

SENATE BILL No. 810

September 15, 2009, Introduced by Senators JELINEK and McMANUS and referred to the Committee on Appropriations.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 9, 34d, 78g, and 78m (MCL 211.9, 211.34d, 211.78g, and 211.78m), section 9 as amended by 2008 PA 337, section 34d as amended by 2007 PA 31, section 78g as amended by 2003 PA 263, and section 78m as amended by 2006 PA 498.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The following personal property, and real property
2 described in subdivision (j) (i), is exempt from taxation:

3 (a) The personal property of charitable, educational, and
4 scientific institutions incorporated under the laws of this state.

5 This exemption does not apply to secret or fraternal societies, but

1 the personal property of all charitable homes of secret or
2 fraternal societies and nonprofit corporations that own and operate
3 facilities for the aged and chronically ill in which the net income
4 from the operation of the nonprofit corporations or secret or
5 fraternal societies does not inure to the benefit of a person other
6 than the residents is exempt.

7 (b) The property of all library associations, circulating
8 libraries, libraries of reference, and reading rooms owned or
9 supported by the public and not used for gain.

10 (c) The property of posts of the grand army of the republic,
11 sons of veterans' unions, and of the women's relief corps connected
12 with them, of young men's Christian associations, women's Christian
13 temperance union associations, young people's Christian unions, a
14 boy or girl scout or camp fire girls organization, 4-H clubs, and
15 other similar associations.

16 (d) Pensions receivable from the United States.

17 (e) The property of Indians who are not citizens.

18 (f) The personal property owned and used by a householder such
19 as customary furniture, fixtures, provisions, fuel, and other
20 similar equipment, wearing apparel including personal jewelry,
21 family pictures, school books, library books of reference, and
22 allied items. Personal property is not exempt under this
23 subdivision if it is used to produce income, if it is held for
24 speculative investment, or if it constitutes an inventory of goods
25 for sale in the regular course of trade.

26 (g) Household furnishings, provisions, and fuel of not more
27 than \$5,000.00 in taxable value, of each social or professional

1 fraternity, sorority, and student cooperative house recognized by
2 the educational institution at which it is located.

3 (h) The working tools of a mechanic of not more than \$500.00
4 in taxable value. "Mechanic", as used in this subdivision, means a
5 person skilled in a trade pertaining to a craft or in the
6 construction or repair of machinery if the person's employment by
7 others is dependent on his or her furnishing the tools.

8 (i) Fire engines and other implements used in extinguishing
9 fires owned or used by an organized or independent fire company.

10 (j) Property actually used in agricultural operations and farm
11 implements held for sale or resale by retail servicing dealers for
12 use in agricultural production. As used in this subdivision,
13 "agricultural operations" means farming in all its branches,
14 including cultivation of the soil, growing and harvesting of an
15 agricultural, horticultural, or floricultural commodity, dairying,
16 raising of livestock, bees, fur-bearing animals, or poultry, turf
17 and tree farming, raising and harvesting of fish, collecting,
18 evaporating, and preparing maple syrup if the owner of the property
19 has \$25,000.00 or less in annual gross wholesale sales, and any
20 practices performed by a farmer or on a farm as an incident to, or
21 in conjunction with, farming operations, but excluding retail sales
22 and food processing operations. Property used in agricultural
23 operations includes all of the following:

24 (i) A methane digester and a methane digester electric
25 generating system if the person claiming the exemption complies
26 with all of the following:

27 (A) After the construction of the methane digester or the

1 methane digester electric generating system is completed, the
2 person claiming the exemption submits to the local tax collecting
3 unit an application for the exemption and a copy of certification
4 from the department of agriculture that it has verified that the
5 farm operation on which the methane digester or methane digester
6 electric generating system is located is in compliance with the
7 appropriate system of the Michigan agriculture environmental
8 assurance program in the year immediately preceding the year in
9 which the affidavit is submitted. Three years after an application
10 for exemption is approved and every 3 years thereafter, the person
11 claiming the exemption shall submit to the local tax collecting
12 unit an affidavit attesting that the department of agriculture has
13 verified that the farm operation on which the methane digester or
14 methane digester electric generating system is located is in
15 compliance with the appropriate system of the Michigan agriculture
16 environmental assurance program. The application for the exemption
17 under this subparagraph shall be in a form prescribed by the
18 department of treasury and shall be provided to the person claiming
19 the exemption by the local tax collecting unit.

20 (B) When the application is submitted to the local tax
21 collecting unit, the person claiming the exemption also submits
22 certification provided by the department of ~~environmental quality~~
23 **NATURAL RESOURCES** that he or she is not currently being
24 investigated for a violation of part 31 of the natural resources
25 and environmental protection act, 1994 PA 451, MCL 324.3101 to
26 324.3133, that within a 3-year period immediately preceding the
27 date the application is submitted to the local tax collecting unit,

1 he or she has not been found guilty of a criminal violation under
2 part 31 of the natural resources and environmental protection act,
3 1994 PA 451, MCL 324.3101 to 324.3133, and that within a 1-year
4 period immediately preceding the date the application is submitted
5 to the local tax collecting unit, he or she has not been found
6 responsible for a civil violation that resulted in a civil fine of
7 \$10,000.00 or more under part 31 of the natural resources and
8 environmental protection act, 1994 PA 451, MCL 324.3101 to
9 324.3133.

10 (C) The person claiming an exemption cooperates by allowing
11 access for not more than 2 universities to collect information
12 regarding the effectiveness of the methane digester and the methane
13 digester electric generating system in generating electricity and
14 processing animal waste and production area waste. Information
15 collected under this sub-subparagraph shall not be provided to the
16 public in a manner that would identify the owner of the methane
17 digester or the methane digester electric generating system or the
18 farm operation on which the methane digester or the methane
19 digester electric generating system is located. The identity of the
20 owner of the methane digester or the methane digester electric
21 generating system and the identity of the owner and location of the
22 farm operation on which the methane digester or the methane
23 digester electric generating system is located are exempt from
24 disclosure under the freedom of information act, 1976 PA 442, MCL
25 15.231 to 15.246. As used in this sub-subparagraph, "university"
26 means a public 4-year institution of higher education created under
27 article VIII of the state constitution of 1963.

1 (D) The person claiming the exemption ensures that the methane
2 digester and methane digester electric generating system are
3 operated under the specific supervision and control of persons
4 certified by the department of agriculture as properly qualified to
5 operate the methane digester, methane digester electric generating
6 system, and related waste treatment and control facilities. The
7 department of agriculture shall consult with the department of
8 ~~environmental quality~~ **NATURAL RESOURCES** and the Michigan state
9 university cooperative extension service in developing the operator
10 certification program.

