by certified mail

1 with return receipt demanded, with postage fully prepaid. On all
 2 other parcels not redeemed, the notice shall be sent by first
 3 class mail, address correction requested. THE NOTICE UNDER THIS
 4 SECTION SHALL BE IN SUBSTANTIALLY THE FOLLOWING FORM:

5 Sir OR MADAM:

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

16

17 Very truly yours,

18County treasurer or

19 Assessor of.....

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

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

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

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

13 (2) A LOCAL TAX COLLECTING UNIT OR A COUNTY MAY FILE AN
14 APPLICATION WITH THE DEPARTMENT OF NATURAL RESOURCES REQUESTING
15 THE CONVEYANCE TO THE LOCAL TAX COLLECTING UNIT, THE COUNTY, OR A
16 DESIGNATED RECIPIENT OF PROPERTY IDENTIFIED AS ABANDONED RESIDEN-
17 TIAL PROPERTY UNDER SECTION 55A AND FOR WHICH THE REDEMPTION
18 PERIOD PROVIDED FOR UNDER SECTION 74 HAS EXPIRED. A COUNTY
19 FILING AN APPLICATION UNDER THIS SUBSECTION SHALL PROVIDE A COPY
20 OF THE APPLICATION AT THE TIME OF FILING TO THE ABANDONED RESI-
21 DENTIAL PROPERTY OFFICER OF THE LOCAL TAX COLLECTING UNIT. NOT
22 LATER THAN 45 DAYS AFTER THE FILING OF A COUNTY'S APPLICATION,
23 THE LOCAL TAX COLLECTING UNIT MAY FILE AN APPLICATION CERTIFYING
24 THAT A SPECIFIC PARCEL INCLUDED IN THE COUNTY'S APPLICATION IS A
25 DESIGNATED PARCEL AND REQUESTING THE CONVEYANCE OF THAT PARCEL TO
26 THE LOCAL TAX COLLECTING UNIT. AN APPLICATION CERTIFYING THAT A
27 PARCEL IS A DESIGNATED PARCEL SUPERSEDES THE APPLICATION OF THE

1 COUNTY WITH RESPECT TO THE PARCEL FOR WHICH A CERTIFICATION IS
2 MADE.

3 (3) PROPERTY FOR WHICH AN APPLICATION IS RECEIVED UNDER SUB-
4 SECTION (2) SHALL BE CONVEYED BY THE DIRECTOR OF THE DEPARTMENT
5 OF NATURAL RESOURCES WITHOUT CONSIDERATION TO THE LOCAL TAX COL-
6 LECTING UNIT, TO THE COUNTY IN WHICH THE LAND IS LOCATED, OR TO A
7 DESIGNATED RECIPIENT, WHICHEVER IS APPLICABLE, WITHIN 60 DAYS
8 AFTER THE EXPIRATION OF THE REDEMPTION PERIOD PROVIDED FOR UNDER
9 SECTION 131E. A DESIGNATED PARTY THAT IS DETERMINED BY THE ABAN-
10 DONED RESIDENTIAL PROPERTY OFFICER OF THE LOCAL TAX COLLECTING
11 UNIT OR THE COUNTY, WHICHEVER IS APPLICABLE, TO BE PRIMARILY
12 RESPONSIBLE FOR THE IDENTIFICATION OF THE ABANDONED RESIDENTIAL
13 PROPERTY SHALL BE OFFERED THE RIGHT TO BECOME A DESIGNATED RECIP-
14 IENT OF THAT PROPERTY BEFORE ANY OTHER DESIGNATED RECIPIENT IS
15 APPOINTED BY THE LOCAL TAX COLLECTING UNIT OR THE COUNTY.
16 HOWEVER, THIS SUBSECTION DOES NOT REQUIRE A LOCAL TAX COLLECTING
17 UNIT, A COUNTY, OR A DESIGNATED RECIPIENT TO ACCEPT A CONVEYANCE
18 OF PROPERTY.

