

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4489 (Substitute H-4 as reported by the Committee of the Whole)
Sponsor: Representative Patricia Birkholz
House Committee: Local Government and Urban Policy

CONTENT

The bill would amend the General Property Tax Act to provide that for taxes levied after December 31, 1998, tax delinquent property would be subject to forfeiture, foreclosure, and sale as provided under the bill. The bill would establish fees on each parcel of property for which delinquent taxes remained unpaid (\$15 to cover the cost of sending notice of the tax delinquency by certified mail, and \$175 for a title search, subject to adjustment by the State Treasurer); create the "Land Reutilization Fund" to pay administrative costs of the foreclosure and disposition of forfeited property; require county treasurers to conduct a title search to identify owners of a recorded property interest; require notices of tax delinquency, forfeiture, and foreclosure to persons with an interest in property; require oral advice about foreclosure to occupants and tenants of tax delinquent property; allow owners of foreclosed property to appeal to the Court of Appeals and/or bring an action to recover monetary damages in the Court of Claims within 21 days after judgment was made; allow a county treasurer to cancel tax sales in 2000 and 2001 if there were no outstanding bonds or notes issued by the county for the tax delinquent property; and allow a county to choose to have the State foreclose tax delinquent and certified abandoned property forfeited to the county. If a judgment vesting absolute title were entered, the foreclosing governmental unit could sell the property and deposit the proceeds into a restricted account, which could be used only for reimbursing the delinquent tax revolving fund and paying costs of sale, foreclosure, and maintenance; any remaining balance would have to be transferred to the Land Reutilization Fund.

In addition, the bill would require a committee of county treasurers and each county treasurer to submit to the State Treasurer and the Legislature reports pertaining to the proposed delinquent tax collection process and administrative expenses, respectively. The bill also would delete provisions allowing a local unit or a county to file an application with the Department of Natural Resources for conveyance of certified special residential property.

The bill is tie-barred to Senate Bill 343, which would create an urban homesteading program that would make property available to eligible buyers to rent at fair market value; Senate Bill 488, which would create the "Certification of Abandoned Property for Accelerated Forfeiture Act"; and Senate Bill 489, which provides that certified abandoned property would be subject to forfeiture, foreclosure, and sale.

MCL 211.57 et. al

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would accelerate the collection of delinquent property taxes and establish fees to cover administrative costs.

Date Completed: 6-9-99

Fiscal Analyst: R. Ross

[floor/hb4489\(H-4\)](#)

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.