11 (ii) A biomass gasification system. As used in this
12 subparagraph, "biomass gasification system" means apparatus and
13 equipment that thermally decomposes agricultural, food, or animal
14 waste at high temperatures and in an oxygen-free or a controlled
15 oxygen-restricted environment into a gaseous fuel and the equipment
16 used to generate electricity or heat from the gaseous fuel or store
17 the gaseous fuel for future generation of electricity or heat.

18 (iii) A thermal depolymerization system. As used in this
19 subparagraph, "thermal depolymerization system" means apparatus and
20 equipment that use heat to break down natural and synthetic
21 polymers and that can accept only organic waste.

22 (iv) Machinery that is capable of simultaneously harvesting
23 grain or other crops and biomass and machinery used for the purpose
24 of harvesting biomass. As used in this subparagraph, "biomass"
25 means crop residue used to produce energy or agricultural crops
26 grown specifically for the production of energy.

27 (v) Machinery used to prepare the crop for market operated

1 incidental to a farming operation that does not substantially alter
2 the form, shape, or substance of the crop and is limited to
3 cleaning, cooling, washing, pitting, grading, sizing, sorting,
4 drying, bagging, boxing, crating, and handling if not less than 33%
5 of the volume of the crops processed in the year ending on the
6 applicable tax day or in at least 3 of the immediately preceding 5
7 years were grown by the farmer in Michigan who is the owner or user
8 of the crop processing machinery.

9 (k) Personal property of not more than \$500.00 in taxable
10 value used by a householder in the operation of a business in the
11 householder's dwelling or at 1 other location in the city,
12 township, or village in which the householder resides.

13 (l) The products, materials, or goods processed or otherwise
14 and in whatever form, but expressly excepting alcoholic beverages,
15 located in a public warehouse, United States customs port of entry
16 bonded warehouse, dock, or port facility on December 31 of each
17 year, if those products, materials, or goods are designated as in
18 transit to destinations outside this state pursuant to the
19 published tariffs of a railroad or common carrier by filing the
20 freight bill covering the products, materials, or goods with the
21 agency designated by the tariffs, entitling the shipper to
22 transportation rate privileges. Products in a United States customs
23 port of entry bonded warehouse that arrived from another state or a
24 foreign country, whether awaiting shipment to another state or to a
25 final destination within this state, are considered to be in
26 transit and temporarily at rest, and not subject to the collection
27 of taxes under this act. To obtain an exemption for products,

1 materials, or goods under this subdivision, the owner shall file a
2 sworn statement with, and in the form required by, the assessing
3 officer of the tax district in which the warehouse, dock, or port
4 facility is located, at a time between the tax day, December 31,
5 and before the assessing officer closes the assessment rolls
6 describing the products, materials, or goods, and reporting their
7 cost and value as of December 31 of each year. The status of
8 persons and products, materials, or goods for which an exemption is
9 requested is determined as of December 31, which is the tax day.
10 Any property located in a public warehouse, dock, or port facility
11 on December 31 of each year that is exempt from taxation under this
12 subdivision but that is not shipped outside this state pursuant to
13 the particular tariff under which the transportation rate privilege
14 was established shall be assessed upon the immediately succeeding
15 or a subsequent assessment roll by the assessing officer and taxed
16 at the same rate of taxation as other taxable property for the year
17 or years for which the property was exempted to the owner at the
18 time of the omission unless the owner or person entitled to
19 possession of the products, materials, or goods is a resident of,
20 or authorized to do business in, this state and files with the
21 assessing officer, with whom statements of taxable property are
22 required to be filed, a statement under oath that the products,
23 materials, or goods are not for sale or use in this state and will
24 be shipped to a point or points outside this state. If a person,
25 firm, or corporation claims exemption by filing a sworn statement,
26 the person, firm, or corporation shall append to the statement of
27 taxable property required to be filed in the immediately succeeding

1 year or, if a statement of taxable property is not filed for the
2 immediately succeeding year, to a sworn statement filed on a form
3 required by the assessing officer, a complete list of the property
4 for which the exemption was claimed with a statement of the manner
5 of shipment and of the point or points to which the products,
6 materials, or goods were shipped from the public warehouse, dock,
7 or port facility. The assessing officer shall assess the products,
8 materials, or goods not shipped to a point or points outside this
9 state upon the immediately succeeding assessment roll or on a
10 subsequent assessment roll and the products, materials, or goods
11 shall be taxed at the same rate of taxation as other taxable
12 property for the year or years for which the property was exempted
13 to the owner at the time of the omission. The records, accounts,
14 and books of warehouses, docks, or port facilities, individuals,
15 partnerships, corporations, owners, or those in possession of
16 tangible personal property shall be open to and available for
17 inspection, examination, or auditing by assessing officers. A
18 warehouse, dock, port facility, individual, partnership,
19 corporation, owner, or person in possession of tangible personal
20 property shall report within 90 days after shipment of products,
21 materials, or goods in transit, for which an exemption under this
22 section was claimed or granted, the destination of shipments or
23 parts of shipments and the cost value of those shipments or parts
24 of shipments to the assessing officer. A warehouse, dock, port
25 facility, individual, partnership, corporation, or owner is subject
26 to a fine of \$100.00 for each failure to report the destination and
27 cost value of shipments or parts of shipments as required in this

1 subdivision. A person, firm, individual, partnership, corporation,
2 or owner failing to report products, materials, or goods located in
3 a warehouse, dock, or port facility to the assessing officer is
4 subject to a fine of \$100.00 and a penalty of 50% of the final
5 amount of taxes found to be assessable for the year on property not
6 reported, the assessable taxes and penalty to be spread on a
7 subsequent assessment roll in the same manner as general taxes on
8 personal property. For the purpose of this subdivision, a public
9 warehouse, dock, or port facility means a warehouse, dock, or port
10 facility owned or operated by a person, firm, or corporation
11 engaged in the business of storing products, materials, or goods
12 for hire for profit who issues a schedule of rates for storage of
13 the products, materials, or goods and who issues warehouse receipts
14 pursuant to 1909 PA 303, MCL 443.50 to 443.55. A United States
15 customs port of entry bonded warehouse means a customs warehouse
16 within a classification designated by 19 CFR 19.1 and that is
17 located in a port of entry, as defined by 19 CFR 101.1. A portion
18 of a public warehouse, United States customs port of entry bonded
19 warehouse, dock, or port facility leased to a tenant or a portion
20 of any premises owned or leased or operated by a consignor or
21 consignee or an affiliate or subsidiary of the consignor or
22 consignee is not a public warehouse, dock, or port facility.

