

SENATE BILL NO. 351

February 23, 1999, Introduced by Senators PETERS, SCHUETTE, SIKKEMA, STEIL, SHUGARS, EMERSON and HAMMERSTROM and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to allow for the identification of tax delinquent abandoned real property; to permit the accelerated forfeiture of tax delinquent abandoned real property; to require certain procedures of and to impose certain duties on certain local governmental units; to provide for the imposition of certain fees; and to provide for the disposition of forfeited tax delinquent abandoned property the title to which is vested in certain local governmental units.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "tax delinquent abandoned property identification and accelerated
3 forfeiture act".

4 Sec. 2. As used in this act:

1 (a) "Collecting county" means a county that utilizes this
2 act to collect delinquent taxes on, and to accelerate the
3 forfeiture of, tax delinquent abandoned property.

4 (b) "Delinquent taxes" means real property taxes that have
5 been returned as delinquent under the general property tax act.
6 Delinquent taxes include any interest, penalty, fee, or other
7 cost authorized under the general property tax act.

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

10 (d) "Local tax collecting unit" means a city or township, or
11 a county if the county collects property taxes on behalf of a
12 city or township.

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

15 (f) "Tax delinquent abandoned property" means property that
16 is vacant or dilapidated and open to entrance or trespass, that
17 has been determined to be abandoned under the procedures set
18 forth in section 4, and on which taxes have been returned as
19 delinquent under the general property tax act.

20 Sec. 3. (1) Between January 1 and March 1 in any tax year,
21 a local tax collecting unit may, by resolution approved at a
22 meeting held pursuant to the open meetings act, 1976 PA 267, MCL
23 15.261 to 15.275, elect to have the county in which the local tax
24 collecting unit is located utilize this act to collect delinquent
25 taxes on, and to accelerate the forfeiture of, tax delinquent
26 abandoned property in that tax year and all succeeding tax
27 years. If a local tax collecting unit elects to have the county

1 in which the local tax collecting unit is located utilize this
2 act to collect delinquent taxes on, and to accelerate the forfei-
3 ture of, tax delinquent abandoned property, that county shall
4 utilize this act to collect delinquent taxes on, and to acceler-
5 ate the forfeiture of, tax delinquent abandoned property located
6 in that local tax collecting unit.

7 (2) If a local tax collecting unit does not elect to have
8 the county in which the local tax collecting unit is located uti-
9 lize this act pursuant to subsection (1), between January 1 and
10 March 1 in any tax year, the county in which the local tax col-
11 lecting unit is located may, by resolution approved at a meeting
12 held pursuant to the open meetings act, 1976 PA 267, MCL 15.261
13 to 15.275, elect to utilize this act to collect delinquent taxes
14 on, and to accelerate the forfeiture of, tax delinquent abandoned
15 property located in that local tax collecting unit in that tax
16 year and all succeeding tax years.

17 (3) If a local tax collecting unit does not elect to have
18 the county in which the local tax collecting unit is located uti-
19 lize this act pursuant to subsection (1) and the county in which
20 the local tax collecting unit is located does not elect to uti-
21 lize this act pursuant to subsection (2), the delinquent taxes on
22 the tax delinquent abandoned property shall be collected pursuant
23 to the general property tax act.

24 Sec. 4. (1) Tax delinquent abandoned property is subject to
25 accelerated forfeiture under this act if all of the following
26 procedures are complied with:

1 (a) A representative of the collecting county made a
2 personal inspection of the tax delinquent abandoned property and
3 determined that the tax delinquent abandoned property is
4 abandoned.

5 (b) A notice was posted on the tax delinquent abandoned
6 property at the time of the personal inspection by a representa-
7 tive of the collecting county and a notice was sent by certified
8 mail, return receipt requested, by the collecting county to each
9 owner and person with a legal interest in the tax delinquent
10 abandoned property according to the records of the treasurer of
11 the local tax collecting unit in which the tax delinquent aban-
12 doned property is located. The notice shall include all of the
13 following information:

14 (i) The legal description and street address of the tax
15 delinquent abandoned property.

16 (ii) A statement that the tax delinquent abandoned property
17 is abandoned.

