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SFA**BILL ANALYSIS**

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House Bill 5451 (Substitute S-2 as reported)
Sponsor: Representative Belda Garza
House Committee: Land Use and Environment
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the General Property Tax Act to permit a foreclosing governmental unit to request a title product other than a title search, in order to identify the owners of a property interest in forfeited property; and describe actions that would be considered reasonable steps to ascertain the address of a person entitled to notice of a show cause hearing and foreclosure hearing.

Under the Act, following the forfeiture to a county treasurer of certified abandoned property or property that is tax-delinquent for 12 months or more, the foreclosing governmental unit must initiate a title search to identify the owners of a property interest who are entitled to notice of a show cause hearing and a foreclosure hearing. The bill would delete reference to a title search and require instead a search of records identified under the Act. Currently, the foreclosing governmental unit may enter into a contract with one or more authorized representatives to perform the title search. Under the bill, the foreclosing governmental unit also could request from one or more authorized representatives another title product to identify the owners of a property interest.

The bill provides that if the foreclosing governmental unit were unable to determine an address to inform a person with an interest in forfeited property, or if the hearing notice were returned as undeliverable, the following would have to be considered reasonable steps to ascertain the address of a person entitled to notice of a show cause hearing and foreclosure hearing:

- For an individual, a search of county probate court records.
- For an individual, a search of the qualified voter file.
- For a partnership, a search of partnership records filed with the county clerk.
- For a business entity other than a partnership, a search of business entity records filed with the Department of Consumer and Industry Services.
- A search of a current telephone directory for the area where the property was located.
- A letter of inquiry to the last seller of the property or an attorney for the seller, if ascertainable.

The bill is tie-barred to House Bills 4851-4853, 5450, and 6137.

MCL 211.78i

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Please see **FISCAL IMPACT** on House Bill 4851 (S-2).

Date Completed: 6-24-02

Fiscal Analyst: David Zin