



HOUSE BILL No. 4456

March 9, 1993, Introduced by Reps. Murphy, Bennane, DeLange, Kilpatrick, Wallace, Clack, Rocca, Freeman, Points, Yokich, Shepich, Joe Young, Jr. and Anthony and referred to the Committee on Taxation.

A bill to amend sections 74 and 108 of Act No. 206 of the Public Acts of 1893, entitled as amended "The general property tax act," section 74 as amended by Act No. 539 of the Public Acts of 1982, being sections 211.74 and 211.108 of the Michigan Compiled Laws; and to add section 55a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 74 and 108 of Act No. 206 of the Public
2 Acts of 1893, section 74 as amended by Act No. 539 of the Public
3 Acts of 1982, being sections 211.74 and 211.108 of the Michigan
4 Compiled Laws, are amended and section 55a is added to read as
5 follows:

6 SEC. 55A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), FOR
7 TAXES RETURNED AS DELINQUENT AFTER FEBRUARY 28, 1994, A SEPARATE

1 TAX ROLL DESIGNATED AS THE "ABANDONED RESIDENTIAL PROPERTY TAX
2 ROLL" SHALL BE DELIVERED BY THE TREASURER OF THE LOCAL TAX COL-
3 LECTING UNIT TO THE COUNTY TREASURER THAT IDENTIFIES PARCELS THAT
4 ARE ABANDONED RESIDENTIAL PROPERTY FOR WHICH THE TAXES ARE UNPAID
5 AS OF MARCH 1.

6 (2) IF THE COUNTY TREASURER COLLECTS THE COUNTY TAX IN THE
7 LOCAL TAX COLLECTING UNIT, THE ABANDONED RESIDENTIAL PROPERTY TAX
8 ROLL MAY BE PREPARED BY MAY 1.

9 (3) IF THE TREASURER OF THE LOCAL TAX COLLECTING UNIT DOES
10 NOT RETURN TAXES DELINQUENT UNDER SECTION 55, HE OR SHE MAY CER-
11 TIFY A LIST OF PARCELS OF ABANDONED RESIDENTIAL PROPERTY TO THE
12 COUNTY TREASURER NOT LATER THAN MARCH 15, OR IF THE LIST CONTAINS
13 500 PARCELS OR LESS, APRIL 1 OF EACH YEAR. THE LIST SHALL IDEN-
14 TIFY THE PARCELS BY PARCEL IDENTIFICATION NUMBERS COMPATIBLE WITH
15 THE PARCEL IDENTIFICATION NUMBERS USED BY THE COUNTY TREASURER.
16 THE COUNTY TREASURER SHALL IDENTIFY THOSE PARCELS OF ABANDONED
17 RESIDENTIAL PROPERTY ON WHICH THOSE PROPERTY TAXES COLLECTED BY
18 THE COUNTY TREASURER ARE DELINQUENT AND PREPARE THE ABANDONED
19 RESIDENTIAL PROPERTY TAX ROLL.

20 (4) THE ABANDONED RESIDENTIAL PROPERTY TAX ROLL CONTAINING
21 PARCELS IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER THIS
22 SECTION SHALL CONTAIN AN AFFIDAVIT OF THE OFFICIAL OF THE LOCAL
23 TAX COLLECTING UNIT RESPONSIBLE FOR IDENTIFYING THOSE PARCELS
24 INDICATING THAT THOSE PARCELS MEET THE CRITERIA OF ABANDONED RES-
25 IDENTIAL PROPERTY.

26 (5) THIS SECTION DOES NOT APPLY UNLESS THE ABANDONED
27 RESIDENTIAL PROPERTY IS LOCATED IN A LOCAL TAX COLLECTING UNIT IN

1 WHICH THE LOCAL GOVERNING BODY, NOT LATER THAN DECEMBER 31 OF THE
2 YEAR IMMEDIATELY PRECEDING THE YEAR TO WHICH A RESOLUTION INI-
3 Tially APPLIES, ADOPTS A RESOLUTION OF GENERAL APPLICATION
4 DECLARING THAT NONPAYMENT OF PROPERTY TAXES IS CONTRIBUTING TO
5 NEIGHBORHOOD DETERIORATION AND BLIGHT.