23 (m) Personal property owned by a bank or trust company
24 organized under the laws of this state, a national banking
25 association, or an incorporated bank holding company as defined in
26 section 1841 of the bank holding company act of 1956, 12 USC 1841,
27 that controls a bank, national banking association, trust company,

1 or industrial bank subsidiary located in this state. Buildings
2 owned by a state or national bank, trust company, or incorporated
3 bank holding company and situated upon real property that the state
4 or national bank, trust company, or incorporated bank holding
5 company is not the owner of the fee are considered real property
6 and are not exempt under this section. Personal property owned by a
7 state or national bank, trust company, or incorporated bank holding
8 company that is leased, loaned, or otherwise made available to and
9 used by a private individual, association, or corporation in
10 connection with a business conducted for profit is not exempt under
11 this section.

12 (n) Farm products, processed or otherwise, the ultimate use of
13 which is for human or animal consumption as food, except wine,
14 beer, and other alcoholic beverages regularly placed in storage in
15 a public warehouse, dock, or port facility while in storage are
16 considered in transit and only temporarily at rest and are not
17 subject to the collection of taxes under this act. The assessing
18 officer is the determining authority as to what constitutes, is
19 defined as, or classified as, farm products as used in this
20 subdivision. The records, accounts, and books of warehouses, docks,
21 or port facilities, individuals, partnerships, corporations,
22 owners, or those in possession of farm products shall be open to
23 and available for inspection, examination, or auditing by assessing
24 officers.

25 (o) Sugar, in solid or liquid form, produced from sugar beets,
26 dried beet pulp, and beet molasses if owned or held by processors.

27 (p) The personal property of a parent cooperative preschool.

1 As used in this subdivision and section 7z, "parent cooperative
2 preschool" means a nonprofit, nondiscriminatory educational
3 institution maintained as a community service and administered by
4 parents of children currently enrolled in the preschool, that
5 provides an educational and developmental program for children
6 younger than compulsory school age, that provides an educational
7 program for parents, including active participation with children
8 in preschool activities, that is directed by qualified preschool
9 personnel, and that is licensed under 1973 PA 116, MCL 722.111 to
10 722.128.

11 (q) All equipment used exclusively in wood harvesting, but not
12 including portable or stationary sawmills or other equipment used
13 in secondary processing operations. As used in this subdivision,
14 "wood harvesting" means clearing land for forest management
15 purposes, planting trees, all forms of cutting or chipping trees,
16 and loading trees on trucks for removal from the harvest area.

17 (r) Liquefied petroleum gas tanks located on residential or
18 agricultural property used to store liquefied petroleum gas for
19 residential or agricultural property use.

20 (s) Water conditioning systems used for a residential
21 dwelling.

22 (t) For taxes levied after December 31, 2000, aircraft
23 excepted from the registration provisions of the aeronautics code
24 of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and
25 all other aircraft operating under the provisions of a certificate
26 issued under 14 CFR part 121, and all spare parts for such
27 aircraft.

1 (2) As used in this section:

2 (a) "Biogas" means a mixture of gases composed primarily of
3 methane and carbon dioxide.

4 (b) "Methane digester" means a system designed to facilitate
5 the production, recovery, and storage of biogas from the anaerobic
6 microbial digestion of animal or food waste.

7 (c) "Methane digester electric generating system" means a
8 methane digester and the apparatus and equipment used to generate
9 electricity or heat from biogas or to store biogas for the future
10 generation of electricity or heat.

11 Sec. 34d. (1) As used in this section or section 27a, or
12 section 3 or 31 of article IX of the state constitution of 1963:

13 (a) For taxes levied before 1995, "additions" means all
14 increases in value caused by new construction or a physical
15 addition of equipment or furnishings, and the value of property
16 that was exempt from taxes or not included on the assessment unit's
17 immediately preceding year's assessment roll.

18 (b) For taxes levied after 1994, "additions" means, except as
19 provided in subdivision (c), all of the following:

20 (i) Omitted real property. As used in this subparagraph,
21 "omitted real property" means previously existing tangible real
22 property not included in the assessment. Omitted real property
23 shall not increase taxable value as an addition unless the
24 assessing jurisdiction has a property record card or other
25 documentation showing that the omitted real property was not
26 previously included in the assessment. The assessing jurisdiction
27 has the burden of proof in establishing whether the omitted real

1 property is included in the assessment. Omitted real property for
2 the current and the 2 immediately preceding years, discovered after
3 the assessment roll has been completed, shall be added to the tax
4 roll pursuant to the procedures established in section 154. For
5 purposes of determining the taxable value of real property under
6 section 27a, the value of omitted real property is based on the
7 value and the ratio of taxable value to true cash value the omitted
8 real property would have had if the property had not been omitted.

9 (ii) Omitted personal property. As used in this subparagraph,
10 "omitted personal property" means previously existing tangible
11 personal property not included in the assessment. Omitted personal
12 property shall be added to the tax roll pursuant to section 154.

13 (iii) New construction. As used in this subparagraph, "new
14 construction" means property not in existence on the immediately
15 preceding tax day and not replacement construction. New
16 construction includes the physical addition of equipment or
17 furnishings, subject to the provisions set forth in section
18 27(2)(a) to (o). For purposes of determining the taxable value of
19 property under section 27a, the value of new construction is the
20 true cash value of the new construction multiplied by 0.50.

21 (iv) Previously exempt property. As used in this subparagraph,
22 "previously exempt property" means property that was exempt from ad
23 valorem taxation under this act on the immediately preceding tax
24 day but is subject to ad valorem taxation on the current tax day
25 under this act. For purposes of determining the taxable value of
26 real property under section 27a:

27 (A) The value of property previously exempt under section 7u

1 is the taxable value the entire parcel of property would have had
2 if that property had not been exempt, minus the product of the
3 entire parcel's taxable value in the immediately preceding year and
4 the lesser of 1.05 or the inflation rate.

5 (B) The taxable value of property that is a facility as that
6 term is defined in section 2 of 1974 PA 198, MCL 207.552, that was
7 previously exempt under section 7k is the taxable value that
8 property would have had under this act if it had not been exempt.

9 (C) The value of property previously exempt under any other
10 section of law is the true cash value of the previously exempt
11 property multiplied by 0.50.

