

SENATE BILL No. 604

June 21, 2007, Introduced by Senators CLARKE, HUNTER, GLEASON, BRATER, CLARK-COLEMAN, SCHAUER and SCOTT and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 24c, 44, 53c, 78a, 78g, and 78k (MCL 211.24c, 211.44, 211.53c, 211.78a, 211.78g, and 211.78k), section 24c as amended by 2003 PA 247, section 44 as amended by 2002 PA 641, section 53c as added by 1995 PA 74, section 78a as added by 1999 PA 123, section 78g as amended by 2003 PA 263, and section 78k as amended by 2006 PA 611.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 24c. (1) The assessor shall give to each owner or person
2 or persons listed on the assessment roll of the property a notice
3 by first-class mail of an increase in the tentative state equalized
4 valuation or the tentative taxable value for the year. The notice
5 shall specify each parcel of property, the tentative taxable value
6 for the current year, and the taxable value for the immediately

1 preceding year. The notice shall also specify the time and place of
2 the meeting of the board of review. The notice shall also specify
3 the difference between the property's tentative taxable value in
4 the current year and the property's taxable value in the
5 immediately preceding year.

6 (2) The notice shall include, in addition to the information
7 required by subsection (1), all of the following:

8 (a) The state equalized valuation for the immediately
9 preceding year.

10 (b) The tentative state equalized valuation for the current
11 year.

12 (c) The net change between the tentative state equalized
13 valuation for the current year and the state equalized valuation
14 for the immediately preceding year.

15 (d) The classification of the property as defined by section
16 34c.

17 (e) The inflation rate for the immediately preceding year as
18 defined in section 34d.

19 (f) A statement provided by the state tax commission
20 explaining the relationship between state equalized valuation and
21 taxable value. If the assessor believes that a transfer of
22 ownership has occurred in the immediately preceding year, the
23 statement shall state that the ownership was transferred and that
24 the taxable value of that property is the same as the state
25 equalized valuation of that property.

26 **(G) A STATEMENT THAT AN EXEMPTION IS AVAILABLE UNDER SECTION**
27 **7U FOR THOSE INDIVIDUALS WHO ARE UNABLE TO PAY THEIR PROPERTY TAXES**

1 **BECAUSE OF POVERTY, THE ELIGIBILITY REQUIREMENTS FOR THAT**
2 **EXEMPTION, AND HOW TO APPLY FOR THAT EXEMPTION.**

3 (3) When required by the income tax act of 1967, 1967 PA 281,
4 MCL 206.1 to 206.532, the assessment notice shall include or be
5 accompanied by information or forms prescribed by the income tax
6 act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

7 (4) The assessment notice shall be addressed to the owner
8 according to the records of the assessor and mailed not less than
9 10 days before the meeting of the board of review. The failure to
10 send or receive an assessment notice does not invalidate an
11 assessment roll or an assessment on that property.

12 (5) The tentative state equalized valuation shall be
13 calculated by multiplying the assessment by the tentative equalized
14 valuation multiplier. If the assessor has made assessment
15 adjustments that would have changed the tentative multiplier, the
16 assessor may recalculate the multiplier for use in the notice.

17 (6) The state tax commission shall prepare a model assessment
18 notice form that shall be made available to local units of
19 government.

20 (7) The assessment notice under subsection (1) shall include
21 the following statement:

22 "If you purchased your principal residence after May 1 last
23 year, to claim the principal residence exemption, if you have not
24 already done so, you are required to file an affidavit before May
25 1."

26 (8) For taxes levied after December 31, 2003, the assessment
27 notice under subsection (1) shall separately state the state

1 equalized valuation and taxable value for any leasehold
2 improvements.

3 Sec. 44. (1) Upon receipt of the tax roll, the township
4 treasurer or other collector shall proceed to collect the taxes.
5 The township treasurer or other collector shall mail to each
6 taxpayer at the taxpayer's last known address on the tax roll or to
7 the taxpayer's designated agent a statement showing the description
8 of the property against which the tax is levied, the taxable value
9 of the property, and the amount of the tax on the property. **THE TAX**
10 **BILL SHALL ALSO INCLUDE A STATEMENT THAT AN EXEMPTION IS AVAILABLE**
11 **UNDER SECTION 7U FOR THOSE INDIVIDUALS WHO ARE UNABLE TO PAY THEIR**
12 **PROPERTY TAXES BECAUSE OF POVERTY, THE ELIGIBILITY REQUIREMENTS FOR**
13 **THAT EXEMPTION, AND HOW TO APPLY FOR THAT EXEMPTION.** If a tax
14 statement is mailed to the taxpayer, a tax statement sent to a
15 taxpayer's designated agent may be in a summary form or may be in
16 an electronic data processing format. If the tax statement
17 information is provided to both a taxpayer and the taxpayer's
18 designated agent, the tax statement mailed to the taxpayer may be
19 identified as an informational copy. A township treasurer or other
20 collector electing to send a tax statement to a taxpayer's
21 designated agent or electing not to include an itemization in the
22 manner described in subsection (10)(d) in a tax statement mailed to
23 the taxpayer shall, upon request, mail a detailed copy of the tax
24 statement, including an itemization of the amount of tax in the
25 manner described by subsection (10)(d), to the taxpayer without
26 charge.