6 (6) THIS SECTION DOES NOT APPLY UNLESS EACH TAXING UNIT
7 LEVYING A TAX WITHIN THE LOCAL TAX COLLECTING UNIT AND FOR WHOM
8 THE COUNTY TREASURER COLLECTS DELINQUENT REAL PROPERTY TAXES
9 ADOPTS A RESOLUTION OF GENERAL APPLICATION WAIVING THE RIGHT TO
10 RECEIVE REAL PROPERTY TAXES ON ABANDONED RESIDENTIAL PROPERTY
11 FROM THE PROCEEDS OF DELINQUENT TAX REVOLVING FUND NOTES OR FROM
12 THE PROCEEDS OF ANY SALE UNDER SECTION 131.

13 (7) A RESOLUTION ADOPTED UNDER SUBSECTION (5) OR (6) SHALL
14 CONTINUE UNTIL REVOKED BUT IS NOT SUBJECT TO REVOCATION UNTIL
15 ABANDONED RESIDENTIAL PROPERTY TAX ROLLS HAVE BEEN PREPARED FOR 3
16 YEARS AFTER ADOPTION OF THE RESOLUTION. A REVOCATION SHALL BE
17 MADE NOT LATER THAN THE DECEMBER 31 PRECEDING THE YEAR TO WHICH
18 THE REVOCATION APPLIES.

19 (8) THIS SECTION APPLIES ONLY TO A COUNTY THAT CONTAINS A
20 CITY WITH A POPULATION OF MORE THAN 25,000 OR A CITY IN WHICH
21 THERE IS AN ENTERPRISE ZONE ESTABLISHED UNDER THE ENTERPRISE ZONE
22 ACT, ACT NO. 224 OF THE PUBLIC ACTS OF 1985, BEING
23 SECTIONS 125.2101 TO 125.2122 OF THE MICHIGAN COMPILED LAWS.

24 (9) FOR PURPOSES OF THIS SECTION, PROPERTY IS PRESUMED TO BE
25 ABANDONED RESIDENTIAL PROPERTY IF EITHER OF THE FOLLOWING
26 APPLIES:

1 (A) A REPRESENTATIVE OF THE LOCAL TAX COLLECTING UNIT
2 RECORDS WITH THE TREASURER OF THE LOCAL TAX COLLECTING UNIT AN
3 AFFIDAVIT STATING THE PROPERTY HAS BEEN DETERMINED TO BE ABAN-
4 DONED RESIDENTIAL PROPERTY AS PROVIDED FOR IN SUBSECTION (12).

5 (B) A REPRESENTATIVE OF THE LOCAL TAX COLLECTING UNIT
6 RECORDS WITH THE TREASURER OF THE LOCAL TAX COLLECTING UNIT AN
7 AFFIDAVIT STATING THE PROPERTY HAS BEEN DETERMINED ABANDONED
8 UNDER AN ORDINANCE PASSED BY THE GOVERNING BODY OF THE LOCAL TAX
9 COLLECTING UNIT THAT HAS PROCEDURAL REQUIREMENTS SUBSTANTIALLY
10 THE SAME AS THOSE PROVIDED IN SUBSECTION (12)(B). HOWEVER, IF
11 THE PROPERTY IS DETERMINED ABANDONED UNDER A NUISANCE ABATEMENT
12 ORDINANCE, THE LOCAL TAX COLLECTING UNIT SHALL FOLLOW THE PROCE-
13 DURE PROVIDED FOR IN SUBSECTION (12)(B)(ii) AND (iii).

14 (10) A DESIGNATED PARTY OTHER THAN A COUNTY IS SUBJECT TO
15 THE DIRECTION OF THE LOCAL TAX COLLECTING UNIT. THE LOCAL TAX
16 COLLECTING UNIT SHALL REVIEW A DESIGNATED PARTY ANNUALLY TO
17 VERIFY COMPLIANCE WITH THE REQUIREMENTS OF SUBSECTION (12)(E). A
18 DESIGNATED PARTY'S STATUS MAY BE TERMINATED FOR FAILURE TO COMPLY
19 WITH THE REQUIREMENTS OF SUBSECTION (12)(E).