12 (v) Replacement construction. As used in this subparagraph,
13 "replacement construction" means construction that replaced
14 property damaged or destroyed by accident or act of God and that
15 occurred after the immediately preceding tax day to the extent the
16 construction's true cash value does not exceed the true cash value
17 of property that was damaged or destroyed by accident or act of God
18 in the immediately preceding 3 years. For purposes of determining
19 the taxable value of property under section 27a, the value of the
20 replacement construction is the true cash value of the replacement
21 construction multiplied by a fraction the numerator of which is the
22 taxable value of the property to which the construction was added
23 in the immediately preceding year and the denominator of which is
24 the true cash value of the property to which the construction was
25 added in the immediately preceding year, and then multiplied by the
26 lesser of 1.05 or the inflation rate.

27 (vi) An increase in taxable value attributable to the complete

1 or partial remediation of environmental contamination existing on
2 the immediately preceding tax day. The department of ~~environmental~~
3 ~~quality~~-**NATURAL RESOURCES** shall determine the degree of remediation
4 based on information available in existing department of
5 ~~environmental quality~~-**NATURAL RESOURCES** records or information made
6 available to the department of ~~environmental quality~~-**NATURAL**
7 **RESOURCES** if the appropriate assessing officer for a local tax
8 collecting unit requests that determination. The increase in
9 taxable value attributable to the remediation is the increase in
10 true cash value attributable to the remediation multiplied by a
11 fraction the numerator of which is the taxable value of the
12 property had it not been contaminated and the denominator of which
13 is the true cash value of the property had it not been
14 contaminated.

15 (vii) An increase in the value attributable to the property's
16 occupancy rate if either a loss, as that term is defined in this
17 section, had been previously allowed because of a decrease in the
18 property's occupancy rate or if the value of new construction was
19 reduced because of a below-market occupancy rate. For purposes of
20 determining the taxable value of property under section 27a, the
21 value of an addition for the increased occupancy rate is the
22 product of the increase in the true cash value of the property
23 attributable to the increased occupancy rate multiplied by a
24 fraction the numerator of which is the taxable value of the
25 property in the immediately preceding year and the denominator of
26 which is the true cash value of the property in the immediately
27 preceding year, and then multiplied by the lesser of 1.05 or the

1 inflation rate.

2 (viii) Public services. As used in this subparagraph, "public
3 services" means water service, sewer service, a primary access
4 road, natural gas service, electrical service, telephone service,
5 sidewalks, or street lighting. For purposes of determining the
6 taxable value of real property under section 27a, the value of
7 public services is the amount of increase in true cash value of the
8 property attributable to the available public services multiplied
9 by 0.50 and shall be added in the calendar year following the
10 calendar year when those public services are initially available.

11 (c) For taxes levied after 1994, additions do not include
12 increased value attributable to any of the following:

13 (i) Platting, splits, or combinations of property.

14 (ii) A change in the zoning of property.

15 (iii) For the purposes of the calculation of the millage
16 reduction fraction under subsection (7) only, increased taxable
17 value under section 27a(3) after a transfer of ownership of
18 property.

19 (d) "Assessed valuation of property as finally equalized"
20 means taxable value under section 27a.

21 (e) "Financial officer" means the officer responsible for
22 preparing the budget of a unit of local government.

23 (f) "General price level" means the annual average of the 12
24 monthly values for the United States consumer price index for all
25 urban consumers as defined and officially reported by the United
26 States department of labor, bureau of labor statistics.

27 (g) For taxes levied before 1995, "losses" means a decrease in

1 value caused by the removal or destruction of real or personal
2 property and the value of property taxed in the immediately
3 preceding year that has been exempted or removed from the
4 assessment unit's assessment roll.

5 (h) For taxes levied after 1994, "losses" means, except as
6 provided in subdivision (i), all of the following:

7 (i) Property that has been destroyed or removed. For purposes
8 of determining the taxable value of property under section 27a, the
9 value of property destroyed or removed is the product of the true
10 cash value of that property multiplied by a fraction the numerator
11 of which is the taxable value of that property in the immediately
12 preceding year and the denominator of which is the true cash value
13 of that property in the immediately preceding year.

14 (ii) Property that was subject to ad valorem taxation under
15 this act in the immediately preceding year that is now exempt from
16 ad valorem taxation under this act. For purposes of determining the
17 taxable value of property under section 27a, the value of property
18 exempted from ad valorem taxation under this act is the amount
19 exempted.

20 (iii) An adjustment in value, if any, because of a decrease in
21 the property's occupancy rate, to the extent provided by law. For
22 purposes of determining the taxable value of real property under
23 section 27a, the value of a loss for a decrease in the property's
24 occupancy rate is the product of the decrease in the true cash
25 value of the property attributable to the decreased occupancy rate
26 multiplied by a fraction the numerator of which is the taxable
27 value of the property in the immediately preceding year and the

1 denominator of which is the true cash value of the property in the
2 immediately preceding year.

3 (iv) A decrease in taxable value attributable to environmental
4 contamination existing on the immediately preceding tax day. The
5 department of ~~environmental quality~~ **NATURAL RESOURCES** shall
6 determine the degree to which environmental contamination limits
7 the use of property based on information available in existing
8 department of ~~environmental quality~~ **NATURAL RESOURCES** records or
9 information made available to the department of ~~environmental~~
10 ~~quality~~ **NATURAL RESOURCES** if the appropriate assessing officer for
11 a local tax collecting unit requests that determination. The
12 department of ~~environmental quality's~~ **NATURAL RESOURCES'S**
13 determination of the degree to which environmental contamination
14 limits the use of property shall be based on the criteria
15 established for the categories set forth in section 20120a(1) of
16 the natural resources and environmental protection act, 1994 PA
17 451, MCL 324.20120a. The decrease in taxable value attributable to
18 the contamination is the decrease in true cash value attributable
19 to the contamination multiplied by a fraction the numerator of
20 which is the taxable value of the property had it not been
21 contaminated and the denominator of which is the true cash value of
22 the property had it not been contaminated.

23 (i) For taxes levied after 1994, losses do not include
24 decreased value attributable to either of the following:

25 (i) Platting, splits, or combinations of property.

26 (ii) A change in the zoning of property.

27 (j) "New construction and improvements" means additions less

1 losses.

2 (k) "Current year" means the year for which the millage
3 limitation is being calculated.

4 (l) "Inflation rate" means the ratio of the general price level
5 for the state fiscal year ending in the calendar year immediately
6 preceding the current year divided by the general price level for
7 the state fiscal year ending in the calendar year before the year
8 immediately preceding the current year.