18 (iii) A statement that, due to abandonment, the tax delin-
19 quent abandoned property is subject to accelerated forfeiture for
20 enforcement and collection of delinquent property taxes as pro-
21 vided in this act.

22 (iv) A statement that the tax delinquent abandoned property
23 will be presumed abandoned unless the owner or a person claiming
24 a legal interest responds by May 1 in the year in which the taxes
25 are delinquent with an affidavit filed with or sent by
26 first-class mail to the treasurer of the collecting county
27 stating that the owner or person with a legal interest in the tax

1 delinquent abandoned property is occupying or intends to occupy
2 the tax delinquent abandoned property.

3 (c) The owner or a person claiming a legal interest in the
4 tax delinquent abandoned property has not claimed the tax delin-
5 quent abandoned property is not abandoned by filing the affidavit
6 required by subdivision (b)(iv).

7 (2) If the representative of the collecting county deter-
8 mines during the personal inspection that the tax delinquent
9 abandoned property is occupied by a person with a legal interest
10 in the tax delinquent abandoned property, the representative
11 shall do all of the following:

12 (a) Provide written notice to that occupant that taxes
13 levied on that tax delinquent abandoned property are delinquent,
14 which, if not redeemed, could result in the forfeiture of the tax
15 delinquent abandoned property and eviction.

16 (b) Notify the collecting county that the tax delinquent
17 abandoned property is not abandoned and is not eligible for
18 accelerated forfeiture under this act, but may be eligible for
19 disposition under the tax delinquent residential rental property
20 identification and accelerated forfeiture act or the tax delin-
21 quent homestead property identification and accelerated forfei-
22 ture act.

23 Sec. 5. (1) If the owner or a person claiming a legal
24 interest in the tax delinquent abandoned property has not claimed
25 that the tax delinquent abandoned property is not abandoned by
26 filing the affidavit required by section 4(1)(b)(iv), the
27 collecting county shall conduct, or contract with a private

1 vendor to conduct, a title search for each parcel of tax
2 delinquent abandoned property subject to accelerated forfeiture
3 under this act.

4 (2) The collecting county shall pay the costs of the title
5 search from the title search fee authorized under section 60 of
6 the general property tax act, MCL 211.60.

7 Sec. 6. (1) After conducting the title search required
8 under section 5 and not less than 14 days before conducting a
9 hearing pursuant to section 7, the collecting county, or a pri-
10 vate vendor under contract with the collecting county, shall send
11 notice by certified mail, return receipt requested, to the owner
12 and to all persons with a legal interest in each parcel of tax
13 delinquent abandoned property subject to accelerated forfeiture
14 under this act. If the collecting county or private vendor under
15 contract with the collecting county is unable to ascertain the
16 whereabouts or the post office address of the owner or any person
17 with a legal interest in the tax delinquent abandoned property
18 subject to accelerated forfeiture under this act or, if notice by
19 certified mail is refused, service of the notice shall be made by
20 publication. The notice shall be published for 4 successive
21 weeks, once each week, in a newspaper published and circulated in
22 the collecting county, if there is one. If no newspaper is pub-
23 lished in the collecting county, publication shall be made in a
24 newspaper published and circulated in an adjoining county, and
25 proof of publication, by affidavit of the printer or publisher of
26 the newspaper, shall be filed with the register of deeds in the
27 collecting county. This publication shall be instead of personal

1 service on the person or persons with a legal property interest
2 whose whereabouts cannot be ascertained or who refused service by
3 certified mail.

4 (2) The collecting county or private vendor under contract
5 with the collecting county may utilize the qualified voter file
6 established under section 509o of the Michigan election law, 1954
7 PA 116, MCL 168.509o, to confirm the address of the owner and any
8 person with a legal interest in each parcel of tax delinquent
9 abandoned property subject to accelerated forfeiture under this
10 act.

11 (3) The notice required under subsection (1) shall include,
12 but is not limited to, all of the following:

13 (a) A statement that the tax delinquent abandoned property
14 is subject to accelerated forfeiture because the tax delinquent
15 abandoned property has been determined to be abandoned.

16 (b) Instructions for redemption under this act, including a
17 statement of all delinquent taxes due.

