

SUBSTITUTE FOR  
HOUSE BILL NO. 4718

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78i (MCL 211.78i), as added by 1999 PA 123.

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

1       Sec. 78i. (1) Not later than May 1 immediately succeeding  
2 the forfeiture of property to the county treasurer under section  
3 78g, the foreclosing governmental unit shall ~~conduct~~ INITIATE a  
4 title search to identify the owners of a property interest in the  
5 property who are entitled to notice under this section of the  
6 show cause hearing under section 78j and the foreclosure hearing  
7 under section 78k. The foreclosing governmental unit may enter  
8 into a contract with 1 or more ~~title insurance companies or~~  
9 ~~agents licensed to conduct business in this state~~ AGENTS to  
10 perform the title search required under this subsection and to  
11 perform the other functions set forth in this section.

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1           (2) The foreclosing governmental unit or its authorized  
2 representative shall determine the address reasonably calculated  
3 to apprise those owners of a property interest of the pendency of  
4 the show cause hearing under section 78j and the foreclosure  
5 hearing under section 78k and shall send notice of the show cause  
6 hearing under section 78j and the foreclosure hearing under  
7 section 78k to those owners, to a person entitled to notice of  
8 the return of delinquent taxes under section 78a(4), and to a  
9 person to whom a tax deed for property returned for delinquent  
10 taxes was issued pursuant to section 72 as determined by the  
11 records of the state treasurer, by certified mail, return receipt  
12 requested, not less than 30 days before the show cause hearing.  
13 The failure of the foreclosing governmental unit to comply with  
14 any provision of this section shall not invalidate any proceeding  
15 under this act if the owner of a property interest or a person to  
16 whom a tax deed was issued is accorded the minimum due process  
17 required under the state constitution of 1963 and the constitu-  
18 tion of the United States.

19           (3) The foreclosing governmental unit or its authorized rep-  
20 resentative shall make a personal visit to each parcel of prop-  
21 erty forfeited to the county treasurer under section 78g to  
22 ascertain whether or not the property is occupied. If the prop-  
23 erty appears to be occupied, the foreclosing governmental unit or  
24 its authorized representative shall do all of the following:

25           (a) Attempt to personally serve upon a person occupying the  
26 property a copy of a notice of the show cause hearing under  
27 section 78j and the foreclosure hearing under section 78k.

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1 (b) If a person occupying the property is personally served,  
2 orally inform the occupant that the property will be foreclosed  
3 and the occupants will be required to vacate unless all forfeited  
4 unpaid delinquent taxes, interest, penalties, and fees are paid,  
5 of the time within which all forfeited unpaid delinquent taxes,  
6 interest, penalties, and fees must be paid, and of agencies or  
7 other resources that may be available to assist the owner to  
8 avoid loss of the property.

9 (c) If the occupant appears to lack the ability to under-  
10 stand the advice given, notify the family independence agency or  
11 provide the occupant with the names and telephone number of the  
12 agencies that may be able to assist the occupant.

13 (d) If the foreclosing governmental unit or its authorized  
14 representative is not able to personally meet with the occupant,  
15 the foreclosing governmental unit or its authorized representa-  
16 tive shall place the notice in a conspicuous manner on the prop-  
17 erty and shall also place in a conspicuous manner on the property  
18 a notice that explains, in plain English, that the property will  
19 be foreclosed unless forfeited unpaid delinquent taxes,  
20 ~~penalties,~~ interest, PENALTIES, and fees are paid, the time  
21 within which forfeited unpaid delinquent taxes, interest, penal-  
22 ties, and fees must be paid, and the names, addresses, and tele-  
23 phone numbers of agencies or other resources that may be avail-  
24 able to assist the occupant to avoid loss of the property. If  
25 this state is the foreclosing governmental unit within a county,  
26 the department of natural resources shall perform the personal

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1 visit to each parcel of property under this subsection on behalf  
2 of this state.

3 ~~(4) The foreclosing governmental unit or its authorized~~  
4 ~~representative shall record the proof of service of the notice of~~  
5 ~~the show cause hearing under section 78j, the foreclosure hearing~~  
6 ~~under section 78k, and the personal visit to the property~~  
7 ~~required under this section with the register of deeds in the~~  
8 ~~county in which the property is located.~~

