

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2020**

Introduced by Rep. Lower

ENROLLED HOUSE BILL No. 5761

AN ACT to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending section 78a (MCL 211.78a), as amended by 2014 PA 499, and by adding section 44e.

The People of the State of Michigan enact:

Sec. 44e. (1) A local tax collecting unit that collects a summer 2020 property tax shall defer the collection of summer 2020 property taxes against property for which a deferment is properly claimed by an owner of the property that qualifies under subsection (2). A deferment under this section continues until the last day that summer 2020 property taxes are due and payable before being returned as delinquent to the county treasurer under section 78a. Summer 2020 property taxes deferred under this section are not subject to penalties or interest for the period of deferment.

(2) An owner of property on which summer 2020 property taxes have been levied qualifies for the deferment described in subsection (1) only if the property owner meets all of the following:

- (a) Is a person that experienced economic hardship as a result of 1 or both of the following:
 - (i) The COVID-19 pandemic or the government’s response to the pandemic, or both.
 - (ii) The flooding caused by certain dam-structure failures that resulted in the state of emergency declared in Executive Order No. 2020-94 and amended and expanded in Executive Order Nos. 2020-98 and 2020-105. The grounds for qualification under this subparagraph do not apply to property used for utilities sites as described in section 34c(2)(d)(ii).

(b) By not later than August 28, 2020, files both of the following, in a form and manner prescribed by the department of treasury, with the treasurer, assessor, or other designated official or employee of the local tax collecting unit in which the property is located:

- (i) A statement of intent to defer payment of those summer 2020 property taxes.

(ii) Subject to sub-subparagraph (D), an affidavit attesting to the economic hardship described in subdivision (a) and its nature and surrounding circumstances. For purposes of this subparagraph, evidence of an economic hardship includes, but is not limited to, a property owner's inability to timely pay summer 2020 property taxes due to 1 or more of the reasons described in sub-subparagraphs (A) to (C), as follows:

(A) A closure of the property owner's business or a restriction of its operation resulting from the COVID-19 pandemic, an executive order issued in response to the COVID-19 pandemic, or the flooding described in subdivision (a)(ii).

(B) A property owner's loss of employment or income, including as a result of a job layoff or furlough, a reduction in work hours, or a reduction in compensation, resulting from the COVID-19 pandemic, an executive order issued in response to the COVID-19 pandemic, or the flooding described in subdivision (a)(ii).

(C) A significant loss of property resulting from the flooding described in subdivision (a)(ii).

(D) Absent a statement in the affidavit attesting to a business closure or restriction, a loss of employment or income, or a significant property loss, as described in sub-subparagraphs (A) to (C), or a similar adverse consequence, a property owner is presumed not to have incurred economic hardship for purposes of this subsection.

(c) Is not a party to an escrow agreement or other agreement obligating another individual or legal entity to pay those summer 2020 property taxes for that property owner.

(d) Has not obtained a deferment of the collection of summer 2020 property taxes against the property on some other basis, including, but not limited to, a basis for deferment under section 51.

(3) A property owner that fraudulently claims eligibility for a deferment of summer 2020 property taxes under subsection (2) is guilty of a misdemeanor punishable by imprisonment in the county jail for not less than 30 days or more than 6 months or by a fine of not less than \$500.00 or more than \$2,500.00, or both. If the local tax collecting unit's treasurer, assessor, or other official or employee designated under subsection (2)(b) is satisfied that a property owner is liable under this subsection, he or she shall report the case to the prosecuting attorney of the county in which the property is located.

(4) By not later than July 28, 2020, the department of treasury shall provide the local tax collecting units with the form, including in a format that permits electronic filing, that owners of property must use to file for deferred payment of summer 2020 property taxes under subsection (2)(b). For purposes of the filing under subsection (2)(b), both of the following apply:

(a) The filing is not complete until the property owner's properly completed form is received by the local tax collecting unit, except that, if the local tax collecting unit accepts electronic filings, the filing of a properly completed electronic form is complete upon submission.

(b) The filing must be completed by not later than 11:59 p.m. on August 28, 2020.

(5) As used in this section:

(a) "Local tax collecting unit" includes a village that collects a summer 2020 property tax.

(b) "Person" means an individual, corporation, limited liability company, partnership, association, or any other legal entity.

(c) "Summer 2020 property tax" means any tax or assessment levied in the 2020 calendar year on real property that is collected under this act and that first becomes a lien before December 1, 2020.

Sec. 78a. (1) For taxes levied after December 31, 1998, all property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the county treasurers of this state under this act, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in section 78, this section, and sections 78b to 79a. As used in section 78, this section, and sections 78b to 79a, "taxes" includes interest, penalties, and fees imposed before the taxes become delinquent and unpaid special assessments or other assessments that are due and payable up to and including the date of the foreclosure hearing under section 78k.

(2) On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. However, if the last day in a year that taxes are due and payable before being returned as delinquent is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before being returned as delinquent is on the next business day and taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent on the immediately succeeding business day. Except as otherwise provided in section 79 for certified abandoned property, property delinquent for taxes levied in the second year preceding the forfeiture under section 78g or in a prior year to which this section applies shall be forfeited to the county treasurer for the total of the unpaid taxes, interest, penalties, and fees for those years as provided under section 78g.

(3) Except as provided in subsection (6) and section 78g(3)(c), a county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally became delinquent, shall be added to property returned as delinquent under this section. A county property tax administration fee provided for under this subsection shall not be less than \$1.00.

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

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

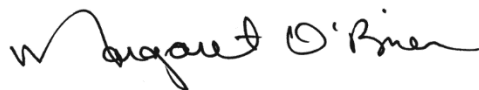
(6) For unpaid summer 2020 property taxes the collection of which was deferred under section 44e and that are returned as delinquent under this section, the county property tax administration fee described in subsection (3) must not be added until May 3, 2021, and the 1% monthly interest charge described in subsection (3) does not begin accruing until May 3, 2021. As used in this subsection, "summer 2020 property tax" means that term as defined in section 44e.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5810 of the 100th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor