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## **TAX REVERSION PROGRAM**

House Bill 4489 (Substitute H-1) Sponsor: Rep. Patricia Birkholz Committee: Local Government and Urban Policy

Complete to 5-10-99

## A SUMMARY OF HOUSE BILL 4489 (SUBSTITUTE H-1)

House Bill 4489 (Substitute H-1) would amend the General Property Tax Act to provide that for those taxes levied after December 31, 1998, tax delinquent property would be subject to forfeiture, foreclosure, and sale over a three-year period. Under current law, the process takes The bill also would reform the tax reversion program, and lodge primary about six years. responsibility for its administration with county treasurers. In particular, the bill would require that a property description and the amount of unpaid taxes on each property be included in the county tax record; compilation of a list of all tax-delinquent properties by the county treasurer, and the option of publishing the names of all tax delinquent property owners in the local newspaper; and, that ample notice of tax delinquency, forfeiture, and foreclosure be given in several separate mailings to all those known to have an interest in the property. Further, the bill would require that the county treasurer assess a \$35 fee for each parcel having unpaid taxes (increasing the current fee of \$10), and it would allow counties the option of having the state collect and return delinquent taxes to the county. The bill would prohibit counties from establishing Delinquent Tax Revolving Funds in some circumstances; establish a Land Reutilization Fund in the Department of Treasury; and alter property acquisition procedures in the Department of Natural Resources. Finally, the bill would repeal 21 sections of the General Property Tax Act on December 31, 2001, and an additional 37 sections on December 31, 2004. A more detailed explanation of the bill's provisions follows.

<u>Property Description</u>. The bill would require that the tax record include the amount of unpaid taxes; any penalties, interest, or charges due on the delinquent taxes; a description of the property; parts of description of property upon which taxes are paid before sale that are withheld from sale; the amount paid on taxes before sale; and, special orders made by the court relating to a parcel of property or any tax.

Annual Tax Sale. The annual tax sale would be set on May 20. Currently the annual tax sale is May 19.

<u>Essential Public Purpose</u>. The bill would set forth an essential public purpose, and would specify that it is the legislature's intent that the provisions of the act relating to the return, forfeiture, and foreclosure of property for delinquent taxes satisfy the minimum requirements of due process required under the Michigan and U.S. Constitutions.

State Collection Option. For 1999 only, within 60 days from the effective date of the bill, and then between January 1 and March 1 of subsequent years, a county board of commissioners (by resolution) with written concurrence of the county treasurer, could elect to have the state collect delinquent taxes within that county, beginning in the tax year immediately succeeding the year in which the resolution is adopted and in all succeeding tax years. If a county does so, the state would be required to pay to the local taxing units within that county all delinquent taxes collected. Although a county could opt for state control in any year, once the county chose state collection, it would be required to wait 10 years to rescind its state collection option.

<u>Delinquent Tax Collections Voluntary & Necessary</u>. The bill specifies that the collection by a county of taxes returned as delinquent is voluntary and is not an activity or service required of units of local government under the Michigan Constitution. However, the bill would specify that a county that did not elect to have the state collect delinquent taxes in the county would be required to do so itself, as provided under the bill.

Definition of County Treasurer (expanded for Wayne County and the City of Detroit). The bill would define county treasurer to mean one of the following: the treasurer of a county; the state treasurer for a county that elects by resolution to have the state collect taxes returned as delinquent; or, an authority created by agreement between a county treasurer and the treasurer of a local governmental unit within that county, to collect property taxes within that local governmental unit. If an authority is created under the bill, the local governmental unit would be prohibited from establishing a delinquent tax revolving fund. Under the bill, the authority would be allowed to retain a sufficient portion of the penalties and interest on delinquent taxes to pay any costs of collection of delinquent taxes and the enforcement of delinquent tax liens.

<u>Forfeiture</u>. The bill would provide that on March 1 in each year, taxes assessed in the immediately preceding year that remained unpaid would have to be returned as delinquent to the county treasurers for collection. Property delinquent for taxes assessed in the second year preceding the forfeiture or in a prior year would have to be forfeited to the county treasurer for the total of the unpaid taxes, interest, penalties, and fees of those years.

<u>County Property Tax Administration Fee</u>. Under the bill, a county property tax administration fee of 4 percent and interest computed at a rate of 1 percent per month, computed from the March 1 that the taxes originally became delinquent, would have to be assessed on property returned as delinquent. A county property tax administration fee could not be less than \$1.

