

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1433

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78, 89a, 89b, and 89c (MCL 211.78, 211.89a,
211.89b, and 211.89c), section 78 as added by 1999 PA 123, section
89a as amended and section 89b as added by 2003 PA 246, and section
89c as added by 2007 PA 31, and by adding sections 89d and 89e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78. (1) The legislature finds that there exists in this
2 state a continuing need to strengthen and revitalize the economy of
3 this state and its municipalities by encouraging the efficient and
4 expeditious return to productive use of property returned for
5 delinquent taxes. Therefore, the powers granted in this act
6 relating to the return of property for delinquent taxes constitute

1 the performance by this state or a political subdivision of this
2 state of essential public purposes and functions.

3 (2) It is the intent of the legislature that the provisions of
4 this act relating to the return, forfeiture, and foreclosure of
5 property for delinquent taxes satisfy the minimum requirements of
6 due process required under the constitution of this state and the
7 constitution of the United States but that those provisions do not
8 create new rights beyond those required under the state
9 constitution of 1963 or the constitution of the United States. The
10 failure of this state or a political subdivision of this state to
11 follow a requirement of this act relating to the return,
12 forfeiture, or foreclosure of property for delinquent taxes shall
13 not be construed to create a claim or cause of action against this
14 state or a political subdivision of this state unless the minimum
15 requirements of due process accorded under the state constitution
16 of 1963 or the constitution of the United States are violated.

17 (3) Not later than December 1, 1999, the county board of
18 commissioners of a county, by a resolution adopted at a meeting
19 held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to
20 15.275, and with the written concurrence of the county treasurer
21 and the county executive, if any, may elect to have this state
22 foreclose property under this act forfeited to the county treasurer
23 under section 78g. At any time during December 2004, the county
24 board of commissioners of a county, by a resolution adopted at a
25 meeting held pursuant to the open meetings act, 1976 PA 267, MCL
26 15.261 to 15.275, and with the written concurrence of the county
27 treasurer and county executive, if any, may do either of the

1 following:

2 (a) Elect to have this state foreclose property under this act
3 forfeited to the county treasurer under section 78g.

4 (b) Rescind its prior resolution by which it elected to have
5 this state foreclose property under this act forfeited to the
6 county treasurer under section 78g.

7 (4) BEGINNING JANUARY 1, 2009 THROUGH MARCH 1, 2009, THE
8 COUNTY BOARD OF COMMISSIONERS OF A COUNTY IN WHICH IS LOCATED AN
9 ELIGIBLE CITY, AS THAT TERM IS DEFINED IN SECTION 89D, MAY, BY A
10 RESOLUTION ADOPTED AT A MEETING HELD PURSUANT TO THE OPEN MEETINGS
11 ACT, 1976 PA 267, MCL 15.261 TO 15.275, AND WITH THE WRITTEN
12 CONCURRENCE OF THE COUNTY TREASURER AND COUNTY EXECUTIVE, IF ANY,
13 RESCIND ITS PRIOR RESOLUTION BY WHICH IT ELECTED TO HAVE THIS STATE
14 FORECLOSE PROPERTY UNDER THIS ACT FORFEITED TO THE COUNTY TREASURER
15 UNDER SECTION 78G.

16 (5) ~~(4)~~—The foreclosure of forfeited property by a county is
17 voluntary and is not an activity or service required of units of
18 local government for purposes of section 29 of article IX of the
19 state constitution of 1963.

20 (6) ~~(5)~~—A county and a local governmental unit within that
21 county may enter into an agreement for the collection of property
22 taxes or the enforcement and consolidation of tax liens within that
23 local governmental unit. A local governmental unit shall not
24 establish a delinquent tax revolving fund under section 87b.

25 (7) ~~(6)~~—As used in this section and sections 78a through ~~157~~
26 155 for purposes of the collection of taxes returned as delinquent:

27 (a) "Foreclosing governmental unit" means 1 of the following:

1 (i) The treasurer of a county.

2 (ii) This state if the county has elected under subsection (3)
3 to have this state foreclose property under this act forfeited to
4 the county treasurer under section 78g.

5 (b) "Forfeited" or "forfeiture" means a foreclosing
6 governmental unit may seek a judgment of foreclosure under section
7 78k if the property is not redeemed as provided under this act, but
8 does not acquire a right to possession or any other interest in the
9 property.

