

**SUBSTITUTE FOR  
SENATE BILL NO. 574**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78 (MCL 211.78), as amended by 2008 PA 512.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

9       (2) It is the intent of the legislature that the provisions of  
10 this act relating to the return, forfeiture, and foreclosure of

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

13 (3) Not later than December 1, 1999, the county board of  
14 commissioners of a county, by a resolution adopted at a meeting  
15 held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to  
16 15.275, and with the written concurrence of the county treasurer  
17 and the county executive, if any, may elect to have this state  
18 foreclose property under this act forfeited to the county treasurer  
19 under section 78g. At any time during December 2004, the county  
20 board of commissioners of a county, by a resolution adopted at a  
21 meeting held pursuant to the open meetings act, 1976 PA 267, MCL  
22 15.261 to 15.275, and with the written concurrence of the county  
23 treasurer and county executive, if any, may do either of the  
24 following:

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

27 (b) Rescind its prior resolution by which it elected to have

1 this state foreclose property under this act forfeited to the  
2 county treasurer under section 78g.

3 (4) Beginning January 1, 2009 through March 1, 2009, the  
4 county board of commissioners of a county in which is located an  
5 eligible city, as that term is defined in section 89d, may, by a  
6 resolution adopted at a meeting held pursuant to the open meetings  
7 act, 1976 PA 267, MCL 15.261 to 15.275, and with the written  
8 concurrence of the county treasurer and county executive, if any,  
9 rescind its prior resolution by which it elected to have this state  
10 foreclose property under this act forfeited to the county treasurer  
11 under section 78g.

12 (5) THE COUNTY BOARD OF COMMISSIONERS OF A COUNTY THAT HAS  
13 ELECTED TO HAVE PROPERTY FORFEITED UNDER SECTION 78G FORECLOSED BY  
14 THIS STATE UNDER THIS ACT MAY, BY A RESOLUTION ADOPTED AT A MEETING  
15 HELD PURSUANT TO THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO  
16 15.275, AND WITH THE WRITTEN CONCURRENCE OF THE COUNTY TREASURER  
17 AND COUNTY EXECUTIVE, IF ANY, RESCIND ITS PRIOR RESOLUTION BY WHICH  
18 IT ELECTED TO HAVE THIS STATE FORECLOSE PROPERTY UNDER THIS ACT  
19 FORFEITED TO THE COUNTY TREASURER UNDER SECTION 78G. A COUNTY BOARD  
20 OF COMMISSIONERS SHALL FORWARD A COPY OF THE RESOLUTION AND ANY  
21 CONCURRENCE TO THE DEPARTMENT OF TREASURY NOT LATER THAN NOVEMBER  
22 30 IN THE YEAR IN WHICH THE RESOLUTION IS ADOPTED. A COUNTY THAT  
23 RESCINDS ITS PRIOR ELECTION UNDER THIS SUBSECTION SHALL ACT AS THE  
24 FORECLOSING GOVERNMENTAL UNIT UNDER THIS ACT FOR ALL PROPERTY  
25 FORFEITED TO THE COUNTY TREASURER UNDER SECTION 78G AFTER FEBRUARY  
26 1 IN THE YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE  
27 RESOLUTION IS ADOPTED.

1       (6) ~~(5)~~—The foreclosure of forfeited property by a county is  
2 voluntary and is not an activity or service required of units of  
3 local government for purposes of section 29 of article IX of the  
4 state constitution of 1963.

5       (7) ~~(6)~~—A county and a local governmental unit within that  
6 county may enter into an agreement for the collection of property  
7 taxes or the enforcement and consolidation of tax liens within that  
8 local governmental unit. A local governmental unit shall not  
9 establish a delinquent tax revolving fund under section 87b.

10       (8) ~~(7)~~—As used in this section and sections 78a through 155  
11 for purposes of the collection of taxes returned as delinquent:

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

13       (i) The treasurer of a county.

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

17       (b) "Forfeited" or "forfeiture" means a foreclosing  
18 governmental unit may seek a judgment of foreclosure under section  
19 78k if the property is not redeemed as provided under this act, but  
20 does not acquire a right to possession or any other interest in the  
21 property.