27 (2) The expense of preparing and mailing the statement shall

1 be paid from the county, township, city, or village funds. Failure
2 to send or receive the notice does not prejudice the right to
3 collect or enforce the payment of the tax. The township treasurer
4 shall remain in the office of the township treasurer at some
5 convenient place in the township from 9 a.m. to 5 p.m. to receive
6 taxes on the following days:

7 (a) At least one business day between December 25 and December
8 31 unless the township has an arrangement with a local financial
9 institution to receive taxes on behalf of the township treasurer
10 and to forward that payment to the township on the next business
11 day. The township shall provide timely notification of which
12 financial institutions will receive taxes for the township and
13 which days the treasurer will be in the office to receive taxes.

14 (b) The last day that taxes are due and payable before being
15 returned as delinquent under section 55.

16 (3) Except as provided by subsection (7), on a sum voluntarily
17 paid before February 15 of the succeeding year, the local property
18 tax collecting unit shall add a property tax administration fee of
19 not more than 1% of the total tax bill per parcel. However, unless
20 otherwise provided for by an agreement between the assessing unit
21 and the collecting unit, if a local property tax collecting unit
22 other than a village does not also serve as the local assessing
23 unit, the excess of the amount of property tax administration fees
24 over the expense to the local property tax collecting unit in
25 collecting the taxes, but not less than 80% of the fee imposed,
26 shall be returned to the local assessing unit. A property tax
27 administration fee is defined as a fee to offset costs incurred by

1 a collecting unit in assessing property values, in collecting the
2 property tax levies, and in the review and appeal processes. The
3 costs of any appeals, in excess of funds available from the
4 property tax administration fee, may be shared by any taxing unit
5 only if approved by the governing body of the taxing unit. Except
6 as provided by subsection (7), on all taxes paid after February 14
7 and before March 1 the governing body of a city or township may
8 authorize the treasurer to add to the tax a property tax
9 administration fee to the extent imposed on taxes paid before
10 February 15 and a late penalty charge equal to 3% of the tax. The
11 governing body of a city or township may waive interest from
12 February 15 to the last day of February on a summer property tax
13 that has been deferred under section 51 or any late penalty charge
14 for the homestead property of a senior citizen, paraplegic,
15 quadriplegic, hemiplegic, eligible serviceperson, eligible veteran,
16 eligible widow or widower, totally and permanently disabled person,
17 or blind person, as those persons are defined in chapter 9 of the
18 income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the
19 person makes a claim before February 15 for a credit for that
20 property provided by chapter 9 of the income tax act of 1967, 1967
21 PA 281, MCL 206.501 to 206.532, if the person presents a copy of
22 the form filed for that credit to the local treasurer, and if the
23 person has not received the credit before February 15. The
24 governing body of a city or township may waive interest from
25 February 15 to the last day of February on a summer property tax
26 deferred under section 51 or any late penalty charge for a person's
27 property that is subject to a farmland development rights agreement

1 recorded with the register of deeds of the county in which the
2 property is situated as provided in section 36104 of the natural
3 resources and environmental protection act, 1994 PA 451, MCL
4 324.36104, if the person presents a copy of the development rights
5 agreement or verification that the property is subject to a
6 development rights agreement before February 15. A 4% county
7 property tax administration fee, a property tax administration fee
8 to the extent imposed on and if authorized under subsection (7) for
9 taxes paid before March 1, and interest on the tax at the rate of
10 1% per month shall be added to taxes collected by the township or
11 city treasurer after the last day of February and before settlement
12 with the county treasurer, and the payment shall be treated as
13 though collected by the county treasurer. If the statements
14 required to be mailed by this section are not mailed before
15 December 31, the treasurer shall not impose a late penalty charge
16 on taxes collected after February 14.

17 (4) The governing body of a local property tax collecting unit
18 may waive all or part of the property tax administration fee or the
19 late penalty charge, or both. A property tax administration fee
20 collected by the township treasurer shall be used only for the
21 purposes for which it may be collected as specified by subsection
22 (3) and this subsection. If the bond of the treasurer, as provided
23 in section 43, is furnished by a surety company, the cost of the
24 bond may be paid by the township from the property tax
25 administration fee.

26 (5) If apprehensive of the loss of personal tax assessed upon
27 the roll, the township treasurer may enforce collection of the tax

1 at any time, and if compelled to seize property or bring an action
2 in December may add, if authorized under subsection (7), a property
3 tax administration fee of not more than 1% of the total tax bill
4 per parcel and 3% for a late penalty charge.