10 Sec. 89a. (1) Notwithstanding the provisions of a charter of a
11 county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or
12 the provisions of the charter of a home rule city, to the contrary,
13 the city treasurer of a city ~~that contains a first class school~~
14 ~~district~~ **WITH A POPULATION OF 600,000 OR MORE** shall return all
15 uncollected delinquent taxes levied on real property after December
16 31, 2002 on the March 1 immediately following the year in which the
17 taxes are levied. For the purposes of this section, delinquent
18 taxes include all interest and penalties that accrue after August
19 15 of the year in which all taxes billed by the city are levied if
20 that interest and penalty remain unpaid on the date the delinquent
21 taxes are returned to the county treasurer.

22 (2) The city treasurer of a city ~~that contains a first class~~
23 ~~school district~~ **WITH A POPULATION OF 600,000 OR MORE** may return all
24 uncollected delinquent taxes levied in 2001, 2002, or 2001 and 2002
25 to the county treasurer for collection under this section on March
26 1, 2004. A city treasurer shall provide the county treasurer
27 written notice of his or her intent to return uncollected

1 delinquent taxes levied in 2001 or 2002 under this subsection not
2 later than February 1, 2004. If uncollected delinquent taxes levied
3 in 2001 or 2002 are returned to the county treasurer for collection
4 under this subsection, the county treasurer shall collect those
5 taxes with taxes returned as delinquent in 2004.

6 (3) After the delinquent taxes levied on real property are
7 returned to the county treasurer for collection under this section,
8 the provisions of this act apply for collection of those taxes and,
9 except for taxes levied on or before December 31, 2002, for the
10 issuance of notes in anticipation of the collection of those taxes.

11 (4) A judgment entered under section 78k that extinguishes any
12 lien for unpaid taxes or special assessments does not extinguish
13 the right of the city to bring an in personam action under this act
14 or its charter to enforce personal liability for those unpaid taxes
15 or special assessments. The city may bring an in personam action to
16 enforce personal liability for unpaid delinquent taxes levied prior
17 to January 1, 2003 or special assessments not returned as
18 delinquent under this section within 15 years after the taxes or
19 special assessments are levied.

20 (5) If a city treasurer returns uncollected delinquent taxes
21 levied on real property on or before December 31, 2002 to the
22 county treasurer for collection under this section, the county
23 treasurer shall remit to the city treasurer after each month the
24 taxes and interest collected during that month.

25 ~~—— (6) As used in this section, "first class school district"~~
26 ~~means a school district organized as a school district of the first~~
27 ~~class under the revised school code, 1976 PA 451, MCL 380.1 to~~

~~380.1852.~~

Sec. 89b. ~~(1)~~ For taxes levied after December 31, 2003, notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, a city ~~containing a first class school district~~ **WITH A POPULATION OF 600,000 OR MORE** shall do all of the following:

(a) Prepare and submit to each taxpayer a statement indicating the amount of tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

(b) Collect the tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

~~—— (2) As used in this section, "first class school district" means a school district organized as a school district of the first class under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.~~

Sec. 89c. (1) In any local tax collecting unit in ~~which is located a first class school district~~ **A CITY WITH A POPULATION OF 600,000 OR MORE**, the local tax collecting unit may treat as delinquent under sections 87b, 87c, and 87d a solid waste fee that is delinquent under the terms of any ordinance authorizing the solid waste fee, if that solid waste fee was included in the tax statement under section 44.

(2) If a solid waste fee is delinquent on the March 1 immediately preceding the date that the solid waste fee is returned

as delinquent to the county treasurer under subsection (1), a county treasurer may include that solid waste fee in the county's delinquent tax revolving fund.

(3) If a solid waste fee is returned to a county treasurer as delinquent under subsection (2), that solid waste fee shall be a fee treated as a delinquent tax for purposes of sections 87b, 87c, and 87d and the property on which the fee is assessed is subject to forfeiture, foreclosure, and sale for delinquent taxes as provided in this act if the local tax collecting unit has also returned to that county treasurer uncollected delinquent taxes levied on the property on which the solid waste fee is assessed.

(4) If an owner redeems property that is his or her principal residence that is returned to the county treasurer for delinquent taxes and a delinquent solid waste fee is assessed to that owner's principal residence, the owner may redeem his or her principal residence without payment of the delinquent solid waste fee. As used in this subsection, principal residence means property exempt under section 7cc.