<u>Land Re-utilization Fund</u>. If a county elected to have the state collect taxes returned as delinquent, the bill would require that all fees, penalties, and interest be deposited in the Land Re-utilization Funds, to be used only for the following purposes: contracting with title insurance companies; costs of determining addresses, service of notices, and recording fees; defense of title actions; and other costs incurred in administering the collection of delinquent taxes under the act.

<u>First and Second Notices of Delinquency</u>. Under the bill, on the June 1 immediately succeeding the March 1 that unpaid taxes were returned to the county treasurer as delinquent, the county treasurer would have to send the first notice, by first-class mail, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of such property as shown on the current records. On September 1, a second delinquent notice would be mailed.

Both notices would have to include all of the following: a) the date property on which unpaid taxes were returned as delinquent would be forfeited to the county treasurer for the unpaid delinquent taxes, interest, penalties, and fees; b) a statement that a person who holds legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding; c) a legal description or parcel number of the property and the street address of the property, if possible; d) the person or persons to whom the notice is addressed; e) the total taxes, interest, penalties, and fees due on the property; f) a statement that unless the taxes, interest, penalties, and fees are paid before the date of the foreclosure proceeding, absolute title to the property will vest in the county treasurer; and, g) a statement of the person's rights of redemption and notice that the rights of redemption will expire if the court enters an order foreclosing the property.

§35 Fee. The bill also provides that, on the October 1 following the March 1 that unpaid taxes were returned to the county treasurer as delinquent, the county treasurer would have to add a \$35 fee on each parcel for which delinquent taxes, interest, penalties, and fees remain unpaid.

<u>List of Property</u>. House Bill 4489 provides that on November 1 of each year, the county treasurer would have to prepare a list of all property subject to forfeiture and foreclosure for delinquent taxes. The list would have to include all property on which delinquent taxes, interest, penalties, and fees were unpaid on the November 1 following the March 1 that taxes levied on the property were returned as delinquent. The list would have to indicate for each parcel the total amount of delinquent taxes for all years, interest, penalties, and fees, computed to the date of the forfeiture.

By December 1, the county treasurer would have to determine, to the extent possible, all of the following based on the records contained in the county treasurer's office: the street address of the property; the name and address of the owners, the holder of any undischarged mortgage or other legal interest, and a subsequent purchaser under any land contract. The county treasurer could use the qualified voter list under the Michigan Election Law, county records, and other available sources in making this determination.

<u>Third Notice of Forfeiture with Published Addresses</u>. Under the bill, not later than February 1 immediately succeeding the March 1 that unpaid taxes were returned to the county treasurer as delinquent, the county treasurer would have to send the third notice, by certified mail return receipt requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of such property as shown on the current records.

This notice, like the first and second notices, would have to include all of the following: a) the date property on which unpaid taxes were returned as delinquent would be forfeited to the county treasurer for the unpaid delinquent taxes, interest, penalties, and fees; b) a statement that a person who holds legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding; c) a legal description or parcel number of the property and the street address of the property, if possible; d) the person or persons to whom the notice is addressed; e) the total taxes, interest, penalties, and fees due on the property; f) a statement that unless the taxes, interest, penalties, and fees are paid before the date of the foreclosure proceeding, absolute title to the property will vest in the county treasurer; and, g) a statement of the person's rights of redemption and notice that the rights of redemption will expire if the court enters an order foreclosing the property.

The bill would require that this notice also be mailed to the property by first-class mail, addressed to "Occupant", if the notice was not sent to the occupant by certified mail.

Newspaper Notices. Under the bill, a county treasurer could insert one or more additional notices in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication could be made in a newspaper published in an adjoining county. The county treasurer could publish the street address of the property subject to forfeiture, and the name of the person to whom a tax bill for property returned for delinquent taxes was last sent, or the name of the person identified as the owner of the property with delinquent taxes as shown on the current records of the county treasurer in a newspaper published and circulated in the county in which the property is located, if there is one, or in an adjoining county's newspaper if there is not.

<u>Property Forfeited to the County Treasurer</u>. Under the bill, on March 1 in each tax year, property, including certified abandoned property, that is delinquent for the immediately preceding 12 months or more would be forfeited to the county treasurer for the total among of the unpaid delinquent taxes, interest, fees, and penalties. If property is forfeited, the county treasure would not have right to possession until a judgment of foreclosure. Not more than 45 days after property is forfeited, the county treasure would be required to record with the county register of deeds a certificate for each parcel forfeited, specifying that absolute title would vest in the county treasurer upon entry of a judgment of foreclosure.