5 (6) Along with taxes returned delinquent to a county treasurer
6 under section 55, the amount of the property tax administration fee
7 prescribed by subsection (3) that is imposed and not paid shall be
8 included in the return of delinquent taxes and, when delinquent
9 taxes are distributed by the county treasurer under this act, the
10 delinquent property tax administration fee shall be distributed to
11 the treasurer of the local unit who transmitted the statement of
12 taxes returned as delinquent. Interest imposed upon delinquent
13 property taxes under this act shall also be imposed upon the
14 property tax administration fee and, for purposes of this act other
15 than for the purpose of determining to which local unit the county
16 treasurer shall distribute a delinquent property tax administration
17 fee, any reference to delinquent taxes shall be considered to
18 include the property tax administration fee returned as delinquent
19 for the same property.

20 (7) The local property tax collecting treasurer shall not
21 impose a property tax administration fee, collection fee, or any
22 type of late penalty charge authorized by law or charter unless the
23 governing body of the local property tax collecting unit approves,
24 by resolution or ordinance adopted after December 31, 1982, an
25 authorization for the imposition of a property tax administration
26 fee, collection fee, or any type of late penalty charge provided
27 for by this section or by charter, which authorization shall be

1 valid for all levies that become a lien after the resolution or
2 ordinance is adopted. However, unless otherwise provided for by an
3 agreement between the assessing unit and the collecting unit, a
4 local property tax collecting unit that does not also serve as the
5 assessing unit shall impose a property tax administration fee on
6 each parcel at a rate equal to the rate of the fee imposed for city
7 or township taxes on that parcel.

8 (8) The annual statement required by 1966 PA 125, MCL 565.161
9 to 565.164, or a monthly billing form or mortgagor passbook
10 provided instead of that annual statement shall include a statement
11 to the effect that a taxpayer who was not mailed the tax statement
12 or a copy of the tax statement by the township treasurer or other
13 collector shall receive, upon request and without charge, a copy of
14 the tax statement from the township treasurer or other collector
15 or, if the tax statement has been mailed to the taxpayer's
16 designated agent, from either the taxpayer's designated agent or
17 the township treasurer or other collector. A designated agent who
18 is subject to 1966 PA 125, MCL 565.161 to 565.164, and who has been
19 mailed the tax statement for taxes that became a lien in the
20 calendar year immediately preceding the year in which the annual
21 statement may be required to be furnished shall mail, upon request
22 and without charge to a taxpayer who was not mailed that tax
23 statement or a copy of that tax statement, a copy of that tax
24 statement.

25 (9) For taxes levied after December 31, 2001, if taxes levied
26 on qualified real property remain unpaid on February 15, all of the
27 following shall apply:

1 (a) The unpaid taxes on that qualified real property shall be
2 collected in the same manner as unpaid taxes levied on personal
3 property are collected under this act.

4 (b) Unpaid taxes on qualified real property shall not be
5 returned as delinquent to the county treasurer for forfeiture,
6 foreclosure, and sale under sections 78 to 79a.

7 (c) If a county treasurer discovers that unpaid taxes on
8 qualified real property have been returned as delinquent for
9 forfeiture, foreclosure, and sale under sections 78 to 79a, the
10 county treasurer shall return those unpaid taxes to the appropriate
11 local tax collection unit for collection as provided in subdivision
12 (a).

13 (10) As used in this section:

14 (a) "Designated agent" means an individual, partnership,
15 association, corporation, receiver, estate, trust, or other legal
16 entity that has entered into an escrow account agreement or other
17 agreement with the taxpayer that obligates that individual or legal
18 entity to pay the property taxes for the taxpayer or, if an
19 agreement has not been entered into, that was designated by the
20 taxpayer on a form made available to the taxpayer by the township
21 treasurer and filed with that treasurer. The designation by the
22 taxpayer shall remain in effect until revoked by the taxpayer in a
23 writing filed with the township treasurer. The form made available
24 by the township treasurer shall include a statement that submission
25 of the form allows the treasurer to mail the tax statement to the
26 designated agent instead of to the taxpayer and a statement
27 notifying the taxpayer of his or her right to revoke the

1 designation by a writing filed with the township treasurer.

2 (b) "Qualified real property" means buildings and improvements
3 located upon leased real property that are assessed as real
4 property under section 2(1)(c), except buildings and improvements
5 exempt under section 9f, if the value of the buildings or
6 improvements is not otherwise included in the assessment of the
7 real property.

8 (c) "Taxpayer" means the owner of the property on which the
9 tax is imposed.

10 (d) When describing in subsection (1) that the amount of tax
11 on the property must be shown in the tax statement, "amount of tax"
12 means an itemization by dollar amount of each of the several ad
13 valorem property taxes and special assessments that a person may
14 pay under section 53 and an itemization by millage rate, on either
15 the tax statement or a separate form accompanying the tax
16 statement, of each of the several ad valorem property taxes that a
17 person may pay under section 53. The township treasurer or other
18 collector may replace the itemization described in this subdivision
19 with a statement informing the taxpayer that the itemization of the
20 dollar amount and millage rate of the taxes is available without
21 charge from the local property tax collecting unit.

