

SENATE BILL No. 916

December 4, 2001, Introduced by Senator MC COTTER and referred to the Committee on Government Operations.

A bill to amend 1943 PA 92, entitled

"An act to protect the interest of the public, acquired other than through taxation, in lands under the jurisdiction and control of the state land office board and department of conservation, and to make an appropriation therefor,"

by amending sections 1, 2, 3, and 4 (MCL 211.371, 211.372, 211.373, and 211.374).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) If the ~~state land office board or~~ department
2 of ~~conservation shall discover~~ NATURAL RESOURCES DISCOVERS
3 before the execution and delivery of a deed or the execution of a
4 contract for the sale of any land, apparent title to which vested
5 in ~~the~~ THIS state ~~of Michigan~~ by virtue of a tax sale, that
6 ~~the~~ THIS state, ~~of Michigan,~~ or any board, officer, commis-
7 sion, department, public corporation, governmental subdivision,
8 agency, municipal or quasi-municipal corporation ~~thereof~~ OF

1 THIS STATE owned any parcel of ~~such~~ land or part ~~thereof~~ OF A
 2 PARCEL or interest ~~therein~~ IN A PARCEL prior to the apparent
 3 vesting of title ~~thereto~~ TO THAT PARCEL in ~~the~~ THIS state,
 4 ~~of Michigan by virtue of a tax sale, it shall be the duty of~~
 5 the ~~state land office board or~~ department ~~of conservation,~~
 6 hereinafter called the "board" and "department," having juris-
 7 diction over ~~said~~ THE land ~~to~~ SHALL withhold the ~~same~~ LAND
 8 or THAT part ~~thereof so~~ OF LAND publicly owned ~~,~~ or in which
 9 the public had an interest, from public sale, and ~~to~~ notify the
 10 ~~auditor general~~ STATE TREASURER of ~~such~~ THE withholding and
 11 the reason ~~therefor~~ FOR THE WITHHOLDING.

12 (2) AS USED IN THIS ACT, "DEPARTMENT" MEANS THE DEPARTMENT
 13 OF NATURAL RESOURCES.

14 Sec. 2. (1) ~~Such~~ THE land or part ~~thereof so~~ OF THE
 15 LAND withheld shall be conveyed by deed by ~~said board or~~ THE
 16 department to ~~such~~ THE grantee or grantees, including ~~the~~
 17 THIS state, ~~of Michigan, as~~ THAT would have had title ~~thereto~~
 18 ~~had not~~ TO THE LAND IF the apparent title ~~thereto~~ HAD NOT
 19 vested in ~~the~~ THIS state as a result of tax sale proceedings.
 20 ~~:- Provided, That if~~

21 (2) IF any taxes or special assessments are lawfully due
 22 upon ~~said~~ THE land ~~by reason of~~ BECAUSE the public interest
 23 ~~therein having been~~ WAS acquired after the tax day, ~~or~~ after
 24 ~~such~~ THE special assessments had become a lien, or for any
 25 other reason, ~~such~~ THE taxes and special assessments shall be
 26 paid to the county treasurer and to the city treasurer ~~, in~~
 27 ~~case~~ IF the land lies within the limits of a city collecting its

1 own delinquent taxes and special assessments ~~—~~ and the fact of
 2 ~~such~~ THE payment ~~of valid taxes and special assessments~~ shall
 3 be certified to the ~~board or the~~ department by the ~~auditor~~
 4 ~~general~~ STATE TREASURER prior to the execution and delivery of
 5 ~~such~~ THE conveyance. ~~—, which~~ THE taxes and special assess-
 6 ments shall be distributed and accounted for in the same manner
 7 as if paid at the time of the acquisition of the interest of the
 8 public in ~~such~~ THE land. ~~—: Provided further, That interest~~

9 (3) INTEREST and penalties due upon ~~said~~ THE taxes and
 10 special assessments shall not be required to be computed or paid
 11 beyond the time when the public acquired an interest in ~~such~~
 12 THE land. ~~—: Provided further, That if~~

13 (4) IF the public interest in ~~such~~ THE land was less than
 14 a fee simple absolute prior to the apparent vesting of title in
 15 ~~the~~ THIS state, ~~the~~ THIS state or any board, officer, commis-
 16 sion, department, public corporation, governmental subdivision,
 17 agency, municipal or quasi-municipal corporation ~~thereof~~ OF
 18 THIS STATE paying ~~such~~ THE valid taxes and special assessments
 19 shall have a lien on ~~such~~ THE land or interest ~~therein~~ IN THE
 20 LAND not publicly owned for ~~such~~ THE portion of the amount paid
 21 ~~as~~ THAT is lawfully chargeable to ~~such~~ THE interest not owned
 22 by the public, as ~~aforesaid, which~~ DESCRIBED IN THIS SECTION.
 23 THE lien may be foreclosed in the circuit court ~~in chancery~~ for
 24 the county ~~wherein such~~ IN WHICH THE land or any part ~~thereof~~
 25 OF THE LAND is situated. ~~—, and which~~ THE lien shall bear inter-
 26 est at the rate of ~~6 per centum~~ 6% per annum from the date of
 27 ~~such~~ THE payment.

1 Sec. 3. Taxes and special assessments subsequently assessed
 2 upon property acquired by the public prior to the tax day shall
 3 be rejected by the ~~auditor general~~ STATE TREASURER and shall be
 4 reassessed in the same manner as if ~~said~~ THE land or part
 5 ~~thereof~~ OF THE LAND had not been sold at tax sale. In case a
 6 geographical part only of ~~such~~ THE land was owned by the public
 7 prior to the apparent vesting of title in ~~the~~ THIS state as the
 8 result of tax sale proceedings, the remaining part of ~~such~~ THE
 9 land shall be disposed of by the ~~board or~~ department in the
 10 usual manner, and a division of the taxes and special assessments
 11 shall be made in the same manner as though ~~said~~ THE taxes had
 12 not yet become delinquent.

13 Sec. 4. (1) Payment of valid taxes and special assessments
 14 due on lands in which an interest was acquired by ~~the state of~~
 15 ~~Michigan~~ THIS STATE, or any board, officer, commission, depart-
 16 ment, public corporation, governmental subdivision, or agency
 17 ~~thereof,~~ OF THIS STATE, except lands under the jurisdiction and
 18 control of the state ~~highway~~ TRANSPORTATION department, shall
 19 be made by the ~~auditor general by warrant drawn on the~~ state
 20 treasurer in the usual manner. ~~∴ Provided, That in~~

21 (2) IN the case of lands in which an interest was acquired
 22 by any governmental subdivision or agency of ~~the~~ THIS state,
 23 the functions of which are local and for the support of which
 24 real property taxes are required or permitted to be raised local-
 25 ly, the valid taxes and special assessments on ~~such~~ THE land
 26 shall be paid by ~~such~~ THE governmental subdivision or agency of
 27 ~~the~~ THIS state. ~~∴ Provided further, That in~~

1 (3) IN all cases ~~where~~ IN WHICH payment is required to be
2 made out of the state treasury, ~~it~~ PAYMENT shall be made only
3 upon the written approval of the ~~auditor general~~ STATE
4 TREASURER and the attorney general. ~~, such~~ THE approval ~~to~~
5 SHALL be filed and kept in the office of the ~~auditor general~~
6 STATE TREASURER. Payment shall be made by the interested munici-
7 pal or quasi-municipal corporation or the state ~~highway~~
8 TRANSPORTATION department in all other cases.