

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5421**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78g (MCL 211.78g), as amended by 2003 PA 263.

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

1       Sec. 78g. (1) Except as otherwise provided in this subsection,  
2 on March 1 in each tax year, certified abandoned property and  
3 property that is delinquent for taxes, interest, penalties, and  
4 fees for the immediately preceding 12 months or more is forfeited  
5 to the county treasurer for the total amount of those unpaid  
6 delinquent taxes, interest, penalties, and fees. If property is  
7 forfeited to a county treasurer under this subsection, the  
8 foreclosing governmental unit does not have a right to possession  
9 of the property until the April 1 immediately succeeding the entry  
10 of a judgment foreclosing the property under section 78k or in a

1 contested case until 22 days after the entry of a judgment  
2 foreclosing the property under section 78k. If property is  
3 forfeited to a county treasurer under this subsection, the county  
4 treasurer shall add a \$175.00 fee to each parcel of property for  
5 which those delinquent taxes, interest, penalties, and fees remain  
6 unpaid. A county treasurer shall withhold a parcel of property from  
7 forfeiture for any reason determined by the state tax commission.  
8 The procedure for withholding a parcel of property from forfeiture  
9 under this subsection shall be determined by the state tax  
10 commission.

11 (2) Not more than 45 days after property is forfeited under  
12 subsection (1), the county treasurer shall record with the county  
13 register of deeds a certificate in a form determined by the  
14 department of treasury for each parcel of property forfeited to the  
15 county treasurer, specifying that the property has been forfeited  
16 to the county treasurer and not redeemed and that absolute title to  
17 the property shall vest in the county treasurer on the March 31  
18 immediately succeeding the entry of a judgment foreclosing the  
19 property under section 78k or in a contested case 21 days after the  
20 entry of a judgment foreclosing the property under section 78k. If  
21 a certificate of forfeiture is recorded in error, the county  
22 treasurer shall record with the county register of deeds a  
23 certificate of error in a form prescribed by the department of  
24 treasury. A certificate submitted to the county register of deeds  
25 for recording under this subsection need not be notarized and may  
26 be authenticated by a digital signature of the county treasurer or  
27 by other electronic means. If the county has elected under section

1 78 to have this state foreclose property under this act forfeited  
2 to the county treasurer under this section, the county treasurer  
3 shall immediately transmit to the department of treasury a copy of  
4 each certificate recorded under this subsection. The county  
5 treasurer shall upon collection transmit to the department of  
6 treasury within 30 days the fee added to each parcel under  
7 subsection (1), which may be paid from the county's delinquent tax  
8 revolving fund and shall be deposited in the land reutilization  
9 fund created under section 78n.

10 (3) Property forfeited to the county treasurer under  
11 subsection (1) may be redeemed at any time on or before the March  
12 31 immediately succeeding the entry of a judgment foreclosing the  
13 property under section 78k or in a contested case within 21 days of  
14 the entry of a judgment foreclosing the property under section 78k  
15 upon payment to the county treasurer of all of the following:

16 (a) The total amount of unpaid delinquent taxes, interest,  
17 penalties, and fees for which the property was forfeited **OR THE**  
18 **REDUCED AMOUNT OF UNPAID DELINQUENT TAXES, INTEREST, PENALTIES, AND**  
19 **FEES PAYABLE UNDER SUBSECTION (8), IF APPLICABLE.**

20 (b) ~~In~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION AND**  
21 **SUBDIVISION (C), IN** addition to the interest calculated under  
22 sections 60a(1) or (2) and 78a(3), additional interest computed at  
23 a noncompounded rate of 1/2% per month or fraction of a month on  
24 the taxes that were originally returned as delinquent, computed  
25 from the March 1 preceding the forfeiture. **THE COUNTY TREASURER MAY**  
26 **WAIVE THE ADDITIONAL INTEREST UNDER THIS SUBDIVISION IF THE**  
27 **PROPERTY IS WITHHELD FROM THE PETITION FOR FORECLOSURE UNDER**

1 SECTION 78H(3) (C) .

2 (C) IF THE PROPERTY IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY  
3 UNDER SECTION 34C, THE PROPERTY IS A PRINCIPAL RESIDENCE EXEMPT  
4 FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING  
5 PURPOSES UNDER SECTION 7CC, AND A TAX FORECLOSURE AVOIDANCE  
6 AGREEMENT IS IN EFFECT FOR THE PROPERTY UNDER SECTION 78Q(5), WHILE  
7 THE TAX FORECLOSURE AVOIDANCE AGREEMENT IS EFFECTIVE, ALL OF THE  
8 FOLLOWING SHALL APPLY:

9 (i) THE PROPERTY SHALL BE WITHHELD FROM THE PETITION FOR  
10 FORECLOSURE UNDER SECTION 78H.

11 (ii) THE ADDITIONAL INTEREST UNDER SUBDIVISION (B) SHALL NOT  
12 APPLY AND INTEREST COMPUTED AT A NONCOMPOUNDED RATE OF 1/2% PER  
13 MONTH OR FRACTION OF A MONTH ON THE TAXES THAT WERE ORIGINALLY  
14 RETURNED AS DELINQUENT, COMPUTED FROM THE DATE THAT THE TAXES  
15 ORIGINALLY WERE RETURNED AS DELINQUENT, SHALL APPLY TO THE  
16 PROPERTY.