22 Sec. 53c. (1) If the July or December board of review denies a
23 claim for exemption under section 7u, the person claiming the
24 exemption may appeal that decision to the Michigan tax tribunal
25 within 30 days of the denial.

26 (2) IF THE MICHIGAN TAX TRIBUNAL DETERMINES THAT THE PERSON
27 CLAIMING AN EXEMPTION UNDER SECTION 7U IS ENTITLED TO THAT

1 EXEMPTION, THE MICHIGAN TAX TRIBUNAL SHALL ENTER AN ORDER REMOVING
2 ANY INTEREST AND PENALTIES THAT HAVE BEEN CHARGED AGAINST THE
3 PROPERTY, INCLUDING INTEREST AND PENALTIES UNDER SECTION 78A OR
4 78G, AND AWARDING ACTUAL ATTORNEY FEES.

5 Sec. 78a. (1) For taxes levied after December 31, 1998, all
6 property returned for delinquent taxes, and upon which taxes,
7 interest, penalties, and fees remain unpaid after the property is
8 returned as delinquent to the county treasurers of this state under
9 this act, is subject to forfeiture, foreclosure, and sale for the
10 enforcement and collection of the delinquent taxes as provided in
11 section 78, this section, and sections 78b to 79a. As used in
12 section 78, this section, and sections 78b to 79a, "taxes" includes
13 interest, penalties, and fees imposed before the taxes become
14 delinquent and unpaid special assessments or other assessments that
15 are due and payable up to and including the date of the foreclosure
16 hearing under section 78k. **AS USED IN SECTION 78, THIS SECTION, AND**
17 **SECTIONS 78B TO 79A, "TAXES" DOES NOT INCLUDE DELINQUENT WATER**
18 **BILLS.**

19 (2) On March 1 in each year, taxes levied in the immediately
20 preceding year that remain unpaid shall be returned as delinquent
21 for collection. Except as otherwise provided in section 79 for
22 certified abandoned property, property delinquent for taxes levied
23 in the second year preceding the forfeiture under section 78g or in
24 a prior year to which this section applies shall be forfeited to
25 the county treasurer for the total of the unpaid taxes, interest,
26 penalties, and fees for those years as provided under section 78g.

27 (3) A county property tax administration fee of 4% and

1 interest computed at a noncompounded rate of 1% per month or
2 fraction of a month on the taxes that were originally returned as
3 delinquent **OR, FOR THE PRINCIPAL RESIDENCE OF A LOW INCOME PERSON,**
4 **1/2% PER MONTH OR FRACTION OF A MONTH ON THE TAXES THAT WERE**
5 **ORIGINALLY RETURNED AS DELINQUENT**, computed from the March 1 that
6 the taxes originally became delinquent, shall be added to property
7 returned as delinquent under this section. A county property tax
8 administration fee provided for under this subsection shall not be
9 less than \$1.00.

10 (4) Any person with an unrecorded property interest or any
11 other person who wishes at any time to receive notice of the return
12 of delinquent taxes on a parcel of property may pay an annual fee
13 not to exceed \$5.00 by February 1 to the county treasurer and
14 specify the parcel identification number, the address of the
15 property, and the address to which the notice shall be sent.
16 Holders of any undischarged mortgages wishing to receive notice of
17 the return of delinquent taxes on a parcel or parcels of property
18 may provide a list of such parcels in a form prescribed by the
19 county treasurer and pay an annual fee not to exceed \$1.00 per
20 parcel to the county treasurer and specify for each parcel the
21 parcel identification number, the address of the property, and the
22 address to which the notice should be sent. The county treasurer
23 shall notify the person or holders of undischarged mortgages if
24 delinquent taxes on the property or properties are returned within
25 that year.

26 (5) Upon the request of a holder of a tax lien purchased under
27 ~~the Michigan tax lien sale and collateralized securities act,~~

1 **FORMER** 1998 PA 379, ~~MCL 211.921 to 211.941~~, and payment to the
2 county treasurer of the actual costs incurred in complying with
3 that request, the county treasurer shall provide a list identifying
4 the parcels of property for which a notice is required under
5 sections 78 to 78l. The list required under this subsection may be
6 in a computer generated form or other form.

7 (6) Notwithstanding any charter provision to the contrary, the
8 governing body of a local governmental unit that collects
9 delinquent taxes may establish for any property, by ordinance,
10 procedures for the collection of delinquent taxes and the
11 enforcement of tax liens and the schedule for the forfeiture or
12 foreclosure of delinquent tax liens. The procedures and schedule
13 established by ordinance shall conform at a minimum to those
14 procedures and schedules established under sections 78a to 78l,
15 except that those taxes subject to a payment plan approved by the
16 treasurer of the local governmental unit as of July 1, 1999 shall
17 not be considered delinquent as of the following March 1 if
18 payments are not delinquent under that payment plan.