20 (11) DELINQUENT TAXES ON PROPERTY LISTED ON THE ABANDONED
21 RESIDENTIAL PROPERTY TAX ROLL ARE NOT CONSIDERED DELINQUENT REAL
22 PROPERTY TAXES FOR PURPOSES OF SECTION 87B AND SHALL BE PROCESSED
23 BY THE COUNTY TREASURER UNDER SECTION 87 EXCEPT THAT THE COUNTY
24 TREASURER SHALL PAY THESE AMOUNTS TO ALL LOCAL UNITS ON THE SAME
25 DATE AS THE COUNTY DISTRIBUTES MONEY FROM THE DELINQUENT TAX
26 REVOLVING FUND INSTEAD OF DELIVERING PAYMENTS TO THE LOCAL UNITS
27 EACH MONTH.

1 (12) AS USED IN THIS ACT:

2 (A) "ABANDONED" MEANS WITH RESPECT TO A SPECIFIC PARCEL OF
3 PROPERTY THAT THE PROPERTY IS VACANT OR DILAPIDATED AND OPEN TO
4 ENTRANCE OR TRESPASS.

5 (B) "ABANDONED RESIDENTIAL PROPERTY" MEANS A PARCEL OF PROP-
6 ERTY CONTAINING A STRUCTURE INTENDED FOR RESIDENTIAL PURPOSES
7 THAT IS CLASSIFIED AS RESIDENTIAL OR COMMERCIAL UNDER SECTION
8 34C, BUT EXCLUDING PROPERTY USED FOR AGRICULTURAL PURPOSES, AND
9 THAT HAS BEEN DETERMINED TO BE ABANDONED UNDER THE FOLLOWING
10 PROCEDURES:

11 (i) A REPRESENTATIVE OF THE LOCAL TAX COLLECTING UNIT MADE A
12 PERSONAL INSPECTION OF THE PROPERTY AND DETERMINED THE PROPERTY
13 IS ABANDONED.

14 (ii) A NOTICE WAS POSTED ON THE PROPERTY AT THE TIME OF THE
15 PERSONAL INSPECTION BY A REPRESENTATIVE OF THE LOCAL TAX COLLECT-
16 ING UNIT AND A NOTICE WAS SENT BY CERTIFIED MAIL BY THE LOCAL TAX
17 COLLECTING UNIT TO EACH OWNER AND PERSON WITH A LEGAL INTEREST IN
18 THE PROPERTY ACCORDING TO THE RECORDS OF THE TREASURER OF THE
19 LOCAL TAX COLLECTING UNIT. THE NOTICE INCLUDED ALL OF THE FOL-
20 LOWING INFORMATION:

21 (A) THE LEGAL DESCRIPTION AND STREET ADDRESS OF THE
22 PROPERTY.

23 (B) A STATEMENT THAT THE PROPERTY IS ABANDONED.

24 (C) A STATEMENT THAT, DUE TO ABANDONMENT, THE PROPERTY IS
25 SUBJECT TO ACCELERATED SALE FOR ENFORCEMENT AND COLLECTION OF
26 DELINQUENT PROPERTY TAXES IN THE SECOND MAY FOLLOWING THE MARCH
27 IN WHICH THE TAXES BECAME DELINQUENT.

1 (D) A STATEMENT THAT THE PROPERTY WILL BE PRESUMED ABANDONED
2 UNLESS THE OWNER OR A PERSON CLAIMING A LAWFUL INTEREST RESPONDS
3 WITHIN 15 DAYS OF RECEIPT OF THE NOTICE WITH AN AFFIDAVIT FILED
4 WITH OR SENT BY FIRST-CLASS MAIL TO THE TREASURER OF THE LOCAL
5 TAX COLLECTING UNIT STATING THAT THE OWNER OR PERSON WITH A
6 LAWFUL INTEREST IN THE PROPERTY IS OCCUPYING OR INTENDS TO OCCUPY
7 THE PROPERTY.