9 (2) On or before the first Monday in May of each year, the
10 assessing officer of each township or city shall tabulate the
11 tentative taxable value as approved by the local board of review
12 and as modified by county equalization for each classification of
13 property that is separately equalized for each unit of local
14 government and provide the tabulated tentative taxable values to
15 the county equalization director. The tabulation by the assessing
16 officer shall contain additions and losses for each classification
17 of property that is separately equalized for each unit of local
18 government or part of a unit of local government in the township or
19 city. If as a result of state equalization the taxable value of
20 property changes, the assessing officer of each township or city
21 shall revise the calculations required by this subsection on or
22 before the Friday following the fourth Monday in May. The county
23 equalization director shall compute these amounts and the current
24 and immediately preceding year's taxable values for each
25 classification of property that is separately equalized for each
26 unit of local government that levies taxes under this act within
27 the boundary of the county. The county equalization director shall

1 cooperate with equalization directors of neighboring counties, as
2 necessary, to make the computation for units of local government
3 located in more than 1 county. The county equalization director
4 shall calculate the millage reduction fraction for each unit of
5 local government in the county for the current year. The financial
6 officer for each taxing jurisdiction shall calculate the compounded
7 millage reduction fractions beginning in 1980 resulting from the
8 multiplication of successive millage reduction fractions and shall
9 recognize a local voter action to increase the compounded millage
10 reduction fraction to a maximum of 1 as a new beginning fraction.
11 Upon request of the superintendent of the intermediate school
12 district, the county equalization director shall transmit the
13 complete computations of the taxable values to the superintendent
14 of the intermediate school district within that county. At the
15 request of the presidents of community colleges, the county
16 equalization director shall transmit the complete computations of
17 the taxable values to the presidents of community colleges within
18 the county.

19 (3) On or before the first Monday in June of each year, the
20 county equalization director shall deliver the statement of the
21 computations signed by the county equalization director to the
22 county treasurer.

23 (4) On or before the second Monday in June of each year, the
24 treasurer of each county shall certify the immediately preceding
25 year's taxable values, the current year's taxable values, the
26 amount of additions and losses for the current year, and the
27 current year's millage reduction fraction for each unit of local

1 government that levies a property tax in the county.

2 (5) The financial officer of each unit of local government
3 shall make the computation of the tax rate using the data certified
4 by the county treasurer and the state tax commission. At the annual
5 session in October, the county board of commissioners shall not
6 authorize the levy of a tax unless the governing body of the taxing
7 jurisdiction has certified that the requested millage has been
8 reduced, if necessary, in compliance with section 31 of article IX
9 of the state constitution of 1963.

10 (6) The number of mills permitted to be levied in a tax year
11 is limited as provided in this section pursuant to section 31 of
12 article IX of the state constitution of 1963. A unit of local
13 government shall not levy a tax rate greater than the rate
14 determined by reducing its maximum rate or rates authorized by law
15 or charter by a millage reduction fraction as provided in this
16 section without voter approval.

17 (7) A millage reduction fraction shall be determined for each
18 year for each local unit of government. For ad valorem property
19 taxes that became a lien before January 1, 1983, the numerator of
20 the fraction shall be the total state equalized valuation for the
21 immediately preceding year multiplied by the inflation rate and the
22 denominator of the fraction shall be the total state equalized
23 valuation for the current year minus new construction and
24 improvements. For ad valorem property taxes that become a lien
25 after December 31, 1982 and through December 31, 1994, the
26 numerator of the fraction shall be the product of the difference
27 between the total state equalized valuation for the immediately

1 preceding year minus losses multiplied by the inflation rate and
2 the denominator of the fraction shall be the total state equalized
3 valuation for the current year minus additions. For ad valorem
4 property taxes that are levied after December 31, 1994, the
5 numerator of the fraction shall be the product of the difference
6 between the total taxable value for the immediately preceding year
7 minus losses multiplied by the inflation rate and the denominator
8 of the fraction shall be the total taxable value for the current
9 year minus additions. For each year after 1993, a millage reduction
10 fraction shall not exceed 1.

11 (8) The compounded millage reduction fraction shall be
12 calculated by multiplying the local unit's previous year's
13 compounded millage reduction fraction by the current year's millage
14 reduction fraction. The compounded millage reduction fraction for
15 the year shall be multiplied by the maximum millage rate authorized
16 by law or charter for the unit of local government for the year,
17 except as provided by subsection (9). A compounded millage
18 reduction fraction shall not exceed 1.

19 (9) The millage reduction shall be determined separately for
20 authorized millage approved by the voters. The limitation on
21 millage authorized by the voters on or before April 30 of a year
22 shall be calculated beginning with the millage reduction fraction
23 for that year. Millage authorized by the voters after April 30
24 shall not be subject to a millage reduction until the year
25 following the voter authorization which shall be calculated
26 beginning with the millage reduction fraction for the year
27 following the authorization. The first millage reduction fraction

1 used in calculating the limitation on millage approved by the
2 voters after January 1, 1979 shall not exceed 1.

3 (10) A millage reduction fraction shall be applied separately
4 to the aggregate maximum millage rate authorized by a charter and
5 to each maximum millage rate authorized by state law for a specific
6 purpose.

7 (11) A unit of local government may submit to the voters for
8 their approval the levy in that year of a tax rate in excess of the
9 limit set by this section. The ballot question shall ask the voters
10 to approve the levy of a specific number of mills in excess of the
11 limit. The provisions of this section do not allow the levy of a
12 millage rate in excess of the maximum rate authorized by law or
13 charter. If the authorization to levy millage expires after 1993
14 and a local governmental unit is asking voters to renew the
15 authorization to levy the millage, the ballot question shall ask
16 for renewed authorization for the number of expiring mills as
17 reduced by the millage reduction required by this section. If the
18 election occurs before June 1 of a year, the millage reduction is
19 based on the immediately preceding year's millage reduction
20 applicable to that millage. If the election occurs after May 31 of
21 a year, the millage reduction shall be based on that year's millage
22 reduction applicable to that millage had it not expired.

23 (12) A reduction or limitation under this section shall not be
24 applied to taxes imposed for the payment of principal and interest
25 on bonds or other evidence of indebtedness or for the payment of
26 assessments or contract obligations in anticipation of which bonds
27 are issued that were authorized before December 23, 1978, as

1 provided by section 4 of chapter I of former 1943 PA 202, or to
2 taxes imposed for the payment of principal and interest on bonds or
3 other evidence of indebtedness or for the payment of assessments or
4 contract obligations in anticipation of which bonds are issued that
5 are approved by the voters after December 22, 1978.

6 (13) If it is determined subsequent to the levy of a tax that
7 an incorrect millage reduction fraction has been applied, the
8 amount of additional tax revenue or the shortage of tax revenue
9 shall be deducted from or added to the next regular tax levy for
10 that unit of local government after the determination of the
11 authorized rate pursuant to this section.

