

# Legislative Analysis

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## OPT-IN AS FORECLOSING GOVERNMENTAL UNIT

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**Senate Bill 574 (Substitute S-2)**

**Sponsor: Sen. Rick Jones**

**House Committee: Local Government**

**Senate Committee: Local Government and Elections**

**Complete to 2-27-14**

## A SUMMARY OF SENATE BILL 574 AS REPORTED FROM HOUSE COMMITTEE

The bill would amend the General Property Tax Act (MCL 211.78) to allow a county board of commissioners to rescind its previous decision to have the State of Michigan foreclose the tax-forfeited property in the county.

Now under the law, on March 1 in each tax year, certified abandoned property and property that is delinquent for taxes, interest, penalties, and fees for the immediately preceding 12 months or more is forfeited to the county treasurer.

In the past, the law allowed the board of commissioners of a county, by resolution and with the written concurrence of the county treasurer and county executive, to elect to have the State of Michigan foreclose forfeited property. Senate Bill 574 would retain these provisions, but specify that the county commissioners could rescind their prior decision, by adopting a resolution at a meeting held under the Open Meetings Act, and with the written concurrence of the county treasurer and county executive.

Further, the board of commissioners would have to forward a copy of the rescinding resolution and any concurrence to the Department of Treasury by November 30 of that year.

Finally, the bill specifies that a county that rescinded its prior decision would have to act as the foreclosing governmental unit for all property forfeited to the county treasurer after February 1 in the immediately following year.

## FISCAL IMPACT:

As written, the bill could have a small but indeterminate effect on state and local revenues and costs. State administrative costs would decrease in proportion to the number of counties electing to administer tax foreclosures, and those counties would see their administrative costs rise. To the extent that county administration of tax foreclosure proceedings is more efficient, these local units may see a small increase in their revenues.

## POSITIONS:

The County of Eaton supports the bill. (2-13-14)

The Michigan Association of County Treasurers supports the bill. (2-13-14)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.