<u>Redemption</u>. Tax delinquent or certified abandoned property could be redeemed at any time before a judgment foreclosing the property was entered upon payment to the county treasurer of all of the following: the total amount of unpaid delinquent taxes, interest, penalties, and fees for which the property was forfeited; all additional taxes, interest, penalties, and fees due after forfeiture; additional interest computed at a noncompounded rate of one-half percent per month or fraction of a month, calculated from the immediately preceding October 1; and all fees for service of process.

If property were redeemed, the former owner would not acquire a title or interest in the property greater than the former owner would have had if the property had not been forfeited to the county treasurer.

<u>Foreclosure Petition and Notice</u>. Not later than May 1 in each tax year, the county treasurer would have to file a petition with the clerk of the circuit court listing the property forfeited and not redeemed for the total of unpaid delinquent taxes, interest, penalties, and fees. The petition would have to include the address of each parcel of property set forth in the petition, if available to the county treasurer. The petition would have to request that a judgment be entered vesting absolute title to each parcel of property in the county treasurer, without right of redemption. Before the hearing on the petition, the county treasurer would have to file with the clerk of the circuit court proof of any notice, service, or publication required.

If property were redeemed after the foreclosure petition was filed, the county treasurer would have to request that the circuit court remove that property from the petition before judgment foreclosing the property was entered.

The county treasurer could withhold from the petition property whose title was held by minor heirs or persons who were incompetent or without means of support until a guardian was appointed to protect their rights and interests. If a county treasurer withheld property from the petition, a taxing unit's lien for taxes due or the county treasurer's right to include the property in a subsequent petition for foreclosure would not be prejudiced.

<u>Foreclosure Hearing</u>. If a petition for foreclosure were filed, the clerk of the circuit court in which the petition was filed immediately would have to set the date, time, and place for a hearing, which would have to be held within 30 days before the March 1 immediately succeeding the date the petition was filed.

<u>Title Searches</u>. Under the bill, not later than May 1 immediate succeeding the forfeiture of property, the county treasurer to whom property was forfeited would be required to enter into a contract with one or more state licensed title insurance companies to conduct a title search to identify the owners of a recorded property interest in the property who are entitled to notice of the show cause hearing and the foreclosure hearing.

Show Cause Hearing and Notice. If a title insurance company identified the owners of a recorded property interest entitled to notice, the county treasurer would be required to determine the address reasonably calculated to apprise those owners of a recorded property interest of the show cause hearing and the foreclosure hearing and to send notice of those hearings to the owners by certified mail, return receipt requested, not less than 30 days before the hearing. The failure of the country treasurer to comply with any provision of this section would not invalidate any proceeding if the owner of a recorded property interest was accorded the minimum due process required under the Michigan Constitution.

<u>Personal Visits to Determine Occupancy</u>. Under the bill, the county treasurer (or an authorized representative) would be required to make a personal visit to each parcel of forfeited property to ascertain whether or not the property was occupied. If the property appeared to be occupied, the county treasurer would be required to attempt to personally serve a person occupying the property a copy of a notice of the show cause hearing and the foreclosure hearing. If unable to personally serve notice, the notice could be placed in a conspicuous manner on the property. If the state was collecting taxes returned as delinquent (at the county's request under the opt-out provision), the Department of Natural Resources would be required to perform the personal visit to each parcel on behalf of the state treasurer.

The county treasurer would be required to record the proof of service of the notice of the show cause hearing, the foreclosure hearing, and the personal visit to the property with the register of deeds, and also to the title insurance company under contract in the county. Within 10 days after receiving proof of service, the title insurance company would be required to notify the county treasurer in writing of any deficiency in service, and the county treasurer would be required to correct that deficiency and provide proof of the correction. If these efforts to serve notice were not successful because the whereabouts of owners could not be reasonably ascertained, then the county treasurer would be required to serve notice by publication. Under the bill, the notice would be published for three successive weeks, once each week, in a newspaper published in the county where the property is located, or an adjoining county if there is no newspaper in the county where the property is located. Proof of publication, by affidavit of the printer or publisher of the newspaper, would be recorded with the register of deeds.

Under the bill, the owner of a recorded property interest would not be entitled to notice unless that owner recorded his or her property interest in the property prior to the date that the county treasurer recorded the certificate for each parcel of property forfeited.

