

# HOUSE BILL No. 4490

April 15, 1999, Introduced by Reps. Birkholz, Jansen, Kukuk, DeWeese, Hager, Byl, Tabor, LaSata and Lockwood and referred to the Committee on Local Government and Urban Policy.

A bill to provide for the identification, inspection, and certification of abandoned property by local units of government; to prescribe certain duties for certain local units of government; to provide for certain administration and collection fees; and to facilitate the return of abandoned tax delinquent property to productive use.

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

1       Sec. 1. This act shall be known and may be cited as the  
2 "certification of abandoned property for accelerated foreclosure  
3 act".

4       Sec. 2. As used in this act:

5       (a) "Abandoned property" means tax delinquent property con-  
6 taining a structure that is vacant or dilapidated and open to  
7 entrance or trespass and that has been determined to be abandoned  
8 under section 4.

1 (b) "Certified abandoned property" means abandoned property  
2 certified by a local unit of government as abandoned under sec-  
3 tion 5.

4 (c) "Declaration of accelerated foreclosure of abandoned  
5 property" means the resolution adopted by a local unit of govern-  
6 ment under section 3.

7 (d) "General property tax act" means the general property  
8 tax act, 1893 PA 206, MCL 211.1 to 211.157.

9 (e) "Legal interest" means a person holding a title interest  
10 in the property or a mortgage holder as it appears on the records  
11 of the treasurer of the county in which the abandoned property is  
12 located or the records of the assessor of the local unit of gov-  
13 ernment in which the abandoned property is located.

14 (f) "Local unit of government" means a city, village, or  
15 township.

16 (g) "Tax delinquent property" means property the taxes for  
17 which have been returned as delinquent under the general property  
18 tax act.

19 Sec. 3. A local unit of government may make a declaration  
20 of accelerated foreclosure of abandoned property by adopting a  
21 resolution at a meeting held pursuant to the open meetings act,  
22 1976 PA 267, MCL 15.261 to 15.275, containing substantially the  
23 following language:

24 "Whereas, the governing body of the local unit of government  
25 determines that within the local unit of government a large  
26 number of parcels of abandoned tax delinquent property exist;

1       Whereas, abandoned tax delinquent property contributes to  
2 crime, blight, and decay within the local unit of government;

3       Whereas, the certification of tax delinquent abandoned prop-  
4 erty as certified abandoned property will result in the forfei-  
5 ture and accelerated foreclosure of certified abandoned property  
6 under the general property tax act and return abandoned property  
7 to productive use more rapidly, thereby reducing crime, blight,  
8 and decay within the local unit of government;

9       Therefore, the local unit of government hereby notifies res-  
10 idents and owners of property within the local unit of government  
11 that abandoned tax delinquent property will be identified and  
12 inspected by the local unit of government and may be certified as  
13 certified abandoned property under the certification of abandoned  
14 property for accelerated foreclosure act and subject to acceler-  
15 ated foreclosure under the general property tax act.".

16       Sec. 4. (1) If a local unit of government makes a declara-  
17 tion of accelerated foreclosure of abandoned property pursuant to  
18 section 3 before May 1 of any tax year, the local unit of govern-  
19 ment may identify property within the local unit of government as  
20 abandoned property if all of the following procedures are com-  
21 plied with:

22       (a) Taxes levied on the property were returned as delinquent  
23 on the immediately preceding March 1 to the treasurer of the  
24 county in which the property is located pursuant to the general  
25 property tax.

1 (b) Before September 1, the local unit of government  
2 inspects the property and determines that the property is  
3 abandoned property.

4 (c) At the time of inspection under subdivision (b), the  
5 local unit of government posts a notice on the property. The  
6 notice shall conform to the requirements set forth under subsec-  
7 tion (2).

