

**SUBSTITUTE FOR  
HOUSE BILL NO. 5451**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 78i (MCL 211.78i), as amended by 2001 PA  
101.

**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 initiate a ~~title~~  
4 search OF RECORDS IDENTIFIED IN SUBSECTION (6) to identify the  
5 owners of a property interest in the property who are entitled to  
6 notice under this section of the show cause hearing under  
7 section 78j and the foreclosure hearing under section 78k. The  
8 foreclosing governmental unit may enter into a contract with 1 or  
9 more authorized representatives to perform ~~the~~ A title search  
10 OR MAY REQUEST FROM 1 OR MORE AUTHORIZED REPRESENTATIVES ANOTHER

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1 TITLE PRODUCT TO IDENTIFY THE OWNERS OR A PROPERTY INTEREST IN  
2 THE PROPERTY AS required under this subsection and to perform  
3 ~~the~~ other functions ~~set forth in this section~~ REQUIRED FOR  
4 THE COLLECTION OF DELINQUENT TAXES UNDER THIS ACT.

5 (2) ~~The~~ AFTER CONDUCTING THE SEARCH OF RECORDS UNDER SUB-  
6 SECTION (1), THE foreclosing governmental unit or its authorized  
7 representative shall determine the address reasonably calculated  
8 to apprise those owners of a property interest of the ~~pendency~~  
9 ~~of the~~ show cause hearing under section 78j and the foreclosure  
10 hearing under section 78k and shall send notice of the show cause  
11 hearing under section 78j and the foreclosure hearing under  
12 section 78k to those owners, to a person entitled to notice of  
13 the return of delinquent taxes under section 78a(4), and to a  
14 person to whom a tax deed for property returned for delinquent  
15 taxes was issued pursuant to section 72 as determined by the  
16 records of the state treasurer, by certified mail, return receipt  
17 requested, not less than 30 days before the show cause hearing.  
18 ~~The failure of the foreclosing governmental unit to comply with~~  
19 ~~any provision of this section shall not invalidate any proceeding~~  
20 ~~under this act if the owner of a property interest or a person to~~  
21 ~~whom a tax deed was issued is accorded the minimum due process~~  
22 ~~required under the state constitution of 1963 and the constitu-~~  
23 ~~tion of the United States.~~ IF AFTER CONDUCTING THE SEARCH OF  
24 RECORDS UNDER SUBSECTION (1) THE FORECLOSING GOVERNMENTAL UNIT IS  
25 UNABLE TO DETERMINE AN ADDRESS REASONABLY CALCULATED TO INFORM A  
26 PERSON WITH AN INTEREST IN A FORFEITED PROPERTY OR IF THE NOTICE  
27 UNDER THIS SUBSECTION IS RETURNED AS UNDELIVERABLE, ANY OF THE

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1 FOLLOWING SHALL BE CONSIDERED REASONABLE STEPS BY THE FORECLOSING  
2 GOVERNMENTAL UNIT OR ITS AUTHORIZED REPRESENTATIVE TO ASCERTAIN  
3 THE ADDRESS OF A PERSON ENTITLED TO NOTICE UNDER THIS SECTION:

4 (A) A SEARCH OF THE RECORDS OF THE COUNTY PROBATE COURT.

5 (B) A SEARCH OF THE QUALIFIED VOTER FILE ESTABLISHED UNDER  
6 SECTION 509<sup>o</sup> OF THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL  
7 168.509<sup>o</sup>.

8 (C) FOR A PARTNERSHIP, A SEARCH OF PARTNERSHIP RECORDS FILED  
9 WITH THE COUNTY CLERK.

10 (D) FOR A BUSINESS ENTITY OTHER THAN A PARTNERSHIP, A SEARCH  
11 OF BUSINESS ENTITY RECORDS FILED WITH THE DEPARTMENT OF CONSUMER  
12 AND INDUSTRY SERVICES.

13 (E) A SEARCH OF A CURRENT TELEPHONE DIRECTORY FOR THE AREA  
14 IN WHICH THE PROPERTY IS LOCATED.

15 (F) A LETTER OF INQUIRY TO THE LAST SELLER OF THE PROPERTY  
16 OR AN ATTORNEY FOR THE SELLER, IF ASCERTAINABLE.

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

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

26 (b) If a person occupying the property is personally served,  
27 orally inform the occupant that the property will be foreclosed

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1 and the occupants will be required to vacate unless all forfeited  
2 unpaid delinquent taxes, interest, penalties, and fees are paid,  
3 of the time within which all forfeited unpaid delinquent taxes,  
4 interest, penalties, and fees must be paid, and of agencies or  
5 other resources that may be available to assist the owner to  
6 avoid loss of the property.

