

REPRINT  
SUBSTITUTE FOR  
SENATE BILL NO. 547

(As passed the Senate June 26, 2001)

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 78g, 78k, 78o, and 124 (MCL 211.78g,  
211.78k, 211.78o, and 211.124), sections 78g, 78k, and 78o as  
added by 1999 PA 123; and to repeal acts and parts of acts.

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

1       Sec. 78g. (1) ~~On~~ EXCEPT AS OTHERWISE PROVIDED IN THIS  
2 SUBSECTION, ON March 1 in each tax year, certified abandoned  
3 property and property that is delinquent for taxes, interest,  
4 penalties, and fees for the immediately preceding 12 months or  
5 more is forfeited to the county treasurer for the total amount of  
6 those unpaid delinquent taxes, interest, ~~fees, and~~ penalties,  
7 AND FEES. If property is forfeited to a county treasurer under  
8 this subsection, the ~~county treasurer~~ FORECLOSING GOVERNMENTAL  
9 UNIT does not have a right to possession of the property until 21

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1 days after a judgment of foreclosure is entered under section  
2 78k. If property is forfeited to a county treasurer under this  
3 subsection, the county treasurer shall add a \$175.00 fee, as  
4 adjusted under section 78p, to each parcel of property for which  
5 those delinquent taxes, interest, penalties, and fees remain  
6 unpaid. A COUNTY TREASURER SHALL WITHHOLD A PARCEL OF PROPERTY  
7 FROM FORFEITURE FOR ANY REASON DETERMINED BY THE STATE TAX  
8 COMMISSION. THE PROCEDURE FOR WITHHOLDING A PARCEL OF PROPERTY  
9 FROM FORFEITURE UNDER THIS SUBSECTION SHALL BE DETERMINED BY THE  
10 STATE TAX COMMISSION.

11 (2) Not more than 45 days after property is forfeited under  
12 subsection (1), the county treasurer shall record with the county  
13 register of deeds a certificate in a form determined by the state  
14 treasurer for each parcel of property forfeited to the county  
15 treasurer, specifying that the property has been forfeited to the  
16 county treasurer and not redeemed and that absolute title to the  
17 property shall vest in the county treasurer 21 days after entry  
18 of a judgment of foreclosure under section 78k. IF A CERTIFICATE  
19 OF FORFEITURE IS RECORDED IN ERROR, THE COUNTY TREASURER SHALL  
20 RECORD WITH THE COUNTY REGISTER OF DEEDS A CERTIFICATE OF ERROR  
21 IN A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. A CERTIFI-  
22 CATE SUBMITTED TO THE COUNTY REGISTER OF DEEDS FOR RECORDING  
23 UNDER THIS SUBSECTION NEED NOT BE NOTARIZED AND MAY BE AUTHENTI-  
24 CATED BY A DIGITAL SIGNATURE OF THE COUNTY TREASURER OR BY OTHER  
25 ELECTRONIC MEANS. If the county has elected under section 78 to  
26 have this state foreclose property under this act forfeited to  
27 the county treasurer under this section, the county treasurer

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1 shall immediately transmit to the state treasurer a copy of each  
2 certificate recorded under this subsection. The county treasurer  
3 shall upon collection transmit to the state treasurer within 30  
4 days the fee added to each parcel under section 78g(1), which may  
5 be paid from the county's delinquent tax revolving fund and shall  
6 be deposited in the land reutilization fund created under  
7 section 78n.

8 (3) Property forfeited to the county treasurer under  
9 subsection (1) may be redeemed at any time before 21 days after  
10 the entry of judgment foreclosing the property under section 78k  
11 upon payment to the county treasurer of all of the following:

12 (a) The total amount of unpaid delinquent taxes, interest,  
13 penalties, and fees for which the property was forfeited.

14 (b) In addition to the interest calculated under sections  
15 60a(1) or (2) and 78a(3), additional interest computed at a non-  
16 compounded rate of 1/2% per month or fraction of a month on the  
17 taxes that were originally returned as delinquent, computed from  
18 the March 1 preceding the forfeiture.