12 (14) If as a result of an appeal of county equalization or
13 state equalization the taxable value of a unit of local government
14 changes, the millage reduction fraction for the year shall be
15 recalculated. The financial officer shall effectuate an addition or
16 reduction of tax revenue in the same manner as prescribed in
17 subsection (13).

18 (15) The fractions calculated pursuant to this section shall
19 be rounded to 4 decimal places, except that the inflation rate
20 shall be computed by the state tax commission and shall be rounded
21 to 3 decimal places. The state tax commission shall publish the
22 inflation rate before March 1 of each year.

23 (16) Beginning with taxes levied in 1994, the millage
24 reduction required by section 31 of article IX of the state
25 constitution of 1963 shall permanently reduce the maximum rate or
26 rates authorized by law or charter. The reduced maximum authorized
27 rate or rates for 1994 shall equal the product of the maximum rate

1 or rates authorized by law or charter before application of this
2 section multiplied by the compounded millage reduction applicable
3 to that millage in 1994 pursuant to subsections (8) to (12). The
4 reduced maximum authorized rate or rates for 1995 and each year
5 after 1995 shall equal the product of the immediately preceding
6 year's reduced maximum authorized rate or rates multiplied by the
7 current year's millage reduction fraction and shall be adjusted for
8 millage for which authorization has expired and new authorized
9 millage approved by the voters pursuant to subsections (8) to (12).

10 Sec. 78g. (1) Except as otherwise provided in this subsection,
11 on March 1 in each tax year, certified abandoned property and
12 property that is delinquent for taxes, interest, penalties, and
13 fees for the immediately preceding 12 months or more is forfeited
14 to the county treasurer for the total amount of those unpaid
15 delinquent taxes, interest, penalties, and fees. If property is
16 forfeited to a county treasurer under this subsection, the
17 foreclosing governmental unit does not have a right to possession
18 of the property until the April 1 immediately succeeding the entry
19 of a judgment foreclosing the property under section 78k or in a
20 contested case until 22 days after the entry of a judgment
21 foreclosing the property under section 78k. If property is
22 forfeited to a county treasurer under this subsection, the county
23 treasurer shall add a \$175.00 fee to each parcel of property for
24 which those delinquent taxes, interest, penalties, and fees remain
25 unpaid. A county treasurer shall withhold a parcel of property from
26 forfeiture for any reason determined by the state tax commission.
27 The procedure for withholding a parcel of property from forfeiture

1 under this subsection shall be determined by the state tax
2 commission.

3 (2) Not more than 45 days after property is forfeited under
4 subsection (1), the county treasurer shall record with the county
5 register of deeds a certificate in a form determined by the
6 department of treasury for each parcel of property forfeited to the
7 county treasurer, specifying that the property has been forfeited
8 to the county treasurer and not redeemed and that absolute title to
9 the property shall vest in the county treasurer on the March 31
10 immediately succeeding the entry of a judgment foreclosing the
11 property under section 78k or in a contested case 21 days after the
12 entry of a judgment foreclosing the property under section 78k. If
13 a certificate of forfeiture is recorded in error, the county
14 treasurer shall record with the county register of deeds a
15 certificate of error in a form prescribed by the department of
16 treasury. A certificate submitted to the county register of deeds
17 for recording under this subsection need not be notarized and may
18 be authenticated by a digital signature of the county treasurer or
19 by other electronic means. If the county has elected under section
20 78 to have this state foreclose property under this act forfeited
21 to the county treasurer under this section, the county treasurer
22 shall immediately transmit to the department of treasury a copy of
23 each certificate recorded under this subsection. The county
24 treasurer shall upon collection transmit to the department of
25 treasury within 30 days the fee added to each parcel under
26 subsection (1), which may be paid from the county's delinquent tax
27 revolving fund and shall be deposited in the land reutilization

1 fund created under section 78n.

2 (3) Property forfeited to the county treasurer under
3 subsection (1) may be redeemed at any time on or before the March
4 31 immediately succeeding the entry of a judgment foreclosing the
5 property under section 78k or in a contested case within 21 days of
6 the entry of a judgment foreclosing the property under section 78k
7 upon payment to the county treasurer of all of the following:

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

10 (b) In addition to the interest calculated under sections
11 60a(1) or (2) and 78a(3), additional interest computed at a
12 noncompounded rate of 1/2% per month or fraction of a month on the
13 taxes that were originally returned as delinquent, computed from
14 the March 1 preceding the forfeiture.

15 (c) All recording fees and all fees for service of process or
16 notice.

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

21 (5) If property is redeemed by a person with a legal interest
22 as provided under subsection (3), the person redeeming does not
23 acquire a title or interest in the property greater than that
24 person would have had if the property had not been forfeited to the
25 county treasurer, but the person redeeming, other than the owner,
26 is entitled to a lien for the amount paid to redeem the property in
27 addition to any other lien or interest the person may have, which

1 shall be recorded within 30 days with the register of deeds by the
2 person entitled to the lien. The lien acquired shall have the same
3 priority as the existing lien, title, or interest.

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

1 error, the county treasurer shall record with the county register
2 of deeds a certificate of error in a form prescribed by the
3 department of treasury. A copy of a certificate of error recorded
4 under this section shall be immediately transmitted to the
5 department of treasury if this state is the foreclosing
6 governmental unit.

7 (7) If a foreclosing governmental unit has reason to believe
8 that a property forfeited under this section may be the site of
9 environmental contamination, the foreclosing governmental unit
10 shall provide the department of ~~environmental quality~~ **NATURAL**
11 **RESOURCES** with any information in the possession of the foreclosing
12 governmental unit that suggests the property may be the site of
13 environmental contamination.

14 Sec. 78m. (1) Not later than the first Tuesday in July,
15 immediately succeeding the entry of judgment under section 78k
16 vesting absolute title to tax delinquent property in the
17 foreclosing governmental unit, this state is granted the right of
18 first refusal to purchase property at the greater of the minimum
19 bid or its fair market value by paying that amount to the
20 foreclosing governmental unit if the foreclosing governmental unit
21 is not this state. If this state elects not to purchase the
22 property under its right of first refusal, a city, village, or
23 township may purchase for a public purpose any property located
24 within that city, village, or township set forth in the judgment
25 and subject to sale under this section by payment to the
26 foreclosing governmental unit of the minimum bid. If a city,
27 village, or township does not purchase that property, the county in

1 which that property is located may purchase that property under
2 this section by payment to the foreclosing governmental unit of the
3 minimum bid. If property is purchased by a city, village, township,
4 or county under this subsection, the foreclosing governmental unit
5 shall convey the property to the purchasing city, village,
6 township, or county within 30 days. If property purchased by a
7 city, village, township, or county under this subsection is
8 subsequently sold for an amount in excess of the minimum bid and
9 all costs incurred relating to demolition, renovation,
10 improvements, or infrastructure development, the excess amount
11 shall be returned to the delinquent tax property sales proceeds
12 account for the year in which the property was purchased by the
13 city, village, township, or county or, if this state is the
14 foreclosing governmental unit within a county, to the land
15 reutilization fund created under section 78n. Upon the request of
16 the foreclosing governmental unit, a city, village, township, or
17 county that purchased property under this subsection shall provide
18 to the foreclosing governmental unit without cost information
19 regarding any subsequent sale or transfer of the property. This
20 subsection applies to the purchase of property by this state, a
21 city, village, or township, or a county prior to a sale held under
22 subsection (2).