17 (D) ~~(e)~~—All recording fees and all fees for service of process  
18 or notice.

19 (4) If property is redeemed by a person with a legal interest  
20 as provided under subsection (3), any unpaid taxes not returned as  
21 delinquent to the county treasurer under section 78a are not  
22 extinguished.

23 (5) If property is redeemed by a person with a legal interest  
24 as provided under subsection (3), the person redeeming does not  
25 acquire a title or interest in the property greater than that  
26 person would have had if the property had not been forfeited to the  
27 county treasurer, but the person redeeming, other than the owner,

1 is entitled to a lien for the amount paid to redeem the property in  
2 addition to any other lien or interest the person may have, which  
3 shall be recorded within 30 days with the register of deeds by the  
4 person entitled to the lien. The lien acquired shall have the same  
5 priority as the existing lien, title, or interest.

6 (6) If property is redeemed as provided under subsection (3),  
7 the county treasurer shall issue a redemption certificate in  
8 quadruplicate in a form prescribed by the department of treasury.  
9 One of the quadruplicate certificates shall be delivered to the  
10 person making the redemption payment, 1 shall be filed in the  
11 office of the county treasurer, 1 shall be recorded in the office  
12 of the county register of deeds, and 1 shall be immediately  
13 transmitted to the department of treasury if this state is the  
14 foreclosing governmental unit. The county treasurer shall also make  
15 a note of the redemption certificate in the tax record kept in his  
16 or her office, with the name of the person making the final  
17 redemption payment, the date of the payment, and the amount paid.  
18 If the county treasurer accepts partial redemption payments, the  
19 county treasurer shall include in the tax record kept in his or her  
20 office the name of the person or persons making each partial  
21 redemption payment, the date of each partial redemption payment,  
22 the amount of each partial redemption payment, and the total amount  
23 of all redemption payments. A certificate and the entry of the  
24 certificate in the tax record by the county treasurer is prima  
25 facie evidence of a redemption payment in the courts of this state.  
26 A certificate submitted to the county register of deeds for  
27 recording under this subsection need not be notarized and may be

1 authenticated by a digital signature of the county treasurer or by  
2 other electronic means. If a redemption certificate is recorded in  
3 error, the county treasurer shall record with the county register  
4 of deeds a certificate of error in a form prescribed by the  
5 department of treasury. A copy of a certificate of error recorded  
6 under this section shall be immediately transmitted to the  
7 department of treasury if this state is the foreclosing  
8 governmental unit.

9 (7) If a foreclosing governmental unit has reason to believe  
10 that a property forfeited under this section may be the site of  
11 environmental contamination, the foreclosing governmental unit  
12 shall provide the department of environmental quality with any  
13 information in the possession of the foreclosing governmental unit  
14 that suggests the property may be the site of environmental  
15 contamination.

16 (8) BEFORE JULY 1, 2016, IF THE AMOUNT OF UNPAID DELINQUENT  
17 TAXES, INTEREST, PENALTIES, AND FEES FOR WHICH A PROPERTY WAS  
18 FORFEITED IS GREATER THAN 50% OF THE STATE EQUALIZED VALUATION OF  
19 THE PROPERTY AND THE PROPERTY IS SUBJECT TO AND IN COMPLIANCE WITH  
20 A DELINQUENT PROPERTY TAX INSTALLMENT PAYMENT PLAN UNDER SECTION  
21 78Q(1) OR A TAX FORECLOSURE AVOIDANCE AGREEMENT UNDER SECTION  
22 78Q(5), OR BOTH, THE FORECLOSING GOVERNMENTAL UNIT MAY REDUCE THE  
23 AMOUNT OF TAXES, INTEREST, PENALTIES, AND FEES REQUIRED TO BE PAID  
24 TO REDEEM THE PROPERTY UNDER SUBDIVISION (3) (A) TO AN AMOUNT EQUAL  
25 TO 50% OF THE STATE EQUALIZED VALUATION OF THE PROPERTY. IF A  
26 PROPERTY IS REDEEMED BY PAYMENT OF THE REDUCED AMOUNT UNDER THIS  
27 SUBSECTION, ANY REMAINING UNPAID TAXES, INTEREST, PENALTIES, AND

1 FEES FOR WHICH THE PROPERTY WAS FORFEITED AND OTHERWISE PAYABLE  
2 SHALL BE CANCELED BY THE COUNTY TREASURER. A FORECLOSING  
3 GOVERNMENTAL UNIT MAY NOT APPROVE A REDUCTION IN THE AMOUNT  
4 NECESSARY TO REDEEM PROPERTY UNDER THIS SUBSECTION IF THE REDUCTION  
5 WOULD CAUSE NONCOMPLIANCE WITH SECTION 87C(7) OR OTHERWISE  
6 IMPERMISSIBLY IMPAIR AN OUTSTANDING DEBT OF THE COUNTY.

7 Enacting section 1. This amendatory act does not take effect  
8 unless House Bill No. 4882 of the 97th Legislature is enacted into  
9 law.