Under this section of the bill, the notice required would include: a) the date on which the property was forfeited to the county treasurer; b) a statement that a person notified may lose his or her interest in the property as a result of the foreclosure; c) a legal description or parcel number of the property and the street address of the property, if possible; d) the person or persons to whom the notice is addressed; e) the total taxes, interest, penalties, and fees due on the property; f) a statement that unless the taxes, interest, penalties, and fees are paid before judgment is entered in the foreclosure proceeding, absolute title to the property will vest in the county treasurer; g) a statement of the person's rights of redemption and notice that the rights of redemption will expire if the court enters an order foreclosing the property; h) the date of the show cause hearing; and i) the date of the hearing on the petition for foreclosure.

Show Cause Hearing and Notice. Under the bill, if a petition for foreclosure is filed, the county treasurer would be required to schedule a hearing not later than December 31 immediately preceding the date of the foreclosure hearing to show cause why absolute title to the property forfeited should not vest in the county treasurer. The owner and any person with a recorded property interest could appear at the hearing and redeem the property, or show cause why absolute title should not vest in the county treasurer. If the owner prevailed, the county treasurer would be required to correct the tax roll to reflect the determination.

If a petition of foreclosure was filed, the county treasurer would be required to file with the circuit court clerk, before the date of the hearing, proof of any notice, service, or publication.

Contesting the Foreclosure Petition. A person claiming an interest in a parcel set forth in the petition for foreclosure could contest the validity or correctness of the unpaid delinquent taxes, interest, penalties, and fees for any of the following reasons: a) no law authorizes the tax; b) the person appointed to decide whether a tax shall be levied acted without jurisdiction, or did not impose the tax in question; c) the person or property assessed was exempt from the tax in question, or not legally assessed; d) the tax had been paid within the time limited by law for payment or redemption; e) the tax had been assessed fraudulently; and, f) the description of the property used in the assessment was so indefinite or erroneous that the forfeiture was void.

A person who desired to contest the petition would be required to file written objections with circuit court clerk, and serve those objections on the county treasurer. If the court determined that the owner of property subject to foreclosure was a minor heir, was incompetent, or was without means of support, the court could withhold that property from foreclosure for one year, or could enter an order extending the redemption period. If the court withheld property from foreclosure, a taxing unit's lien for taxes due would not be prejudiced, and that property would be included in the immediately succeeding year's tax foreclosure proceeding.

<u>Judgment</u>. The circuit court would have to enter judgment on a petition for foreclosure at least 10 days after the March 1 immediately succeeding the date the petition was filed. If the court entered a default judgment at the hearing on the petition, the court would have to foreclose the property as requested in the petition.

The court's judgment would have to specify all of the following:

- --The legal description and, if known, the street address of the property foreclosed and the unpaid delinquent taxes, interest, penalties, and fees due on each parcel of tax delinquent or certified abandoned property.
- -- That fee simple title to the property was vested absolutely in the county treasurer, without any further rights of redemption.
- --That all liens and encumbrances against the property of any kind, except current taxes and future installments of special assessments due after the immediately succeeding June 30, were terminated.
- --That the county treasurer had good and marketable fee simple title to the property and any subsequent transfer of title to that property would have to be made by warranty deed executed by the county treasurer.
- --That any rights or interest claimed by any person to the property were terminated and that person was ordered to release those rights or that interest to the county treasurer, and that the circuit court would have to issue a writ of possession or restitution to the sheriff or other proper officer of that county in favor of a person holding a warranty deed executed by the county treasurer.

Fee simple title to property set forth in a petition for foreclosure in which delinquent taxes, interest, penalties, and fees were not paid before judgment was entered would vest absolutely in the county treasurer, and the county treasurer would have the right to enforce the title to the property as a freeholder. The title would not be subject to any recorded or unrecorded lien and could not be stayed or held invalid except as provided in the bill.

A county treasurer would be immune from any liability that could accrue solely from holding title to the property foreclosed.

Appeal. The county treasurer or a person determined to have an interest in the foreclosed property could appeal the circuit court's judgment to the court of appeals. The judgment could not be stayed or held invalid until the court of appeals had reversed, modified, or affirmed that judgment. To appeal the judgment, a person contesting whether the property was abandoned property or the validity of the delinquent taxes, interest, penalties, and fees for which the property was foreclosed would have to pay the amount determined to be due to the county treasurer within 10 days after the judgment was entered, together with a notice of appeal. If the judgment were affirmed on appeal, the amount determined to be due would have to be retained by the county treasurer and credited to the proper fund or account in that county. If the judgment were reversed or modified on appeal, the county treasurer would have to refund the amount determined to be due to the person who appealed the judgment.