23 (2) Subject to subsection (1), beginning on the third Tuesday
24 in July immediately succeeding the entry of the judgment under
25 section 78k vesting absolute title to tax delinquent property in
26 the foreclosing governmental unit and ending on the immediately
27 succeeding first Tuesday in November, the foreclosing governmental

1 unit, or its authorized agent, at the option of the foreclosing
2 governmental unit, shall hold at least 2 property sales at 1 or
3 more convenient locations at which property foreclosed by the
4 judgment entered under section 78k shall be sold by auction sale,
5 which may include an auction sale conducted via an internet
6 website. Notice of the time and location of the sales shall be
7 published not less than 30 days before each sale in a newspaper
8 published and circulated in the county in which the property is
9 located, if there is one. If no newspaper is published in that
10 county, publication shall be made in a newspaper published and
11 circulated in an adjoining county. Each sale shall be completed
12 before the first Tuesday in November immediately succeeding the
13 entry of judgment under section 78k vesting absolute title to the
14 tax delinquent property in the foreclosing governmental unit.
15 Except as provided in subsection (5), property shall be sold to the
16 person bidding the highest amount above the minimum bid. The
17 foreclosing governmental unit may sell parcels individually or may
18 offer 2 or more parcels for sale as a group. The minimum bid for a
19 group of parcels shall equal the sum of the minimum bid for each
20 parcel included in the group. The foreclosing governmental unit may
21 adopt procedures governing the conduct of the sale and may cancel
22 the sale prior to the issuance of a deed under this subsection if
23 authorized under the procedures. The foreclosing governmental unit
24 may require full payment by cash, certified check, or money order
25 at the close of each day's bidding. Not more than 30 days after the
26 date of a sale under this subsection, the foreclosing governmental
27 unit shall convey the property by deed to the person bidding the

1 highest amount above the minimum bid. The deed shall vest fee
2 simple title to the property in the person bidding the highest
3 amount above the minimum bid, unless the foreclosing governmental
4 unit discovers a defect in the foreclosure of the property under
5 sections 78 to 78/. If this state is the foreclosing governmental
6 unit within a county, the department of natural resources shall
7 conduct the sale of property under this subsection and subsections
8 (4) and (5) on behalf of this state.

9 (3) For sales held under subsection (2), after the conclusion
10 of that sale, and prior to any additional sale held under
11 subsection (2), a city, village, or township may purchase any
12 property not previously sold under subsection (1) or (2) by paying
13 the minimum bid to the foreclosing governmental unit. If a city,
14 village, or township does not purchase that property, the county in
15 which that property is located may purchase that property under
16 this section by payment to the foreclosing governmental unit of the
17 minimum bid.

18 (4) If property is purchased by a city, village, township, or
19 county under subsection (3), the foreclosing governmental unit
20 shall convey the property to the purchasing city, village, or
21 township within 30 days.

22 (5) All property subject to sale under subsection (2) shall be
23 offered for sale at not less than 2 sales conducted as required by
24 subsection (2). The final sale held under subsection (2) shall be
25 held not less than 28 days after the previous sale under subsection
26 (2). At the final sale held under subsection (2), the sale is
27 subject to the requirements of subsection (2), except that the

1 minimum bid shall not be required. However, the foreclosing
2 governmental unit may establish a reasonable opening bid at the
3 sale to recover the cost of the sale of the parcel or parcels.

4 (6) On or before December 1 immediately succeeding the date of
5 the sale under subsection (5), a list of all property not
6 previously sold by the foreclosing governmental unit under this
7 section shall be transferred to the clerk of the city, village, or
8 township in which the property is located. The city, village, or
9 township may object in writing to the transfer of 1 or more parcels
10 of property set forth on that list. On or before December 30
11 immediately succeeding the date of the sale under subsection (5),
12 all property not previously sold by the foreclosing governmental
13 unit under this section shall be transferred to the city, village,
14 or township in which the property is located, except those parcels
15 of property to which the city, village, or township has objected.
16 Property located in both a village and a township may be
17 transferred under this subsection only to a village. The city,
18 village, or township may make the property available under the
19 urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for
20 any other lawful purpose.

21 (7) If property not previously sold is not transferred to the
22 city, village, or township in which the property is located under
23 subsection (6), the foreclosing governmental unit shall retain
24 possession of that property. If the foreclosing governmental unit
25 retains possession of the property and the foreclosing governmental
26 unit is this state, title to the property shall vest in the land
27 bank fast track authority created under section 15 of the land bank

1 fast track act, 2003 PA 258, MCL 124.765.

2 (8) A foreclosing governmental unit shall deposit the proceeds
3 from the sale of property under this section into a restricted
4 account designated as the "delinquent tax property sales proceeds
5 for the year _____". The foreclosing governmental unit shall
6 direct the investment of the account. The foreclosing governmental
7 unit shall credit to the account interest and earnings from account
8 investments. Proceeds in that account shall only be used by the
9 foreclosing governmental unit for the following purposes in the
10 following order of priority:

11 (a) The delinquent tax revolving fund shall be reimbursed for
12 all taxes, interest, and fees on all of the property, whether or
13 not all of the property was sold.

14 (b) All costs of the sale of property for the year shall be
15 paid.

16 (c) Any costs of the foreclosure proceedings for the year,
17 including, but not limited to, costs of mailing, publication,
18 personal service, and outside contractors shall be paid.

19 (d) Any costs for the sale of property or foreclosure
20 proceedings for any prior year that have not been paid or
21 reimbursed from that prior year's delinquent tax property sales
22 proceeds shall be paid.

23 (e) Any costs incurred by the foreclosing governmental unit in
24 maintaining property foreclosed under section 78k before the sale
25 under this section shall be paid, including costs of any
26 environmental remediation.