19 (7) **AS USED IN THIS SECTION:**

20 (A) "LOW INCOME PERSON" MEANS A PERSON WHO IS A MEMBER OF A
21 HOUSEHOLD THAT HAS A GROSS ANNUAL INCOME THAT IS EQUAL TO OR LESS
22 THAN THE FEDERAL POVERTY GUIDELINES UPDATED ANNUALLY IN THE FEDERAL
23 REGISTER BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
24 SERVICES UNDER AUTHORITY OF SECTION 673 OF SUBTITLE B OF TITLE VI
25 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35,
26 42 USC 9902.

27 (B) "PRINCIPAL RESIDENCE" MEANS PROPERTY EXEMPT UNDER SECTION

1 7CC.

2 Sec. 78g. (1) Except as otherwise provided in this subsection,
3 on March 1 in each tax year, certified abandoned property and
4 property that is delinquent for taxes, interest, penalties, and
5 fees for the immediately preceding 12 months or more is forfeited
6 to the county treasurer for the total amount of those unpaid
7 delinquent taxes, interest, penalties, and fees. If property is
8 forfeited to a county treasurer under this subsection, the
9 foreclosing governmental unit does not have a right to possession
10 of the property until the April 1 immediately succeeding the entry
11 of a judgment foreclosing the property under section 78k or in a
12 contested case until 22 days after the entry of a judgment
13 foreclosing the property under section 78k. If property is
14 forfeited to a county treasurer under this subsection, the county
15 treasurer shall add a \$175.00 fee to each parcel of property for
16 which those delinquent taxes, interest, penalties, and fees remain
17 unpaid. **HOWEVER, THE COUNTY TREASURER SHALL NOT ADD A \$175.00 FEE**
18 **TO ANY PARCEL THAT IS THE PRINCIPAL RESIDENCE OF A LOW INCOME**
19 **PERSON.** A county treasurer shall withhold a parcel of property from
20 forfeiture for any reason determined by the state tax commission.
21 The procedure for withholding a parcel of property from forfeiture
22 under this subsection shall be determined by the state tax
23 commission.

24 (2) Not more than 45 days after property is forfeited under
25 subsection (1), the county treasurer shall record with the county
26 register of deeds a certificate in a form determined by the
27 department of treasury for each parcel of property forfeited to the

1 county treasurer, specifying that the property has been forfeited
2 to the county treasurer and not redeemed and that absolute title to
3 the property shall vest in the county treasurer on the March 31
4 immediately succeeding the entry of a judgment foreclosing the
5 property under section 78k or in a contested case 21 days after the
6 entry of a judgment foreclosing the property under section 78k. If
7 a certificate of forfeiture is recorded in error, the county
8 treasurer shall record with the county register of deeds a
9 certificate of error in a form prescribed by the department of
10 treasury. A certificate submitted to the county register of deeds
11 for recording under this subsection need not be notarized and may
12 be authenticated by a digital signature of the county treasurer or
13 by other electronic means. If the county has elected under section
14 78 to have this state foreclose property under this act forfeited
15 to the county treasurer under this section, the county treasurer
16 shall immediately transmit to the department of treasury a copy of
17 each certificate recorded under this subsection. The county
18 treasurer shall upon collection transmit to the department of
19 treasury within 30 days the fee added to each parcel under
20 subsection (1), which may be paid from the county's delinquent tax
21 revolving fund and shall be deposited in the land reutilization
22 fund created under section 78n.

23 (3) Property forfeited to the county treasurer under
24 subsection (1) may be redeemed at any time on or before the March
25 31 immediately succeeding the entry of a judgment foreclosing the
26 property under section 78k or in a contested case within 21 days of
27 the entry of a judgment foreclosing the property under section 78k

1 upon payment to the county treasurer of all of the following:

2 (a) The total amount of unpaid delinquent taxes, interest,
3 penalties, and fees for which the property was forfeited.

4 (b) In addition to the interest calculated under sections
5 60a(1) or (2) and 78a(3), additional interest computed at a
6 noncompounded rate of 1/2% per month or fraction of a month on the
7 taxes that were originally returned as delinquent, computed from
8 the March 1 preceding the forfeiture. **ADDITIONAL INTEREST SHALL NOT**
9 **BE ADDED UNDER THIS SUBDIVISION IF THE PROPERTY FORFEITED IS THE**
10 **PRINCIPAL RESIDENCE OF A LOW INCOME PERSON.**

11 (c) All recording fees and all fees for service of process or
12 notice.

13 (4) If property is redeemed by a person with a legal interest
14 as provided under subsection (3), any unpaid taxes not returned as
15 delinquent to the county treasurer under section 78a are not
16 extinguished.