(5) This section applies to any fee that was delinquent on or after March 1, 2007 and that was included in the delinquent tax roll delivered to a county treasurer at the same time as delinquent taxes for a year in which the fee is assessed.

(6) As used in this section, +

~~—— (a) "First class school district" means a first class school district under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.~~

~~—— (b) "Solid"~~ **SOLID** waste fee" means that term as defined in the

1 ordinance or resolution of the local tax collecting unit
2 authorizing the assessment of the solid waste fee **AND INCLUDES ALL**
3 **INTEREST, PENALTIES, AND FEES IMPOSED ON THAT SOLID WASTE FEE.**

4 **SEC. 89D. (1) NOTWITHSTANDING THE PROVISIONS OF THE CHARTER OF**
5 **A HOME RULE CITY TO THE CONTRARY, THE CITY TREASURER OF AN ELIGIBLE**
6 **CITY SHALL RETURN TO THE COUNTY TREASURER ALL UNCOLLECTED**
7 **DELINQUENT TAXES LEVIED ON REAL PROPERTY AFTER DECEMBER 31, 2008 ON**
8 **THE MARCH 1 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE**
9 **LEVIED.**

10 **(2) THE CITY TREASURER OF AN ELIGIBLE CITY MAY RETURN ALL**
11 **UNCOLLECTED DELINQUENT TAXES LEVIED ON REAL PROPERTY PRIOR TO**
12 **DECEMBER 31, 2008 TO THE COUNTY TREASURER FOR COLLECTION ON MARCH**
13 **1, 2010. A CITY TREASURER SHALL PROVIDE WRITTEN NOTICE TO THE**
14 **COUNTY TREASURER OF HIS OR HER INTENT TO RETURN UNCOLLECTED**
15 **DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008 UNDER THIS**
16 **SUBSECTION NOT LATER THAN FEBRUARY 1, 2010. IF UNCOLLECTED**
17 **DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008 ARE RETURNED TO**
18 **THE COUNTY TREASURER FOR COLLECTION UNDER THIS SUBSECTION, THE**
19 **COUNTY TREASURER SHALL COLLECT THOSE TAXES WITH TAXES RETURNED AS**
20 **DELINQUENT IN 2010.**

21 **(3) AFTER THE UNCOLLECTED DELINQUENT TAXES LEVIED ON REAL**
22 **PROPERTY ARE RETURNED TO THE COUNTY TREASURER FOR COLLECTION UNDER**
23 **THIS SECTION, THE PROVISIONS OF THIS ACT APPLY FOR COLLECTION OF**
24 **THOSE TAXES AND FOR THE ISSUANCE OF NOTES IN ANTICIPATION OF THE**
25 **COLLECTION OF THOSE TAXES.**

26 **(4) A JUDGMENT ENTERED UNDER SECTION 78K THAT EXTINGUISHES ANY**
27 **LIEN FOR UNPAID TAXES OR SPECIAL ASSESSMENTS DOES NOT EXTINGUISH**

1 THE RIGHT OF THE CITY TO BRING AN IN PERSONAM ACTION UNDER THIS ACT
2 OR ITS CHARTER TO ENFORCE PERSONAL LIABILITY FOR THOSE UNPAID TAXES
3 OR SPECIAL ASSESSMENTS. THE CITY MAY BRING AN IN PERSONAM ACTION TO
4 ENFORCE PERSONAL LIABILITY FOR UNPAID DELINQUENT TAXES LEVIED PRIOR
5 TO JANUARY 1, 2009 OR SPECIAL ASSESSMENTS NOT RETURNED AS
6 DELINQUENT UNDER THIS SECTION WITHIN 15 YEARS AFTER THE TAXES OR
7 SPECIAL ASSESSMENTS ARE LEVIED.

8 (5) AS USED IN THIS SECTION:

9 (A) "DELINQUENT TAXES" OR "UNCOLLECTED DELINQUENT TAXES"
10 INCLUDES THE FOLLOWING:

11 (i) ANY TAXES LEVIED BY AND PAYABLE TO THE CITY TREASURER IN
12 INSTALLMENTS THE BALANCE OF WHICH REMAINS UNPAID ON JANUARY 1
13 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED, AND
14 INCLUDES ALL INTEREST AND PENALTIES THAT ACCRUE AFTER JULY 31 OF
15 THE YEAR IN WHICH ALL TAXES BILLED BY THE ELIGIBLE CITY ARE LEVIED
16 IF THAT INTEREST AND THOSE PENALTIES REMAIN UNPAID ON THE DATE THE
17 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER.

