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TAX REVERSION PROGRAM; ABANDONED PROPERTY

House Bill 4490 (Substitute H-1)
Sponsor: Rep. Patricia Birkholz
**Committee: Local Government and
Urban Policy**

Complete to 5-11-99

A SUMMARY OF HOUSE BILL 4490 (SUBSTITUTE H-1)

House Bill 4490 (Substitute H-1) would create the Certification of Abandoned Property for Accelerated Forfeiture Act. The bill would prescribe the duties of the local unit of government and the county treasurer; provide a sample resolution to be adopted in order to declare accelerated forfeiture; and, describe an affidavit of interest an owner could file to delay certification for one year.

Under the bill, a local unit of government (defined to mean a city, village, or township) could make a declaration of accelerated forfeiture of abandoned property by adopting a resolution stating three conditions: the existence of a large number of parcels of abandoned tax delinquent property; the contribution of such property such property to crime, blight, and decay; and, that certification of such property as certified abandoned property would result in accelerated forfeiture and foreclosure, and would return the property to productive use more rapidly, thereby reducing crime, blight, and decay.

If a local unit of government were to make a declaration of accelerated forfeiture of abandoned property before March 1 of any tax year, the county treasurer could identify property within the local unit as abandoned property, if all of the following procedures were met: taxes levied on the property were returned as delinquent on March 1; before May 1, the county treasurer inspected the property and determined it to be abandoned; and, at the time of inspection, the county treasurer posted a notice on the property that it is subject to accelerated forfeiture and foreclosure. If the county treasurer determined that the property was occupied by an owner or a person with a legal interest, the county treasurer would be prohibited from certifying the property as abandoned, and would be required to provide written notice to the occupant that taxes levied were delinquent, which could result in foreclosure and sale.

The bill would provide that before September 15, an owner or person with a legal interest could file an affidavit with the county treasurer claiming the property was not abandoned. If an affidavit were filed, the property would not be forfeited on the immediately preceding March 1, but would be forfeited on the immediate succeeding March 1 if all delinquent taxes, interest, penalties, and fees had not been paid. If no affidavit were filed by September 15, the county treasurer could certify the property as certified abandoned property.

House Bill 4490 (5-11-99)

House Bill 4490 (Substitute H-1) is tie-barred to Senate Bill 343, which would create an urban homesteading program; Senate Bill 487, which provides that tax delinquent property would be subject to forfeiture, foreclosure, and sale; and Senate Bill 489, which also would provide that certified abandoned property would be subject to forfeiture, foreclosure, and sale. The bill would not become law unless all of the bills were enacted.

Analyst: J. Hunault

■ 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.