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

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

26 (4) If the foreclosing governmental unit or its authorized  
27 representative discovers any deficiency in the provision of

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1 notice, the foreclosing governmental unit shall take reasonable  
2 steps in good faith to correct that deficiency not later than 30  
3 days before the show cause hearing under section 78j.

4 (5) If the foreclosing governmental unit or its authorized  
5 representative is unable to ascertain the address reasonably cal-  
6 culated to apprise the owners of a property interest entitled to  
7 notice under this section, or is unable to ~~serve~~ NOTIFY the  
8 owner of a property interest UNDER SUBSECTION (2), ~~service of~~  
9 ~~the~~ notice shall be made by publication. A notice shall be pub-  
10 lished for 3 successive weeks, once each week, in a newspaper  
11 published and circulated in the county in which the property is  
12 located, if there is one. If no paper is published in that  
13 county, publication shall be made in a newspaper published and  
14 circulated in an adjoining county. This publication shall be  
15 instead of ~~service~~ NOTICE under subsection (2).

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

22 (a) ~~Records~~ LAND TITLE RECORDS in the office of the county  
23 register of deeds.

24 (b) Tax records in the office of the county treasurer.

25 (c) ~~Records~~ TAX RECORDS in the office of the local  
26 assessor.

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1           (d) ~~Records~~ TAX RECORDS in the office of the local  
2 treasurer.

3           (7) The notice required under subsections ~~(1)~~ (2) and (3)  
4 shall include all of the following:

5           (a) The date on which the property was forfeited to the  
6 county treasurer.

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

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

12           (d) The person to whom the notice is addressed.

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

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

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

23           (h) An explanation of the person's rights of redemption and  
24 notice that the rights of redemption will expire 21 days after  
25 judgment is entered in the foreclosure proceeding under section  
26 78k.

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1 (8) The published notice required under subsection (5) shall  
2 include all of the following:

3 (a) A legal description or parcel number of each property.

4 (b) The street address of each property, if possible.

5 (c) The name of any person or entity entitled to notice  
6 under this section who has not been notified under subsection  
7 ~~(1)~~ (2) or (3).

8 (d) The date and time of the show cause hearing under  
9 section 78j.

10 (e) The date and time of the hearing on the petition for  
11 foreclosure under section 78k.

12 (f) A statement that unless all forfeited unpaid delinquent  
13 taxes, interest, penalties, and fees are paid within 21 days  
14 after judgment is entered in the foreclosure proceeding under  
15 section 78k, the title to the property shall vest absolutely in  
16 the foreclosing governmental unit.

17 (g) A statement that a person with an interest in the prop-  
18 erty may lose his or her interest in the property as a result of  
19 the foreclosure proceeding under section 78k.

20 (9) The owner of a property interest who has been properly  
21 served with a notice of the show cause hearing under section 78j  
22 and the foreclosure hearing under section 78k and who failed to  
23 redeem the property as provided under this act shall not assert  
24 any of the following:

25 (a) That notice was insufficient or inadequate on the  
26 grounds that some other owner of a property interest was not also  
27 served.

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

4 (10) THE FAILURE OF THE FORECLOSING GOVERNMENTAL UNIT OR ITS  
5 AUTHORIZED REPRESENTATIVE TO COMPLY WITH ANY PROVISION OF THIS  
6 SECTION SHALL NOT INVALIDATE ANY PROCEEDING UNDER THIS ACT IF THE  
7 OWNER OF A PROPERTY INTEREST OR A PERSON TO WHOM A TAX DEED WAS  
8 ISSUED IS ACCORDED THE MINIMUM DUE PROCESS REQUIRED UNDER THE  
9 STATE CONSTITUTION OF 1963 AND THE CONSTITUTION OF THE UNITED  
10 STATES.

11 (11) ~~(10)~~ As used in this section, "authorized  
12 representative" includes all of the following:

13 (a) A title insurance company or agent licensed to conduct  
14 business in this state.

15 (b) An attorney licensed to practice law in this state.

16 (c) A person accredited in LAND title search procedures by a  
17 nationally recognized organization in the field of LAND title  
18 searching.

19 (d) A person with demonstrated experience in ~~the field of~~  
20 ~~title~~ searching LAND TITLE RECORDS, as determined by the fore-  
21 closing governmental unit.

22 Enacting section 1. This amendatory act does not take  
23 effect unless all of the following bills of the 91st Legislature  
24 are enacted into law:

25 (a) House Bill No. 4851.

26 (b) House Bill No. 4852.



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- 1 (c) House Bill No. 4853.
- 2 (d) House Bill No. 5450.
- 3 (e) House Bill No. 6137. \_\_\_\_\_
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