8 (iii) THE OWNER OR A PERSON CLAIMING A LAWFUL INTEREST IN
9 THE PROPERTY HAS NOT CLAIMED THE PROPERTY IS NOT ABANDONED BY
10 FILING THE AFFIDAVIT REQUIRED BY SUBPARAGRAPH (ii)(D).

11 (C) "ABANDONED RESIDENTIAL PROPERTY OFFICER" MEANS ANY OF
12 THE FOLLOWING:

13 (i) FOR A LOCAL TAX COLLECTING UNIT, THE PERSON POPULARLY
14 ELECTED AS MAYOR OR SUPERVISOR.

15 (ii) FOR A COUNTY, THE PERSON POPULARLY ELECTED AS COUNTY
16 EXECUTIVE.

17 (iii) FOR A LOCAL TAX COLLECTING UNIT OR COUNTY THAT DOES
18 NOT HAVE A PERSON DESCRIBED IN SUBPARAGRAPHS (i) OR (ii), A
19 PERSON DESIGNATED BY THE GOVERNING BODY OF THE LOCAL TAX COLLECT-
20 ING UNIT OR THE COUNTY.

21 (D) "DESIGNATED PARCEL" MEANS A PARCEL FOR WHICH 1 OF THE
22 FOLLOWING IS TRUE:

23 (i) THE PARCEL IS LOCATED IN AN AREA FOR WHICH A LOCAL TAX
24 COLLECTING UNIT HAS PREPARED ARCHITECTURAL OR ENGINEERING DRAW-
25 INGS FOR PROJECTS THAT INCLUDE THE ACQUISITION OF PROPERTY.

26 (ii) THE PARCEL IS INCLUDED IN AN AREA FOR WHICH THE LOCAL
27 TAX COLLECTING UNIT HAS ADOPTED OR IS IN THE PROCESS OF ADOPTING

1 A PROGRAM, DISTRICT, OR PLAN PURSUANT TO A CHARTER OR ORDINANCE,
2 STATE OR FEDERAL LAW, OR RULES OR REGULATIONS PROMULGATED THERE-
3 UNDER, THAT PROVIDES FOR ADOPTION OR CREATION BY A PUBLIC ENTITY
4 OF A PROGRAM, DISTRICT, OR PLAN COVERING A GEOGRAPHICAL AREA OR
5 PERMITS ACQUISITION OF PROPERTY BY A PUBLIC ENTITY.

6 (E) "DESIGNATED PARTY" MEANS ANY OF THE FOLLOWING:

7 (i) A PERSON THAT HAS BEEN GIVEN RESPONSIBILITY AND CONTROL
8 WITH RESPECT TO A PARCEL OF ABANDONED RESIDENTIAL PROPERTY UNDER
9 A NUISANCE ABATEMENT ORDINANCE.

10 (ii) A PERSON THAT MEETS THE FOLLOWING REQUIREMENTS, AS CER-
11 TIFIED BY A PROCEDURE ADOPTED BY THE GOVERNING BODY AND APPROVED
12 BY THE ELECTED CHIEF EXECUTIVE OFFICER OF THE LOCAL TAX COLLECT-
13 ING UNIT TO DETERMINE A DESIGNATED PARTY:

14 (A) IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION
15 501(c)(3) OF THE INTERNAL REVENUE CODE.

16 (B) HAS A DEMONSTRABLE CAPABILITY FOR HOME REHABILITATION OR
17 COMMUNITY ECONOMIC DEVELOPMENT.

18 (C) HAS A COMMUNITY BASED BOARD WITH 51% OR MORE OF BOARD
19 MEMBERS BEING RESIDENTS OF THE LOCAL TAX COLLECTING UNIT IN WHICH
20 THE PROPERTY IS LOCATED.

21 (D) HAS OPEN MEETINGS, MAINTAINS RECORDS OF MEETINGS, AND
22 PREPARES FINANCIAL REPORTS.

23 (iii) THE COUNTY IN WHICH THE PARCEL OF ABANDONED RESIDEN-
24 TIAL PROPERTY IS LOCATED.