17 (5) If property is redeemed by a person with a legal interest
18 as provided under subsection (3), the person redeeming does not
19 acquire a title or interest in the property greater than that
20 person would have had if the property had not been forfeited to the
21 county treasurer, but the person redeeming, other than the owner,
22 is entitled to a lien for the amount paid to redeem the property in
23 addition to any other lien or interest the person may have, which
24 shall be recorded within 30 days with the register of deeds by the
25 person entitled to the lien. The lien acquired shall have the same
26 priority as the existing lien, title, or interest.

27 (6) If property is redeemed as provided under subsection (3),

1 the county treasurer shall issue a redemption certificate in
2 quadruplicate in a form prescribed by the department of treasury.
3 One of the quadruplicate certificates shall be delivered to the
4 person making the redemption payment, 1 shall be filed in the
5 office of the county treasurer, 1 shall be recorded in the office
6 of the county register of deeds, and 1 shall be immediately
7 transmitted to the department of treasury if this state is the
8 foreclosing governmental unit. The county treasurer shall also make
9 a note of the redemption certificate in the tax record kept in his
10 or her office, with the name of the person making the final
11 redemption payment, the date of the payment, and the amount paid.
12 If the county treasurer accepts partial redemption payments, the
13 county treasurer shall include in the tax record kept in his or her
14 office the name of the person or persons making each partial
15 redemption payment, the date of each partial redemption payment,
16 the amount of each partial redemption payment, and the total amount
17 of all redemption payments. A certificate and the entry of the
18 certificate in the tax record by the county treasurer is prima
19 facie evidence of a redemption payment in the courts of this state.
20 A certificate submitted to the county register of deeds for
21 recording under this subsection need not be notarized and may be
22 authenticated by a digital signature of the county treasurer or by
23 other electronic means. If a redemption certificate is recorded in
24 error, the county treasurer shall record with the county register
25 of deeds a certificate of error in a form prescribed by the
26 department of treasury. A copy of a certificate of error recorded
27 under this section shall be immediately transmitted to the

1 department of treasury if this state is the foreclosing
2 governmental unit.

3 (7) If a foreclosing governmental unit has reason to believe
4 that a property forfeited under this section may be the site of
5 environmental contamination, the foreclosing governmental unit
6 shall provide the department of environmental quality with any
7 information in the possession of the foreclosing governmental unit
8 that suggests the property may be the site of environmental
9 contamination.

10 (8) AS USED IN THIS SECTION:

11 (A) "LOW INCOME PERSON" MEANS A PERSON WHO IS A MEMBER OF A
12 HOUSEHOLD THAT HAS A GROSS ANNUAL INCOME THAT IS EQUAL TO OR LESS
13 THAN THE FEDERAL POVERTY GUIDELINES UPDATED ANNUALLY IN THE FEDERAL
14 REGISTER BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
15 SERVICES UNDER AUTHORITY OF SECTION 673 OF SUBTITLE B OF TITLE VI
16 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35,
17 42 USC 9902.

18 (B) "PRINCIPAL RESIDENCE" MEANS PROPERTY EXEMPT UNDER SECTION
19 7CC.

20 Sec. 78k. (1) If a petition for foreclosure is filed under
21 section 78h, not later than the date of the hearing, the
22 foreclosing governmental unit shall file with the clerk of the
23 circuit court proof of service of the notice of the show cause
24 hearing under section 78j, proof of service of the notice of the
25 foreclosure hearing under this section, and proof of the personal
26 visit to the property and publication under section 78i.

27 (2) A person claiming an interest in a parcel of property set

1 forth in the petition for foreclosure may contest the validity or
2 correctness of the forfeited unpaid delinquent taxes, interest,
3 penalties, and fees for 1 or more of the following reasons:

4 (a) No law authorizes the tax.

5 (b) The person appointed to decide whether a tax shall be
6 levied under a law of this state acted without jurisdiction, or did
7 not impose the tax in question.

8 (c) The property was exempt from the tax in question, or the
9 tax was not legally levied.

10 (d) The tax has been paid within the time limited by law for
11 payment or redemption.

12 (e) The tax was assessed fraudulently.

13 (f) The description of the property used in the assessment was
14 so indefinite or erroneous that the forfeiture was void.

15 (3) A person claiming an interest in a parcel of property set
16 forth in the petition for foreclosure who desires to contest that
17 petition shall file written objections with the clerk of the
18 circuit court and serve those objections on the foreclosing
19 governmental unit prior to the date of the hearing required under
20 this section.

