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BILL



ANALYSIS

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House Bill 4039 (Substitute H-2 as passed by the House)
Sponsor: Representative Jon Bumstead
House Committee: Local Government
Senate Committee: Local Government

Date Completed: 10-20-15

CONTENT

The bill would amend the General Property Tax Act to do the following:

- **Specify that certain notice publication requirements pertaining to delinquent taxes and the foreclosure of tax-delinquent property would be satisfied by the inclusion of the notice in a separate insert within a "notice publication" (a print publication that meets certain criteria).**
- **Allow a county treasurer and foreclosing governmental unit to provide notice of certain actions by inserting notices in a notice publication, rather than by publishing them in a newspaper.**
- **Authorize a county treasurer and foreclosing governmental unit to post notice information on a website, in addition to inserting notices in a notice publication.**

The bill would take effect 90 days after its enactment.

Satisfaction of Notice Requirements

Sections 78a through 78r of the Act establish procedures for the return of tax-delinquent property to a county treasurer, the placement of a lien on the property, forfeiture of the property, and the eventual foreclosure and sale of the property. These procedures involve responsibilities of the county treasurer, as well as court proceedings, and a number of notices are required throughout the process.

The bill would add Section 78s and specifies that, for insertion of a notice in a notice publication under Sections 78a to 78r, those sections and Section 78s would apply, notwithstanding any other law to the contrary.

Under Section 78s, a requirement for insertion of a notice publication under Sections 78a to 78r would be satisfied by the inclusion of the notice in a separate insert within a notice publication. A foreclosing governmental unit could exercise its discretion in selecting the notice publication in which the notice would be inserted based on the publication's cost and circulation.

"Notice publication" would include a newspaper, a legal newspaper, or other print publication for the dissemination of news, editorial content, and other information of a public character or nature, including a print publication to which all of the following apply:

- The print publication is published and distributed in not less than weekly intervals.
- At least 50% of the words in the print publication are in the English language.

- The print publication has a bona fide list of subscribers in one or more counties in Michigan and/or is available to the public at newsstands or other retail locations in one or more counties in Michigan.
- The print publication accepts and publishes official and other notices.
- The print publication annually averages at least 25% news and editorial content (printed matter other than advertising) per issue.
- The print publication has been published or distributed for at least one year.

Notice of Delinquent Taxes

Section 78f of the Act requires the county treasurer to send a notice by certified mail, return receipt requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, to the person identified as the owner of property returned for delinquent taxes as shown on the county treasurer's current records. The notice must be sent not later than the February 1 immediately after the date that unpaid taxes were returned to the county treasurer for forfeiture, foreclosure, and sale or returned to the treasurer as delinquent.

The county treasurer may insert one or more additional notices in a newspaper published and circulated in the county in which the property is located. If no newspaper is published in that county, publication may be made in a newspaper published and circulated in an adjoining county. The bill would delete those provisions and instead would allow the treasurer to insert one or more additional notices in a notice publication circulated in the county in which the property was located. If no notice publication were circulated in the county, the treasurer could insert one or more additional notices in a notice publication circulated in adjoining county. A county treasurer also could post one or more additional notices on a website, including a website maintained by the county treasurer.

Section 78f authorizes the county treasurer to publish the street address of property subject to forfeiture for delinquent taxes on the immediately following March 1. The publication may include the name of the person to whom a tax bill was last sent and, if different, the name of the person identified as the owner of the property. The publication must be in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication may be made in a newspaper published and circulated in an adjoining county. Under the bill, the county treasurer instead could insert a notice in a notice publication in the county in which the property was located. If no notice publication were circulated in the county, the treasurer could insert a notice in a notice publication circulated in an adjoining county. A county treasurer also could post the information on a website, including a website maintained by the treasurer.

Notice of Foreclosure Hearings

Under Section 78i, not later than the May 1 immediately after the forfeiture to the county treasurer of property that was tax delinquent for the preceding 12 months, the foreclosing government unit must initiate a search of records to identify the owners of an interest in the property who are entitled to notice of a show cause hearing and foreclosure hearing. If the foreclosing unit or its authorized representative is unable to ascertain the address to inform the owners of a property interest, the notice must be made by publication of a notice for three successive weeks, once each week, in a newspaper published and circulated in the county in which the property is located, if there is one. If no paper is published in the county, publication must be made in a newspaper published and circulated in an adjoining county.

The bill instead would require publication by insertion of a notice in a notice publication. Such a notice would have to be inserted for two successive weeks, once each week, in a notice publication circulated in the county in which the property was located. If a notice publication were not circulated in that county, the foreclosing governmental unit would have to insert the

notice in a notice publication circulated in an adjoining county. The foreclosing governmental unit also could post the notice for not less than 14 days on a website, including a website maintained by that governmental unit.

MCL 211.78f et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would tend to reduce the costs of counties and the State, which serves as the foreclosing governmental unit for some counties. The additional options and reduced number of required publication or insertion dates for some notices regarding tax foreclosure would allow for savings.

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.