

**SUBSTITUTE FOR  
HOUSE BILL NO. 4852**

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to clarify the ownership of certain parcels of property; to prescribe the powers and duties of certain local government officials; and to provide penalties.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act shall be known and may be cited as the  
2 "tax reverted property clean title act".

3       Sec. 2. As used in this act:

4       (a) "Commission" means the state tax commission created by  
5 1927 PA 360, MCL 209.101 to 209.107.

6       (b) "Eligible tax reverted property" means property that is  
7 exempt under section 7gg(2) of the general property tax act, 1893  
8 PA 206, MCL 211.7gg.

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1 (c) "Eligible tax reverted property specific tax" means the  
2 specific tax levied under this act.

3 (d) "Land bank" means that term as defined in the Michigan  
4 land bank and community development authority act.

5 (e) "Taxable value" means taxable value as determined under  
6 section 27a of the general property tax act, 1893 PA 206,  
7 MCL 211.27a.

8 Sec. 3. Eligible tax reverted property is exempt from ad  
9 valorem property taxes collected under the general property tax  
10 act, 1893 PA 206, MCL 211.1 to 211.157, as provided under  
11 section 7gg(2) of the general property tax act, 1893 PA 206,  
12 MCL 211.7gg.

13 Sec. 4. (1) Not later than October 31 of each year, a land  
14 bank shall provide a list of all eligible tax reverted property  
15 sold by the land bank in the immediately preceding year to the  
16 assessor of each local tax collecting unit in which property sold  
17 by the land bank is located.

18 (2) The assessor of each local tax collecting unit in which  
19 there is eligible tax reverted property shall determine annually  
20 as of December 31 the value and taxable value of each parcel of  
21 eligible tax reverted property and shall furnish that information  
22 to the legislative body of the local tax collecting unit.

23 Sec. 5. (1) There is levied upon every owner of eligible  
24 tax reverted property a specific tax to be known as the eligible  
25 tax reverted property specific tax.

26 (2) The amount of the eligible tax reverted property  
27 specific tax in each year is the amount of tax that would have

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1 been collected on that parcel under the general property tax act,  
2 1893 PA 206, MCL 211.1 to 211.157, if that parcel were not exempt  
3 under section 3.

4 (3) Except as provided in section 6, the eligible tax  
5 reverted property specific tax shall be collected, disbursed, and  
6 assessed in accordance with this act.

7 (4) The eligible tax reverted property specific tax is an  
8 annual tax, payable at the same times, in the same installments,  
9 and to the same officer or officers as taxes imposed under the  
10 general property tax act, 1893 PA 206, MCL 211.1 to 211.157, are  
11 payable. Except as otherwise provided in this section, the offi-  
12 cer or officers shall disburse the eligible tax reverted property  
13 specific tax payments received by the officer or officers each  
14 year as follows:

15 (a) Fifty percent of the eligible tax reverted property spe-  
16 cific tax to and among this state, cities, school districts,  
17 counties, and authorities, at the same times and in the same pro-  
18 portions as required by law for the disbursement of taxes col-  
19 lected under the general property tax act, 1893 PA 206, MCL 211.1  
20 to 211.157.

21 (b) Fifty percent of the eligible tax reverted property spe-  
22 cific tax to the land bank that sold the property under the  
23 Michigan land bank and community development authority act, which  
24 sale caused the property to be eligible tax reverted property.  
25 The eligible tax reverted property specific tax disbursed under  
26 this subdivision shall be used by the land bank for 1 or more of  
27 the following:

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1       (i) For the purposes authorized under the Michigan land bank  
2 and community development authority act, including, but not  
3 limited to, costs to clear or quiet title to property held by the  
4 land bank.

5       (ii) To repay a loan made to the land bank under section 2f  
6 of 1855 PA 105, MCL 21.142f.

7       (5) For intermediate school districts receiving state aid  
8 under sections 56, 62, and 81 of the state school aid act of  
9 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the  
10 amount of eligible tax reverted property specific tax that would  
11 otherwise be disbursed to an intermediate school district, all or  
12 a portion, to be determined on the basis of the tax rates being  
13 utilized to compute the amount of state aid, shall be paid to the  
14 state treasury to the credit of the state school aid fund estab-  
15 lished by section 11 of article IX of the state constitution of  
16 1963.

17       (6) The amount of eligible tax reverted property specific  
18 tax described in subsection (2) that would otherwise be disbursed  
19 to a local school district for school operating purposes shall be  
20 paid instead to the state treasury and credited to the state  
21 school aid fund established by section 11 of article IX of the  
22 state constitution of 1963.

23       (7) The officer or officers shall send a copy of the amount  
24 of disbursement made to each unit under this section to the com-  
25 mission on a form provided by the commission.

26       (8) Eligible tax reverted property located in a renaissance  
27 zone under the Michigan renaissance zone act, 1996 PA 376,

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1 MCL 125.2681 to 125.2696, is exempt from the eligible tax  
2 reverted property specific tax levied under this act to the  
3 extent and for the duration provided pursuant to the Michigan  
4 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696,  
5 except for that portion of the eligible tax reverted property  
6 specific tax attributable to a tax described in section 7ff(2) of  
7 the general property tax act, 1893 PA 206, MCL 211.7ff. The eli-  
8 gible tax reverted property specific tax calculated under this  
9 subsection shall be disbursed proportionately to the taxing unit  
10 or units that levied the tax described in section 7ff(2) of the  
11 general property tax act, 1893 PA 206, MCL 211.7ff.

12       Sec. 6. Unpaid eligible tax reverted property specific  
13 taxes are not subject to return as a delinquent tax under the  
14 general property tax act, 1893 PA 206, MCL 211.1 to 211.157. The  
15 amount of the eligible tax reverted property specific tax appli-  
16 cable to real property, until paid, is a lien upon that real  
17 property. Proceedings upon the lien as provided by law for the  
18 foreclosure in the circuit court of mortgage liens upon real  
19 property may commence only upon the filing by the appropriate  
20 collecting officer of a certificate of nonpayment of the eligible  
21 tax reverted property specific tax applicable to real property,  
22 together with an affidavit of proof of service of the certificate  
23 of nonpayment upon the owner of that property by certified mail,  
24 with the register of deeds of the county in which the property is  
25 situated.

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Sub. HB 4852 (H-2) as amended June 4, 2002 6

1 Enacting section 1. This amendatory act does not take  
2 effect unless all of the following bills of the 91st Legislature  
3 are enacted into law:

4 (a) House Bill No. 4851.

5 (b) House Bill No. 4853.

6 (c) House Bill No. 5450.

7 (d) House Bill No. 5451.

8 [(e) House Bill No. 6137.]

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