21 (4) If the court determines that the owner of property subject
22 to foreclosure is a minor heir, is incompetent, is without means of
23 support, or is undergoing a substantial financial hardship, the
24 court may withhold that property from foreclosure for 1 year or may
25 enter an order extending the redemption period as the court
26 determines to be equitable. **IF THE COURT DETERMINES THAT THE**
27 **PROPERTY SUBJECT TO FORECLOSURE IS THE PRINCIPAL RESIDENCE OF A LOW**

1 **INCOME PERSON, THE COURT SHALL WITHHOLD THAT PROPERTY FROM**
2 **FORECLOSURE FOR 1 YEAR.** If the court withholds property from
3 foreclosure under this subsection, a taxing unit's lien for taxes
4 due is not prejudiced and that property shall be included in the
5 immediately succeeding year's tax foreclosure proceeding.

6 (5) The circuit court shall enter final judgment on a petition
7 for foreclosure filed under section 78h at any time after the
8 hearing under this section but not later than the March 30
9 immediately succeeding the hearing with the judgment effective on
10 the March 31 immediately succeeding the hearing for uncontested
11 cases or 10 days after the conclusion of the hearing for contested
12 cases. All redemption rights to the property expire on the March 31
13 immediately succeeding the entry of a judgment foreclosing the
14 property under this section, or in a contested case 21 days after
15 the entry of a judgment foreclosing the property under this
16 section. The circuit court's judgment shall specify all of the
17 following:

18 (a) The legal description and, if known, the street address of
19 the property foreclosed and the forfeited unpaid delinquent taxes,
20 interest, penalties, and fees due on each parcel of property.

21 (b) That fee simple title to property foreclosed by the
22 judgment will vest absolutely in the foreclosing governmental unit,
23 except as otherwise provided in subdivisions (c) and (e), without
24 any further rights of redemption, if all forfeited delinquent
25 taxes, interest, penalties, and fees are not paid on or before the
26 March 31 immediately succeeding the entry of a judgment foreclosing
27 the property under this section, or in a contested case within 21

1 days of the entry of a judgment foreclosing the property under this
2 section.

3 (c) That all liens against the property, including any lien
4 for unpaid taxes or special assessments, except future installments
5 of special assessments and liens recorded by this state or the
6 foreclosing governmental unit pursuant to the natural resources and
7 environmental protection act, 1994 PA 451, MCL 324.101 to
8 324.90106, are extinguished, if all forfeited delinquent taxes,
9 interest, penalties, and fees are not paid on or before the March
10 31 immediately succeeding the entry of a judgment foreclosing the
11 property under this section, or in a contested case within 21 days
12 of the entry of a judgment foreclosing the property under this
13 section.

14 (d) That, except as otherwise provided in subdivisions (c) and
15 (e), the foreclosing governmental unit has good and marketable fee
16 simple title to the property, if all forfeited delinquent taxes,
17 interest, penalties, and fees are not paid on or before the March
18 31 immediately succeeding the entry of a judgment foreclosing the
19 property under this section, or in a contested case within 21 days
20 of the entry of a judgment foreclosing the property under this
21 section.

22 (e) That all existing recorded and unrecorded interests in
23 that property are extinguished, except a visible or recorded
24 easement or right-of-way, private deed restrictions, interests of a
25 lessee or an assignee of an interest of a lessee under a recorded
26 oil or gas lease, interests in oil or gas in that property that are
27 owned by a person other than the owner of the surface that have

1 been preserved as provided in section 1(3) of 1963 PA 42, MCL
2 554.291, or restrictions or other governmental interests imposed
3 pursuant to the natural resources and environmental protection act,
4 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent
5 taxes, interest, penalties, and fees are not paid on or before the
6 March 31 immediately succeeding the entry of a judgment foreclosing
7 the property under this section, or in a contested case within 21
8 days of the entry of a judgment foreclosing the property under this
9 section.

10 (f) A finding that all persons entitled to notice and an
11 opportunity to be heard have been provided that notice and
12 opportunity. A person shall be deemed to have been provided notice
13 and an opportunity to be heard if the foreclosing governmental unit
14 followed the procedures for provision of notice by mail, for visits
15 to forfeited property, and for publication under section 78i, or if
16 1 or more of the following apply:

17 (i) The person had constructive notice of the hearing under
18 this section by acquiring an interest in the property after the
19 date the notice of forfeiture is recorded under section 78g.

20 (ii) The person appeared at the hearing under this section or
21 filed written objections with the clerk of the circuit court under
22 subsection (3) prior to the hearing.

23 (iii) Prior to the hearing under this section, the person had
24 actual notice of the hearing.

25 (g) A judgment entered under this section is a final order
26 with respect to the property affected by the judgment and except as
27 provided in subsection (7) shall not be modified, stayed, or held

1 invalid after the March 31 immediately succeeding the entry of a
2 judgment foreclosing the property under this section, or for
3 contested cases 21 days after the entry of a judgment foreclosing
4 the property under this section.

