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**SFA****BILL ANALYSIS**

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Senate Bill 776 (as reported without amendment)  
Sponsor: Senator Virgil C. Smith, Jr.  
Committee: Finance

### **CONTENT**

The bill would amend the General Property Tax Act to provide that the City of Detroit or its "tax lien entity" could purchase any "tax lien" for delinquent taxes, charges, assessments, penalties, interest, or fees that was subject to collection by a county treasurer, if the property subject to a tax lien being collected by the county treasurer also were subject to a tax lien being collected by the city or a tax lien entity. A purchase of a tax lien under this provision could be made before or after tax sale by the county. Upon purchase, the city or the tax lien entity could enforce the tax lien in any manner in which the city or the tax lien entity was authorized to use to enforce a tax lien subject to collection by the city. After purchase, the portion of the tax lien purchased pursuant to the bill that represented delinquent taxes, charges, and assessments would be subject to interest and penalties at the same rate as that imposed by the city for delinquent taxes, charges, and assessments subject to collection by the city.

(The terms "tax lien" and "tax lien entity" would be defined by Senate Bill 778, which would create the "Michigan Tax Lien Sale and Collateralized Securities Act.)

MCL 211.107

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would allow the City of Detroit or its tax lien entity to purchase any tax lien for delinquent taxes or other charges from the county if the property also were subject to a city tax lien. The City of Detroit then could enforce the tax lien purchased from the county in the same manner as the enforcement of a city tax lien occurs.

Date Completed: 11-24-97

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.