25 (F) "DESIGNATED RECIPIENT" MEANS A DESIGNATED PARTY TO WHOM
26 THE ABANDONED RESIDENTIAL PROPERTY OFFICER OF A LOCAL TAX
27 COLLECTING UNIT, OR HIS OR HER DESIGNEE, WITH THE APPROVAL OF THE

1 GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT, OR THE ABANDONED
2 RESIDENTIAL PROPERTY OFFICER OF A COUNTY, OR HIS OR HER DESIGNEE,
3 WITH THE APPROVAL OF THE GOVERNING BODY OF THE COUNTY, HAS
4 ASSIGNED THE RIGHT OF THE LOCAL TAX COLLECTING UNIT OR COUNTY,
5 WHICHEVER IS APPLICABLE, WITH RESPECT TO A SPECIFIC PARCEL TO
6 RECEIVE ABANDONED RESIDENTIAL PROPERTY FROM THE DIRECTOR OF THE
7 DEPARTMENT OF NATURAL RESOURCES UNDER SECTION 131(3).

8 (14) AS USED IN THIS SECTION AND SECTION 131, "LOCAL TAX
9 COLLECTING UNIT" MEANS A CITY OR TOWNSHIP IN WHICH A PARCEL OF
10 ABANDONED RESIDENTIAL PROPERTY IS LOCATED.

11 Sec. 74. (1) ~~Any~~ A person, city, or other political sub-
12 division ~~—~~ owning land sold pursuant to this act ~~—~~ or any
13 interest in these lands, ~~may,~~ at any time before the first
14 Tuesday of May in the year following the sale, OR FOR PARCELS
15 IDENTIFIED AS ABANDONED RESIDENTIAL PROPERTY UNDER SECTION 55A,
16 BEFORE THE SECOND TUESDAY IN JULY OF THE YEAR OF THE SALE, MAY
17 redeem any parcel of these lands, or any part or interest in
18 these lands ~~—~~ by showing to the satisfaction of the county
19 treasurer or department of treasury that the person, city, or
20 other political subdivision owns only that part or interest in
21 the land ~~which~~ THAT the person, city, or other political subdi-
22 vision proposes to redeem, and by paying to the county treasurer
23 ~~or department of treasury~~ the amount of the sale of the parcel
24 of land, or the portion of the land wished to be redeemed, and
25 interest ~~thereon~~ ON THAT AMOUNT computed at a rate of 1.25% per
26 month or fraction of a month, except as provided in section 89,
27 from the first day of the month in which the tax sale opened. If

1 a person, city, or other political subdivision owns less than the
2 whole description sold, the amount required to redeem that part
3 shall be calculated pursuant to section 53. Upon the payment of
4 the redemption money and interest computed at a rate of 1.25% per
5 month, or fraction of a month, except as provided in section 89,
6 to the county treasurer pursuant to this section, the county
7 treasurer shall issue a redemption certificate in triplicate in a
8 form prescribed by the department of treasury. One of the trip-
9 licate certificates shall be delivered to the person making the
10 redemption payment, 1 shall be filed in the office of the county
11 treasurer, and 1 shall be immediately transmitted to the depart-
12 ment of treasury. If the county treasurer fails to forward the
13 certificate to the department of treasury as required by this
14 section, the department of treasury may take possession of the
15 certificate in the office of the county treasurer, and the cer-
16 tificates shall after that time be part of the records and files
17 of the department of treasury.

18 (2) The county treasurer shall also make a note of the
19 redemption certificate in the tax record book kept in his or her
20 office, with the name of the payee, and the date and amount
21 paid. All redemption certificates issued pursuant to this sec-
22 tion shall be consecutively numbered by the printer. The county
23 treasurer shall account for each certificate issued and forward a
24 weekly report to the department of treasury accounting for each
25 certificate issued.

26 (3) A certificate, and the entry ~~thereof~~ OF THE
27 CERTIFICATE by the county treasurer, shall be evidence of a

1 redemption payment in the courts of this state. However, each
 2 county treasurer shall make a full and complete report to the
 3 department of treasury of all redemption certificates issued by
 4 him or her during the redemption period. This report shall be
 5 made not later than 20 days after the expiration of the redemp-
 6 tion period. The department of treasury shall compel, in the
 7 manner provided by law, the filing of these reports, as provided
 8 by this section, by the county treasurers and for that purpose
 9 may incur ~~such expense as shall be~~ EXPENSES AS required.

