

Legislative Analysis



BUYING TAX DELINQUENT PROPERTY AT AUCTION: REQUIRE AFFIDAVIT THAT NO TAXES OWED

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House Bill 5724

Sponsor: Rep. Gabe Leland

Committee: Intergovernmental and Regional Affairs

Complete to 2-1-10

A SUMMARY OF HOUSE BILL 5724 AS INTRODUCED 12-18-09

House Bill 5724 would amend the General Property Tax Act to require that a person bidding on an auctioned tax delinquent property submit an affidavit attesting that he or she does not own any delinquent taxes on any property located in that county. It applies only to tax delinquent property located in a county with a population of more than 1.5 million people. (Wayne County). The requirement would take effect January 1, 2010.

Under the bill, if it is determined that a person who had submitted an affidavit owes delinquent property taxes, then the foreclosing governmental unit could place a *lis pendens* on the property sold to that person, under Chapter 27 of the Revised Judicature Act.

[Note: *Lis pendens*, a Latin term meaning "a suit pending," is a written notice that a lawsuit has been filed which concerns the title to real property or some interest in that real property. It gives notice that there is a claim on the property, and the recording informs the general public (and particularly anyone interested in buying or financing the property) that there is a potential claim against it.]

MCL 211.78m

FISCAL IMPACT:

As written, the bill would not have any direct State fiscal impact. Any local fiscal impact is likely to be small.

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