18 (ii) ANY LIENS FOR UNPAID TAX AND ASSESSMENT LIABILITY ACQUIRED
19 BY THE ELIGIBLE CITY AFTER DECEMBER 31, 1999 AND PRIOR TO JANUARY
20 1, 2009 PURSUANT TO PROVISIONS CONTAINED WITHIN THE ELIGIBLE CITY'S
21 CHARTER.

22 (B) "ELIGIBLE CITY" MEANS A CITY WITH A POPULATION OF MORE
23 THAN 50,000 AND LESS THAN 100,000 THAT IS LOCATED IN A COUNTY WITH
24 A POPULATION OF LESS THAN 350,000 AS DETERMINED BY THE MOST RECENT
25 FEDERAL DECENNIAL CENSUS.

26 SEC. 89E. (1) NOTWITHSTANDING THE PROVISIONS OF THE CHARTER OF
27 A HOME RULE CITY TO THE CONTRARY, AND WITH THE AGREEMENT OF THE

1 COUNTY TREASURER, THE CITY TREASURER OF AN ELIGIBLE CITY MAY RETURN
2 TO THE COUNTY TREASURER ALL UNCOLLECTED DELINQUENT TAXES LEVIED ON
3 PERSONAL PROPERTY AFTER DECEMBER 31, 2008 ON THE MARCH 1
4 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED.

5 (2) WITH THE AGREEMENT OF THE COUNTY TREASURER, THE CITY
6 TREASURER OF AN ELIGIBLE CITY MAY RETURN ALL UNCOLLECTED DELINQUENT
7 TAXES LEVIED ON PERSONAL PROPERTY PRIOR TO DECEMBER 31, 2008 TO THE
8 COUNTY TREASURER FOR COLLECTION ON MARCH 1 OF THE YEAR IN WHICH THE
9 COUNTY TREASURER AGREES TO THE RETURN OF UNCOLLECTED DELINQUENT
10 TAXES UNDER THIS SUBSECTION. A CITY TREASURER SHALL PROVIDE TO THE
11 COUNTY TREASURER WRITTEN NOTICE OF HIS OR HER INTENT TO RETURN
12 UNCOLLECTED DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008
13 UNDER THIS SUBSECTION NOT LATER THAN FEBRUARY 1 OF THE YEAR IN
14 WHICH THE COUNTY TREASURER AGREES TO THE RETURN OF UNCOLLECTED
15 DELINQUENT TAXES UNDER THIS SUBSECTION. IF THOSE UNCOLLECTED
16 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER FOR
17 COLLECTION UNDER THIS SUBSECTION, THE COUNTY TREASURER SHALL
18 COLLECT THOSE TAXES WITH TAXES RETURNED AS DELINQUENT IN THAT SAME
19 YEAR.

20 (3) AFTER THE UNCOLLECTED DELINQUENT TAXES LEVIED ON PERSONAL
21 PROPERTY ARE RETURNED TO THE COUNTY TREASURER FOR COLLECTION UNDER
22 THIS SECTION, THE PROVISIONS OF THIS ACT APPLY FOR COLLECTION OF
23 THOSE TAXES.

24 (4) AS USED IN THIS SECTION:

25 (A) "DELINQUENT TAXES" OR "UNCOLLECTED DELINQUENT TAXES"
26 INCLUDES ANY TAXES LEVIED BY AND PAYABLE TO THE CITY TREASURER IN
27 INSTALLMENTS THE BALANCE OF WHICH REMAINS UNPAID ON JANUARY 1

1 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED, AND
2 INCLUDES ALL INTEREST AND PENALTIES THAT ACCRUE AFTER JULY 31 OF
3 THE YEAR IN WHICH ALL TAXES BILLED BY THE CITY ARE LEVIED IF THAT
4 INTEREST AND THOSE PENALTIES REMAIN UNPAID ON THE DATE THE
5 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER.

6 (B) "ELIGIBLE CITY" MEANS A CITY WITH A POPULATION OF MORE
7 THAN 50,000 AND LESS THAN 100,000 THAT IS LOCATED IN A COUNTY WITH
8 A POPULATION OF LESS THAN 350,000.