10 ~~(4) Upon a redemption at the office of the state treasurer,~~
 11 ~~the state treasurer shall issue a redemption certificate in trip-~~
 12 ~~licate in a form prescribed by him or her. The original shall be~~
 13 ~~furnished to the person making the redemption, the duplicate~~
 14 ~~shall be filed with the department of treasury, and the tripli-~~
 15 ~~cate shall be sent to the county treasurer of the proper county~~
 16 ~~who shall cause the proper entries to be made on the tax record~~
 17 ~~of his or her county. This certificate, or a copy of the certifi-~~
 18 ~~cate, and the entry thereof by the county treasurer, shall be~~
 19 ~~evidence of a redemption payment in the courts of this state.~~

20 Sec. 108. (1) The ~~authorities of any~~ GOVERNING BODY OF A
 21 city or village, the charter of which does not so provide, may
 22 provide by ordinance for the return of all unpaid taxes on real
 23 property to the county treasurer in the same manner and with like
 24 effect ~~—~~ as returns by township treasurers. ~~In such case the~~
 25 THE words and characters by which the property is described on
 26 the village DELINQUENT tax roll ~~and~~ so returned ~~must~~ SHALL be
 27 the same as the words and characters used to describe the

1 property as it appears on the regular township roll. ~~and the~~
2 THE county treasurer shall reject, as provided in section 55,
3 ~~hereof~~ any description returned by the village treasurer
4 ~~which~~ THAT does not agree with the description as it appears on
5 the regular township tax roll for the same year. The taxes
6 ~~thus~~ returned shall be collected in the same manner as other
7 taxes returned ~~as provided in~~ DELINQUENT UNDER this act. The
8 ~~authorities of any~~ GOVERNING BODY OF A city or village, which
9 ~~by its charter~~ has the right to sell lands for unpaid
10 taxes or assessments, may provide for judicial sale of ~~such~~
11 THOSE lands. ~~Such~~ THE sale shall be made on petition filed in
12 behalf of the city or village in interest, and shall conform, as
13 near as practicable, to the provisions ~~as to~~ FOR A sale ~~in~~
14 UNDER this act. ~~Provided, That whenever any~~ HOWEVER, IF
15 lands are offered at ~~such~~ sale that have been bid to the state
16 at any tax sale made under the provisions of any general tax law,
17 and upon which ~~such~~ bid or bids remain undischarged, ~~any~~ A
18 sale made of ~~such~~ THOSE lands at the city tax sale ~~shall be~~
19 IS conditioned upon the payment of the tax lien held by the state
20 on ~~said~~ THE land, OTHER THAN LAND IDENTIFIED AS ABANDONED RESI-
21 DENTIAL PROPERTY UNDER SECTION 55A, and the sale, so made, shall
22 be void if the tax lien held by the state ~~shall remain~~ REMAINS
23 unsatisfied.

24 (2) FOR A SALE OF ABANDONED RESIDENTIAL PROPERTY MADE UNDER
25 SUBSECTION (1), ALL TAXES AND SPECIAL ASSESSMENTS THAT ARE A LIEN
26 AGAINST THAT PROPERTY ARE CANCELED.

1 (3) IF THE PROVISIONS OF THE CITY CHARTER FAIL TO PROVIDE
2 SPECIFIC PROVISIONS FOR THE SALE OF ABANDONED RESIDENTIAL
3 PROPERTY CONSISTENT WITH THE PROCEDURES OF THIS ACT, A CITY MAY
4 PRESCRIBE BY ORDINANCE A PROCEDURE FOR THE SALE OF ABANDONED RES-
5 IDENTIAL PROPERTY CONSISTENT WITH THE PROCEDURES OF THIS ACT.

6 Section 2. This amendatory act shall not take effect unless
7 Senate Bill No. _____ or House Bill No. _____ (request
8 no. 02500'93) of the 87th Legislature is enacted into law.