

HOUSE BILL NO. 5763

February 17, 2022, Introduced by Reps. Brenda Carter, Weiss, Thanedar, Hope, Scott, Cavanagh, LaGrand, Tyrone Carter, Neeley, Haadsma, Jones and Yancey and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78h (MCL 211.78h), as amended by 2014 PA 499.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78h. (1) Not later than June 15 in each tax year, the
2 foreclosing governmental unit shall file a single petition with the
3 clerk of the circuit court of that county listing all property
4 forfeited and not redeemed to the county treasurer under section
5 78g to be foreclosed under section 78k for the total of the

1 forfeited unpaid delinquent taxes, interest, penalties, and fees.
2 If available to the foreclosing governmental unit, the petition
3 ~~shall~~**must** include the street address of each parcel of property
4 set forth in the petition. The petition ~~shall~~**must** seek a judgment
5 in favor of the foreclosing governmental unit for the forfeited
6 unpaid delinquent taxes, interest, penalties, and fees listed
7 against each parcel of property. The petition ~~shall~~**must** request
8 that a judgment be entered vesting absolute title to each parcel of
9 property in the foreclosing governmental unit, without right of
10 redemption.

11 (2) If property is redeemed after the petition for foreclosure
12 is filed under this section, the foreclosing governmental unit
13 shall request that the circuit court remove that property from the
14 petition for foreclosure before entry of judgment foreclosing the
15 property under section 78k.

16 (3) The foreclosing governmental unit may withhold the
17 following property from the petition for foreclosure filed under
18 this section:

19 (a) Property the title to which is held by minor heirs or
20 persons who are incompetent, persons without means of support, or
21 persons unable to manage their affairs due to age or infirmity,
22 until a guardian is appointed to protect that person's rights and
23 interests.

24 (b) Property the title to which is held by a person undergoing
25 substantial financial hardship, as determined under a written
26 policy developed and adopted by the foreclosing governmental unit.
27 The foreclosing governmental unit shall make available to the
28 public the written policy adopted under this subdivision. The
29 written policy adopted under this subdivision ~~shall~~**must** include,

but is not limited to, all of the following:

(i) The person requesting that the property be withheld from the petition for foreclosure holds the title to the property.

(ii) The total household resources of the person requesting that the property be withheld from the petition for foreclosure meets the federal poverty income standards as defined and determined annually by the United States ~~office~~**Office** of ~~management~~**Management** and ~~budget~~**Budget** or alternative guidelines adopted by the foreclosing governmental unit, provided that the alternative guidelines include all persons who would otherwise meet the federal poverty income standards under this subparagraph. As used in this subparagraph, "total household resources" means that term as defined in section 508 of the income tax act of 1967, 1967 PA 281, MCL 206.508.

(c) Property the title to which is held by a person subject to a delinquent property tax installment payment plan or tax foreclosure avoidance agreement under section 78q.

(d) Property that has continuously qualified as a principal residence exempt from the tax levied by a local school district for school operating purposes under section 7cc since it was returned for delinquent taxes under section 78a, if the property, when returned for delinquent taxes under section 78a, was subject to unpaid delinquent taxes, interest, penalties, and fees of a de minimis amount, as determined solely in the discretion of the foreclosing governmental unit.

(4) If a foreclosing governmental unit withholds property from the petition for foreclosure under subsection (3), a taxing unit's lien for taxes due or the foreclosing governmental unit's right to include the property in a subsequent petition for foreclosure is

1 not prejudiced.

2 (5) The clerk of the circuit court in which the petition is
3 filed shall immediately set the date, time, and place for a hearing
4 on the petition for foreclosure, which hearing ~~shall~~**must** be held
5 not more than 30 days before the March 1 immediately succeeding the
6 date the petition for foreclosure is filed.