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

1 act or the charter of a municipality collecting its own
2 delinquent taxes and assessments for tax and assessment liens of
3 that municipality. Of each \$50.00 per parcel processing fee, the
4 county shall retain \$10.00 and shall transmit \$40.00 to the state
5 treasurer for deposit in the state treasury to the credit of the
6 delinquent property tax administration fund. After the redemp-
7 tion has been effected, the state treasurer shall so certify to
8 the department of natural resources, which shall convey the land
9 described in the certificate to the owner. THIS SUBSECTION DOES
10 NOT APPLY TO PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY
11 UNDER SECTION 55A.

12 (2) ~~Any~~ A municipality ~~may~~ at any time before the first
13 Tuesday in November following the vesting of title in ~~the~~ THIS
14 state ~~of Michigan,~~ MAY withhold from sale any land lying within
15 its boundaries by filing with the department of natural resources
16 an application for the withholding, which application shall accu-
17 rately describe the land by its legal description according to
18 the records of the state reasurer or the department of natural
19 resources. The withholding shall only be effective until the
20 first Tuesday in November of the year following the date of with-
21 holding and shall not affect the right of the state to take pos-
22 session of the land and manage and rent the ~~same~~ LAND during
23 the period it is withheld. The land withheld may be redeemed by
24 the payment of all amounts as provided in subsection (1). If
25 land included in the application to withhold is not redeemed, the
26 land shall be administered by the department of natural resources
27 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 sec-
3 tion if the municipality, either before or during the withholding
4 period, has acquired title to the property by foreclosure of its
5 tax or assessment liens or otherwise, and in which foreclosure
6 proceeding the state need not be named as a party. The redemp-
7 tion may be effected by payment in the same manner as provided in
8 this section for redemption for the benefit of the former owner
9 except that all delinquent taxes and special assessments ~~which~~
10 THAT had been assessed or were a lien at the time title vested in
11 the state shall be paid in full, together with interest and
12 penalties, ~~thereon,~~ interest to be computed to the date of
13 application to redeem and in accordance with the provisions of
14 the general tax laws, and the tax and assessment liens of the
15 municipality so redeeming need not be paid. After the redemption
16 has been effected, the state treasurer shall so certify to the
17 department of natural resources, which shall convey the land
18 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 Sec. 131e. (1) The redemption period on those lands deeded
26 to the state pursuant to section 67a ~~on or after May 4, 1976,~~
27 ~~which~~ THAT have a state equalized valuation of \$1,000.00 or more

1 shall be extended until owners of a significant property interest
2 ~~in the~~ lands have been notified of a hearing before the depart-
3 ment of treasury. Proof of notice to those persons and notice of
4 the hearing shall be recorded with the register of deeds in the
5 county in which the property is located.

6 (2) The hearing shall be held to allow these owners to show
7 cause as to why the tax sale and the deed to the state should be
8 canceled for any of the reasons specified in section 98. The
9 hearing shall be held after the expiration of the redemption per-
10 iods provided by section 131c.

11 (3) Following expiration of the redemption periods provided
12 by section 131c, property may be redeemed up to 30 days following
13 the date of hearing provided by this section by the payment of
14 the amounts provided for in subsection (4) and in section
15 131c(1), plus an additional penalty of 50% of the tax upon which
16 foreclosure was made. This additional penalty shall be credited
17 to the delinquent property tax administration fund. A redemption
18 under this section shall reinstate title as provided in section
19 131c(4).

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

26 (a) An amount computed by applying the special assessment
27 and ad valorem property tax rates levied by taxing units in which

1 the property is located in the years the property was exempt
2 against the most recently established state equalized valuation
3 of the property. For purposes of this subsection special assess-
4 ments ~~shall~~ DOES not include special assessments or special
5 assessment installments deferred pursuant to section 67a.

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

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

4 (5) THE DEPARTMENT SHALL GIVE PREFERENCE TO NOTIFICATION AND
5 SCHEDULING OF HEARINGS FOR PROPERTY IDENTIFIED AS ABANDONED RESI-
6 DENTIAL PROPERTY UNDER SECTION 55A.