Recovery of Monetary Damages Only. If a judgment for foreclosure was entered, the owners of any extinguished recorded or unrecorded interest in the property would be prohibited from bringing an action for possession of the property against any subsequent owner, but could, instead, only bring an action to recover monetary damages. The court of claims would have original and exclusive jurisdiction in any action to recover monetary damages, and an action could not be brought more than two years after a foreclosure judgment was entered. Any monetary damages recoverable would be determined as of the date the foreclosure judgment was entered.

If an owner brought an action for monetary damages, the county treasurer be required to defend against the action on behalf of the insuring title insurance company, if any. If the owner prevailed and title to that property was insured by a title insurance company, the company would be required to pay any damages awarded. The title insurance company would not be required to reimburse the county treasurer for any costs incurred in defending the action. Further, if the owner did not prevail, the county treasurer would not be reimbursed for any costs incurred in defending the action.

<u>Sale of Foreclosed Property to Local Governments</u>. By the first Tuesday in July immediately succeeding the entry of judgment vesting absolute title to tax delinquent property in the county treasurer, a city, village, or township could purchase any property located within that city, village, or township set forth in the judgment and subject to sale by payment to the county treasurer of the minimum bid. If the property were purchased by a city, village, or township under this provision, the county treasurer would have to convey the property to the purchasing city, village, or township within 30 days.

Auction Sale and Notice. Subject to the preceding provisions, beginning on the third Tuesday in July immediately succeeding the entry of judgment vesting absolute title to the property in the county treasurer, the county treasurer or his or her representative would have to hold one or more property sales at one or more convenient locations at which property foreclosed by the judgment would have to be sold by auction sale. Notice of the time and location of the sale would be required to be published not less than 30 days before the sale in the county's newspaper, or if there is no county newspaper where the property is located, then in an adjoining county's newspaper. The sale or sales would have to be completed within 15 days. The property would have to be sold to the person bidding the highest amount above the minimum bid. The county treasurer could require full payment by cash, certified check, or money order at the close of each day's bidding. Up to 30 days after the date of a sale, the county treasurer would have to convey the property by deed to the person. The deed would vest fee simple title to the property in the person bidding the highest amount above the minimum bid.

After the sale, and not later than the first Tuesday in September immediately succeeding that sale, a city, village, or township could purchase any property not previously sold by paying the minimum bid to the county treasurer. If the property were purchased by a city, village, or township, the county treasurer would have to convey the property to the purchasing city, village, or township within 30 days.

Beginning on the third Tuesday in September immediately succeeding the auction sale, all property not previously sold would have to be re-offered for sale, subject to the requirements for an auction sale. Beginning on the third Tuesday in November immediately succeeding the property sale held in September, all property not previously sold would have to be re-offered for sale again subject to the same requirements, except that the minimum bid would not be required.

("Minimum bid" would mean the minimum amount established by the county treasurer for which property could be sold and would have to include all delinquent taxes, interest, penalties, and fees due on the property as of March 1 as provided in the judgment, unless the property were purchased by a city, village, or township; and, the expenses of administering the sale, including all preparations for the sale. The county treasurer would be required under the bill to estimate the cost of preparing for and administering the annual sale for purposes of prorating the cost for each property included in the sale.)

<u>Transfer of Property</u>. On December 30 immediately succeeding the date of the property sale held in November, all property not previously sold by the county treasurer would have to be transferred to the city, village, or township in which the property was located, if the city, village, or township did not object to that transfer in writing. The city, village, or township could then make the property available under the Urban Homestead Act. If the property was not transferred, the county would retain possession of the property.

<u>Delinquent Tax Sales Accounts</u>. A county treasurer would be required to deposit the proceeds from the sale of property into a restricted account designated as the Delinquent Tax Property Sales Proceeds for the Year (specified), and the county treasurer would direct the investment of the account. The treasurer would be required to credit to the account all interest and

earnings from account investments, and proceeds could only be used by the county treasurer for the following purposed in the following order: 1) the Delinquent Tax Revolving Fund would be reimbursed for any amounts that had not been charged back to a local unit of government if the local unit was paid the delinquent tax on property offered for sale, whether or not that property was sold; 2) all units of government would be reimbursed on a pro rata basis in the proportion that their total ad valorem taxes bore to the amount due on the property as set forth in the judgment; 3) all costs of the sale of property for the year would be paid; 4) any costs of the foreclosure proceedings for the year, including but not limited to costs of mailing, publication, personal service, and outside contractors would be paid; and finally, 5) any costs for the sale of property or foreclosure proceedings for any prior year that had not been paid or reimbursement from that prior year's delinquent tax property sales proceeds would be paid.