18 (c) The time, date, and location of the hearing authorized
19 under section 7 at which the owner or a person with a legal
20 interest in the tax delinquent abandoned property may object to
21 the accelerated forfeiture.

22 Sec. 7. (1) Not sooner than September 1 in the year in
23 which the taxes become delinquent and not later than September 1
24 in the immediately succeeding year, the collecting county may
25 petition the circuit court for the collecting county to enter a
26 judgment forfeiting the tax delinquent abandoned property to the
27 local unit of government in which the tax delinquent abandoned

1 property is located. A judgment forfeiting the title to tax
2 delinquent abandoned property under this section forfeits title
3 to all parcels of tax delinquent abandoned property set forth on
4 a separate attachment to the complaint and incorporated into the
5 complaint by reference.

6 (2) In a forfeiture action brought under this section, the
7 delinquent property taxes and the notice provided under sections
8 4 and 6 are prima facie evidence in support of a judgment for-
9 feiting the title to the tax delinquent abandoned property to the
10 local unit of government in which the tax delinquent abandoned
11 property is located.

12 (3) The owner and any person with a legal interest in the
13 tax delinquent abandoned property may appear at a forfeiture
14 hearing held pursuant to this section and redeem the tax delin-
15 quent abandoned property as provided under this act or show cause
16 why the tax delinquent abandoned property is not abandoned or why
17 title to the tax delinquent abandoned property should not vest in
18 the local unit of government in which the tax delinquent aban-
19 doned property is located for any of the reasons set forth in
20 section 98 of the general property tax act, MCL 211.98.

21 (4) If the circuit court for the collecting county enters a
22 judgment forfeiting the title to the tax delinquent abandoned
23 property to the local unit of government in which the tax delin-
24 quent abandoned property is located, the circuit court for the
25 collecting county shall issue a tax deed for the tax delinquent
26 abandoned property to the local unit of government.

1 Sec. 8. (1) Not sooner than 90 days after the hearing
2 provided for in section 7, a collecting county may bring a quiet
3 title action in the circuit court for the collecting county. A
4 quiet title action under this section shall determine title for
5 all parcels of tax delinquent abandoned property set forth on a
6 separate attachment to the complaint and incorporated into the
7 complaint by reference.

8 (2) If a collecting county brings a quiet title action in
9 the circuit court for the collecting county pursuant to subsec-
10 tion (1) and the circuit court for the collecting county enters a
11 judgment vesting absolute title to the tax delinquent abandoned
12 property in the local unit of government in which the tax delin-
13 quent abandoned property is located, all prior interests in the
14 tax delinquent abandoned property are canceled.

15 Sec. 9. Tax delinquent abandoned property may be redeemed
16 at any time before a judgment is entered under section 8 by pay-
17 ment to the collecting county of all of the following:

18 (a) All delinquent taxes due.

19 (b) Costs incurred for notice, publication, and title work
20 required under this act.

21 (c) Court costs.

22 Sec. 10. If a collecting county brings a quiet title action
23 in the circuit court for the collecting county pursuant to sec-
24 tion 8 and the circuit court for the collecting county enters a
25 judgment vesting absolute title to the tax delinquent abandoned
26 property in the local unit of government in which the tax
27 delinquent abandoned property is located, the local unit of

1 government may do 1 or more of the following with the tax
2 delinquent abandoned property:

3 (a) Demolish any unsafe structure located on the tax delin-
4 quent abandoned property.

5 (b) Remediate any environmental contamination found on the
6 tax delinquent abandoned property or notify the department of
7 environmental quality or other appropriate organization regarding
8 the existence of environmental contamination on the tax delin-
9 quent abandoned property.

10 (c) Sell the tax delinquent abandoned property to a private
11 purchaser by auction or direct marketing.

12 (d) Make the tax delinquent abandoned property available to
13 qualified buyers under the urban homestead act.

14 (e) Transfer the tax delinquent abandoned property to a non-
15 profit organization for rehabilitation and reuse.

16 (f) Retain the tax delinquent abandoned property for a spe-
17 cific public purpose, including, but not limited to, a park, zoo,
18 or university, or as part of an existing project with an antici-
19 pated completion date of not more than 2 years after the date
20 title to the tax delinquent abandoned property vests in the local
21 unit of government.