9 (4) ~~(5) If the foreclosing governmental unit entered into a~~  
10 ~~contract with a title insurance company or agent licensed to do~~  
11 ~~business in this state under subsection (1), the foreclosing gov-~~  
12 ~~ernmental unit shall provide the proof of service recorded under~~  
13 ~~subsection (4) to the title insurance company or agent. Within~~  
14 ~~10 days after receipt of the proof of service of the notice of~~  
15 ~~the show cause hearing under section 78j, the foreclosure hearing~~  
16 ~~under section 78k, and the personal visit to the property, the~~  
17 ~~title insurance company or agent shall notify the foreclosing~~  
18 ~~governmental unit in writing of any deficiency in service. If~~  
19 ~~the foreclosing governmental unit is notified of~~ OR ITS AUTHO-  
20 RIZED REPRESENTATIVE DISCOVERS any deficiency in ~~service~~ THE  
21 PROVISION OF NOTICE, the foreclosing governmental unit shall TAKE  
22 REASONABLE STEPS IN GOOD FAITH TO correct that deficiency ~~and~~  
23 ~~provide proof of that correction to the title insurance company~~  
24 ~~or agent~~ NOT LATER THAN 30 DAYS BEFORE THE SHOW CAUSE HEARING  
25 UNDER SECTION 78J.

26 (5) ~~(6)~~ If the foreclosing governmental unit or its  
27 authorized representative is unable to ascertain the address

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Sub. HB 4718 (H-1) as amended May 9, 2001

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1 reasonably calculated to apprise the owners of a property  
2 interest entitled to notice under this section, or is unable to  
3 serve the owner of a property interest, service of the notice  
4 shall be made by publication [, WHICH NOTICE OF PUBLICATION SHALL  
INCLUDE THE NAME OR NAMES OF ANY PERSON OR ENTITY BELIEVED TO HAVE  
ANY LEGAL INTEREST IN THE PROPERTY AND WHO HAVE NOT OTHERWISE BEEN  
SERVED PERSONALLY OR BY CERTIFIED MAIL]. The notice shall be  
published for  
5 3 successive weeks, once each week, in a newspaper published and  
6 circulated in the county in which the property is located, if  
7 there is one. If no paper is published in that county, publica-  
8 tion shall be made in a newspaper published and circulated in an  
9 adjoining county. ~~, and proof of publication, by affidavit of~~  
10 ~~the printer or publisher of the newspaper, shall be recorded with~~  
11 ~~the register of deeds in the county in which the property is~~  
12 ~~located.~~ This publication shall be instead of service under  
13 subsection (2). ~~Publication under this subsection is subject to~~  
14 ~~the requirements set forth in section 65.~~

15 (6) ~~-(7)-~~ The owner of a property interest is entitled to  
16 notice under this section of the show cause hearing under section  
17 78j and the foreclosure hearing under section 78k if that owner's  
18 interest was identifiable by reference to any of the following  
19 sources before the date that the county treasurer records the  
20 certificate required under section 78g(2):

- 21 (a) Records in the office of the county register of deeds.
- 22 (b) Tax records in the office of the county treasurer.
- 23 (c) Records in the office of the local assessor.
- 24 (d) Records in the office of the local treasurer.

25 (7) ~~-(8)-~~ The notice required under this section shall  
26 include all of the following:

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1 (a) The date on which the property was forfeited to the  
2 county treasurer.

3 (b) A statement that the person notified may lose his or her  
4 interest in the property as a result of the foreclosure proceed-  
5 ing under section 78k.

6 (c) A legal description or parcel number of the property and  
7 the street address of the property, if possible.

8 (d) ~~All persons~~ THE PERSON to whom the notice is  
9 addressed.

10 (e) The total taxes, interest, penalties, and fees due on  
11 the property.

12 (f) The date and time of the show cause hearing under sec-  
13 tion 78j.

14 (g) The date and time of the hearing on the petition for  
15 foreclosure under section 78k, and a statement that unless the  
16 forfeited unpaid delinquent taxes, interest, penalties, and fees  
17 are paid within 21 days after judgment is entered in the foreclo-  
18 sure proceeding under section 78k, the title to the property  
19 shall vest absolutely in the foreclosing governmental unit.

20 (h) An explanation of the person's rights of redemption and  
21 notice that the rights of redemption will expire 21 days after  
22 judgment is entered in the foreclosure proceeding under section  
23 78k.

24 (8) ~~-(9)-~~ The owner of a property interest who has been  
25 properly served with a notice of the show cause hearing under  
26 section 78j and the foreclosure hearing under section 78k and who

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1 failed to redeem the property as provided under this act shall  
2 not assert any of the following:

3       (a) That notice was insufficient or inadequate on the  
4 grounds that some other owner of a property interest was not also  
5 served.

6       (b) That the redemption period provided under this act was  
7 extended in any way on the grounds that some other owner of a  
8 property interest was not also served.