<u>Joint Sale</u>. Two or more county treasurers could elect to hold a joint sale of property. If two or more county treasurers elected to do so, property could be sold at a location outside of the county in which the property was located. The sale could be conducted by any county treasurer participating in the joint sale.

<u>Land Re-utilization Fund</u>. Under the bill, the Land Re-utilization Fund would be created in the Department of Treasury. The state treasurer could receive money or other assets from any source for deposit into the fund, and would direct the fund's investment. The state treasurer would be required to credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year would remain in the fund and would not lapse to the general fund.

The Department of Treasury could expend money from the fund for any of the following purposes: a) contracts with title insurance companies; b) costs of determining addresses, service of notices, and recording fees; c) defense of title actions; and, d) other costs incurred in administering the collection of delinquent taxes under the act.

<u>Delinquent Tax Revolving Fund</u>. Under current law, counties are able to set up delinquent tax revolving funds, and any surplus in the fund may be transferred to the county general fund by appropriate action of the county board of commissioners. Under the bill, if a county adopted a resolution to have the state collect its delinquent taxes, that county would be prohibited from maintaining a delinquent tax revolving fund, except to the extent necessary to retire notes that were outstanding. Further, the resolution adopted by the county would be required to provide for the transfer by the county to the state of any surplus in the delinquent tax revolving fund of the county. The state would be required to deposit the surplus in the Land Re-utilization Fund, and used to pay delinquent taxes that are due local taxing units within the county.

<u>Department of Natural Resources</u>. Under current law, the director of the Department of Natural Resources, with the approval of the Commission of Natural Resources, may withhold from sale any land suitable for state forests, state parks, state game refuges, public hunting, or recreational grounds. The bill would eliminate the required approval of the Natural Resources Commission, and allow the director to withhold from sale any property the director deemed suitable for these purposes. The bill also would eliminate the provisions concerning the process

for applications from a local tax collecting unit or a county, requesting the conveyance by the Department of Natural Resources of certified special residential property for which the redemption period has expired.

Repealed Sections of Law. Effective December 31, 2001, House Bill 4489 (H-1) would repeal 21 sections of the General Property Tax Act concerning, among other things, a county treasurer's annual tax sale, the current petition, notice, and publication requirements to sell delinquent tax lands; the duties during this process of the county clerk and the circuit court judge; the vesting of title in the state; the disposition of disputed taxes; conveyance of land to the state; cancellation of taxes and special assessments; deference of special assessments pledged for repayment of bonds; conveyance to the state housing department authority; sale, cancellation, and forfeiture; the purchaser's certificate; the quieting of title; tax deeds; and, redemption.

Effective December 31, 2004, the bill would repeal 37 sections of the General Property Tax Act concerning, among other things, redemption and annulment; the grounds for bringing suit concerning illegal taxes; competent evidence; loss of certificate of sale or deed; purchase of state bids after tax sale; withholding sale because of error; rejected taxes; grounds for withholding conveyance; unprejudicial irregularities; land office commissioner; waste injunction by certificate holder; abandoned land; lands withheld from tax sale; bids; conveyance of certified special residential property; redemption by owner; municipal redemptions; management contracts with licensed real estate brokers; writ of assistance; proof of notice on improved residential parcels; contact of owner by county department of social services; persons entitled to release and quitclaim; grantees' lien; notice by tax purchaser to owners; failure to redeem; proceedings to set aside sale; waste and removal of property from tax delinquent lands; and county treasurer entitled to injunction.

<u>Tie Bars</u>. House Bill 4489 (H-1) is tie barred to Senate Bills 343, 488, and 489. None of the bills would become law unless all were enacted. Senate Bill 343 would create an Urban Homesteading Program that would make property available to eligible buyers to rent at fair market value. Senate Bill 488 would create the Certification of Abandoned Property for Accelerated Forfeiture Act. Finally, Senate Bill 489 would provide that certified abandoned property would be subject to forfeiture, foreclosure, and sale.

MCL 211.57 et al.

Analyst: J. Hunault

<sup>■</sup> This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.