27 (f) If the foreclosing governmental unit is not this state,

1 any of the following:

2 (i) Any costs for the sale of property or foreclosure
3 proceedings for any subsequent year that are not paid or reimbursed
4 from that subsequent year's delinquent tax property sales proceeds
5 shall be paid from any remaining balance in any prior year's
6 delinquent tax property sales proceeds account.

7 (ii) Any costs for the defense of title actions.

8 (iii) Any costs incurred in administering the foreclosure and
9 disposition of property forfeited for delinquent taxes under this
10 act.

11 (g) If the foreclosing governmental unit is this state, any
12 remaining balance shall be transferred to the land reutilization
13 fund created under section 78n.

14 (h) In 2008 and each year after 2008, if the foreclosing
15 governmental unit is not this state, not later than June 30 of the
16 second calendar year after foreclosure, the foreclosing
17 governmental unit shall submit a written report to its board of
18 commissioners identifying any remaining balance and any contingent
19 costs of title or other legal claims described in subdivisions (a)
20 through (f). All or a portion of any remaining balance, less any
21 contingent costs of title or other legal claims described in
22 subdivisions (a) through (f), may subsequently be transferred into
23 the general fund of the county by the board of commissioners.

24 (9) Two or more county treasurers of adjacent counties may
25 elect to hold a joint sale of property as provided in this section.
26 If 2 or more county treasurers elect to hold a joint sale, property
27 may be sold under this section at a location outside of the county

1 in which the property is located. The sale may be conducted by any
2 county treasurer participating in the joint sale. A joint sale held
3 under this subsection may include or be an auction sale conducted
4 via an internet website.

5 (10) The foreclosing governmental unit shall record a deed for
6 any property transferred under this section with the county
7 register of deeds. The foreclosing governmental unit may charge a
8 fee in excess of the minimum bid and any sale proceeds for the cost
9 of recording a deed under this subsection.

10 (11) As used in this section, "minimum bid" is the minimum
11 amount established by the foreclosing governmental unit for which
12 property may be sold under this section. The minimum bid shall
13 include all of the following:

14 (a) All delinquent taxes, interest, penalties, and fees due on
15 the property. If a city, village, or township purchases the
16 property, the minimum bid shall not include any taxes levied by
17 that city, village, or township and any interest, penalties, or
18 fees due on those taxes.

19 (b) The expenses of administering the sale, including all
20 preparations for the sale. The foreclosing governmental unit shall
21 estimate the cost of preparing for and administering the annual
22 sale for purposes of prorating the cost for each property included
23 in the sale.

24 (12) For property transferred to this state under subsection
25 (1), a city, village, or township under subsection (6) or retained
26 by a foreclosing governmental unit under subsection (7), all taxes
27 due on the property as of the December 31 following the transfer or

1 retention of the property are canceled effective on that December
2 31.

3 (13) For property sold under this section, transferred to this
4 state under subsection (1), a city, village, or township under
5 subsection (6), or retained by a foreclosing governmental unit
6 under subsection (7), all liens for costs of demolition, safety
7 repairs, debris removal, or sewer or water charges due on the
8 property as of the December 31 immediately succeeding the sale,
9 transfer, or retention of the property are canceled effective on
10 that December 31. This subsection does not apply to liens recorded
11 by the department of ~~environmental quality~~ **NATURAL RESOURCES** under
12 this act or the land bank fast track act, 2003 PA 258, MCL 124.751
13 to 124.774.

14 (14) If property foreclosed under section 78k and held by or
15 under the control of a foreclosing governmental unit is a facility
16 as defined under section 20101(1)(o) of the natural resources and
17 environmental protection act, 1994 PA 451, MCL 324.20101, prior to
18 the sale or transfer of the property under this section, the
19 property is subject to all of the following:

20 (a) Upon reasonable written notice from the department of
21 ~~environmental quality~~ **NATURAL RESOURCES**, the foreclosing
22 governmental unit shall provide access to the department of
23 ~~environmental quality~~ **NATURAL RESOURCES**, its employees,
24 contractors, and any other person expressly authorized by the
25 department of ~~environmental quality~~ **NATURAL RESOURCES** to conduct
26 response activities at the foreclosed property. Reasonable written
27 notice under this subdivision may include, but is not limited to,

1 notice by electronic mail or facsimile, if the foreclosing
2 governmental unit consents to notice by electronic mail or
3 facsimile prior to the provision of notice by the department of
4 ~~environmental quality~~ **NATURAL RESOURCES**.

5 (b) If requested by the department of ~~environmental quality~~
6 **NATURAL RESOURCES** to protect public health, safety, and welfare or
7 the environment, the foreclosing governmental unit shall grant an
8 easement for access to conduct response activities on the
9 foreclosed property as authorized under chapter 7 of the natural
10 resources and environmental protection act, 1994 PA 451, MCL
11 324.20101 to 324.20519.

12 (c) If requested by the department of ~~environmental quality~~
13 **NATURAL RESOURCES** to protect public health, safety, and welfare or
14 the environment, the foreclosing governmental unit shall place and
15 record deed restrictions on the foreclosed property as authorized
16 under chapter 7 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.20101 to 324.20519.

18 (d) The department of ~~environmental quality~~ **NATURAL RESOURCES**
19 may place an environmental lien on the foreclosed property as
20 authorized under section 20138 of the natural resources and
21 environmental protection act, 1994 PA 451, MCL 324.20138.

22 (15) If property foreclosed under section 78k and held by or
23 under the control of a foreclosing governmental unit is a facility
24 as defined under section 20101(1)(o) of the natural resources and
25 environmental protection act, 1994 PA 451, MCL 324.20101, prior to
26 the sale or transfer of the property under this section, the
27 department of ~~environmental quality~~ **NATURAL RESOURCES** shall request

1 and the foreclosing governmental unit shall transfer the property
2 to the state land bank fast track authority created under section
3 15 of the land bank fast track act, 2003 PA 258, MCL 124.765, if
4 all of the following apply:

5 (a) The department of ~~environmental quality~~ **NATURAL RESOURCES**
6 determines that conditions at a foreclosed property are an acute
7 threat to the public health, safety, and welfare, to the
8 environment, or to other property.

9 (b) The department of ~~environmental quality~~ **NATURAL RESOURCES**
10 proposes to undertake or is undertaking state-funded response
11 activities at the property.

12 (c) The department of ~~environmental quality~~ **NATURAL RESOURCES**
13 determines that the sale, retention, or transfer of the property
14 other than under this subsection would interfere with response
15 activities by the department of ~~environmental quality~~ **NATURAL**
16 **RESOURCES**.

17 Enacting section 1. This amendatory act does not take effect
18 unless Senate Bill No. 807

19 of the 95th Legislature is enacted into law.