5 (6) Except as otherwise provided in subsection (5)(c) and (e),
6 fee simple title to property set forth in a petition for
7 foreclosure filed under section 78h on which forfeited delinquent
8 taxes, interest, penalties, and fees are not paid on or before the
9 March 31 immediately succeeding the entry of a judgment foreclosing
10 the property under this section, or in a contested case within 21
11 days of the entry of a judgment foreclosing the property under this
12 section, shall vest absolutely in the foreclosing governmental
13 unit, and the foreclosing governmental unit shall have absolute
14 title to the property, including all interests in oil or gas in
15 that property except the interests of a lessee or an assignee of an
16 interest of a lessee under an oil or gas lease in effect as to that
17 property or any part of that property if the lease was recorded in
18 the office of the register of deeds in the county in which the
19 property is located before the date of filing the petition for
20 foreclosure under section 78h, and interests preserved as provided
21 in section 1(3) of 1963 PA 42, MCL 554.291. The foreclosing
22 governmental unit's title is not subject to any recorded or
23 unrecorded lien and shall not be stayed or held invalid except as
24 provided in subsection (7) or (9).

25 (7) The foreclosing governmental unit or a person claiming to
26 have a property interest under section 78i in property foreclosed
27 under this section may appeal the circuit court's order or the

1 circuit court's judgment foreclosing property to the court of
2 appeals. An appeal under this subsection is limited to the record
3 of the proceedings in the circuit court under this section and
4 shall not be de novo. The circuit court's judgment foreclosing
5 property shall be stayed until the court of appeals has reversed,
6 modified, or affirmed that judgment. If an appeal under this
7 subsection stays the circuit court's judgment foreclosing property,
8 the circuit court's judgment is stayed only as to the property that
9 is the subject of that appeal and the circuit court's judgment
10 foreclosing other property that is not the subject of that appeal
11 is not stayed. To appeal the circuit court's judgment foreclosing
12 property, a person appealing the judgment shall pay to the county
13 treasurer the amount determined to be due to the county treasurer
14 under the judgment on or before the March 31 immediately succeeding
15 the entry of a judgment foreclosing the property under this
16 section, or in a contested case within 21 days of the entry of a
17 judgment foreclosing the property under this section, together with
18 a notice of appeal. If the circuit court's judgment foreclosing the
19 property is affirmed on appeal, the amount determined to be due
20 shall be refunded to the person who appealed the judgment. If the
21 circuit court's judgment foreclosing the property is reversed or
22 modified on appeal, the county treasurer shall refund the amount
23 determined to be due to the person who appealed the judgment, if
24 any, and retain the balance in accordance with the order of the
25 court of appeals.

26 (8) The foreclosing governmental unit shall record a notice of
27 judgment for each parcel of foreclosed property in the office of

1 the register of deeds for the county in which the foreclosed
2 property is located in a form prescribed by the department of
3 treasury.

4 (9) After the entry of a judgment foreclosing the property
5 under this section, if the property has not been transferred under
6 section 78m to a person other than the foreclosing governmental
7 unit, a foreclosing governmental unit may cancel the foreclosure by
8 recording with the register of deeds for the county in which the
9 property is located a certificate of error in a form prescribed by
10 the department of treasury, if the foreclosing governmental unit
11 discovers any of the following:

12 (a) The foreclosed property was not subject to taxation on the
13 date of the assessment of the unpaid taxes for which the property
14 was foreclosed.

15 (b) The description of the property used in the assessment of
16 the unpaid taxes for which the property was foreclosed was so
17 indefinite or erroneous that the forfeiture of the property was
18 void.

19 (c) The taxes for which the property was foreclosed had been
20 paid to the proper officer within the time provided under this act
21 for the payment of the taxes or the redemption of the property.

22 (d) A certificate, including a certificate issued under
23 section 135, or other written verification authorized by law was
24 issued by the proper officer within the time provided under this
25 act for the payment of the taxes for which the property was
26 foreclosed or for the redemption of the property.

27 (e) An owner of an interest in the property entitled to notice

1 under section 78i was not provided notice sufficient to satisfy the
2 minimum requirements of due process required under the state
3 constitution of 1963 and the constitution of the United States.

4 (f) A judgment of foreclosure was entered under this section
5 in violation of an order issued by a United States bankruptcy
6 court.

7 (10) A certificate of error submitted to the county register
8 of deeds for recording under subsection (9) need not be notarized
9 and may be authenticated by a digital signature of the foreclosing
10 governmental unit or by other electronic means.

11 (11) AS USED IN THIS SECTION:

12 (A) "LOW INCOME PERSON" MEANS A PERSON WHO IS A MEMBER OF A
13 HOUSEHOLD THAT HAS A GROSS ANNUAL INCOME THAT IS EQUAL TO OR LESS
14 THAN THE FEDERAL POVERTY GUIDELINES UPDATED ANNUALLY IN THE FEDERAL
15 REGISTER BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
16 SERVICES UNDER AUTHORITY OF SECTION 673 OF SUBTITLE B OF TITLE VI
17 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35,
18 42 USC 9902.

19 (B) "PRINCIPAL RESIDENCE" MEANS PROPERTY EXEMPT UNDER SECTION
20 7CC.