8 (d) After the inspection under subdivision (b) and not later  
9 than September 1, the local unit of government sends a notice to  
10 each owner of the property and to each person with a legal inter-  
11 est in the property, according to the records of the treasurer of  
12 the county in which the property is located and the records of  
13 the assessor of the local unit of government in which the prop-  
14 erty is located. The notice shall be sent by certified mail,  
15 return receipt requested, and shall conform to the requirements  
16 set forth under subsection (2).

17 (e) An owner or a person with a legal interest in the prop-  
18 erty has not filed the affidavit required under subsection  
19 (2)(e), claiming the property is not abandoned.

20 (2) The notice required under subsection (1) shall include  
21 all of the following information:

22 (a) The legal description and street address of the proper-  
23 ty, if known.

24 (b) A statement that the local unit of government inspected  
25 the property and determined that the property is abandoned.

1 (c) A statement that, because the property is abandoned, the  
2 local unit of government may certify the property as certified  
3 abandoned property under this act.

4 (d) A statement that certified abandoned property is subject  
5 to accelerated foreclosure under the general property tax act, to  
6 enforce and collect delinquent property taxes.

7 (e) A statement that the local unit of government may cer-  
8 tify the property as certified abandoned property unless an owner  
9 or a person with a legal interest in the property submits an  
10 affidavit to the treasurer of the local unit of government not  
11 later than September 15, stating that an owner or the person with  
12 a legal interest in the property is occupying or intends to  
13 occupy the property. An affidavit under this subdivision shall  
14 be filed with or sent by first-class mail to the treasurer of the  
15 local unit of government.

16 (f) Instructions for the payment of delinquent taxes,  
17 including a statement of all taxes, interest, penalties, and fees  
18 due on the property.

19 (3) If the local unit of government determines that the  
20 property is occupied by an owner or a person with a legal inter-  
21 est in the property, the local unit of government shall not cer-  
22 tify the property as certified abandoned property and shall pro-  
23 vide written notice to the occupant that taxes levied on the  
24 property are delinquent, which could result in foreclosure and  
25 sale of the property pursuant to the general property tax act.

26 (4) The local unit of government, or a private vendor under  
27 contract with the local unit of government, may utilize the

1 qualified voter file established under section 509o of the  
2 Michigan election law, 1954 PA 116, MCL 168.509o, to confirm the  
3 address of each owner and any person with a legal interest in  
4 each parcel of abandoned property subject to certification as  
5 certified abandoned property under this act.

6       Sec. 5. If a local unit of government complies with the  
7 procedures set forth in sections 3 and 4 and an owner or a person  
8 with a legal interest in the property has not filed an affidavit  
9 by September 15 claiming that the property is not abandoned as  
10 provided under section 4, the local unit of government may cer-  
11 tify the property as certified abandoned property.

12       Sec. 6. A local unit of government that certifies property  
13 as certified abandoned property under this act shall report that  
14 property to the treasurer of the county in which the property is  
15 located by October 1 in each tax year.

16       Sec. 7. (1) A local unit of government may levy a \$100.00  
17 certified abandoned property administration and collection fee on  
18 any parcel of property certified as certified abandoned property,  
19 in addition to any fee authorized by charter, ordinance, or state  
20 law.

21       (2) A local unit of government shall notify the treasurer of  
22 the county in which certified abandoned property is located not  
23 later than October 1 of any fee assessed on that certified aban-  
24 doned property by that local unit of government under this  
25 section.

26       (3) Proceeds from the certified abandoned property  
27 administration and collection fee authorized under subsection (1)

1 shall be used by a local unit of government to comply with the  
2 inspection and notice requirements of this act.

3       Sec. 8. If a local unit of government complies with this  
4 act, it is not liable for damages incurred for any action taken  
5 under this act.

6       Enacting section 1. This act does not take effect unless  
7 all of the following bills of the 90th Legislature are enacted  
8 into law:

9       (a) Senate Bill No. 343.

10       (b) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
11 no. 02652'99).

12       (c) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
13 no. 02654'99).