19 (c) All recording fees and all fees for service of process  
20 or notice.

21 (4) IF PROPERTY IS REDEEMED BY A PERSON WITH A LEGAL INTER-  
22 EST AS PROVIDED UNDER SUBSECTION (3), ANY UNPAID TAXES NOT  
23 RETURNED AS DELINQUENT TO THE COUNTY TREASURER UNDER SECTION 78A  
24 ARE NOT EXTINGUISHED.

25 (5) ~~(4)~~ If property is redeemed by a person with a legal  
26 interest as provided under subsection (3), the person redeeming  
27 does not acquire a title or interest in the property greater than

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1 that person would have had if the property had not been forfeited  
2 to the county treasurer, but the person redeeming, other than the  
3 owner, is entitled to a lien for the amount paid to redeem the  
4 property in addition to any other lien or interest the person may  
5 have, which shall be recorded within 30 days with the register of  
6 deeds BY THE PERSON ENTITLED TO THE LIEN. The lien acquired  
7 shall have the same priority as the existing lien, title, or  
8 interest.

9       (6) ~~(5)~~ If property is redeemed as provided under  
10 subsection (3), the county treasurer shall issue a redemption  
11 certificate in quadruplicate in a form prescribed by the depart-  
12 ment of treasury. One of the quadruplicate certificates shall be  
13 delivered to the person making the redemption payment, 1 shall be  
14 filed in the office of the county treasurer, 1 shall be recorded  
15 in the office of the county register of deeds, and 1 shall be  
16 immediately transmitted to the department of treasury IF THIS  
17 STATE IS THE FORECLOSING GOVERNMENTAL UNIT. The county treasurer  
18 shall also make a note of the redemption certificate in the tax  
19 record kept in his or her office, with the name of the person  
20 making the FINAL redemption payment, the date of the payment, and  
21 the amount paid. IF THE COUNTY TREASURER ACCEPTS PARTIAL REDEMP-  
22 TION PAYMENTS, THE COUNTY TREASURER SHALL INCLUDE IN THE TAX  
23 RECORD KEPT IN HIS OR HER OFFICE THE NAME OF THE PERSON OR PER-  
24 SONS MAKING EACH PARTIAL REDEMPTION PAYMENT, THE DATE OF EACH  
25 PARTIAL REDEMPTION PAYMENT, THE AMOUNT OF EACH PARTIAL REDEMPTION  
26 PAYMENT, AND THE TOTAL AMOUNT OF ALL REDEMPTION PAYMENTS. A  
27 certificate and the entry of the certificate in the tax record by

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1 the county treasurer is prima facie evidence of a redemption  
2 payment in the courts of this state. A CERTIFICATE SUBMITTED TO  
3 THE COUNTY REGISTER OF DEEDS FOR RECORDING UNDER THIS SUBSECTION  
4 NEED NOT BE NOTARIZED AND MAY BE AUTHENTICATED BY A DIGITAL SIG-  
5 NATURE OF THE COUNTY TREASURER OR BY OTHER ELECTRONIC MEANS. IF  
6 A REDEMPTION CERTIFICATE IS RECORDED IN ERROR, THE COUNTY TREA-  
7 SURER SHALL RECORD WITH THE COUNTY REGISTER OF DEEDS A CERTIFI-  
8 CATE OF ERROR IN A FORM PRESCRIBED BY THE DEPARTMENT OF  
9 TREASURY. A COPY OF A CERTIFICATE OF ERROR RECORDED UNDER THIS  
10 SECTION SHALL BE IMMEDIATELY TRANSFERRED TO THE DEPARTMENT OF  
11 TREASURY IF THIS STATE IS THE FORECLOSING GOVERNMENTAL UNIT.

12       Sec. 78k. (1) If a petition for foreclosure is filed under  
13 section 78h, before the date of the hearing, the foreclosing gov-  
14 ernmental unit shall file with the clerk of the circuit court  
15 proof of ~~any notice, service, or publication required under this~~  
16 ~~act~~ SERVICE OF THE NOTICE OF THE SHOW CAUSE HEARING UNDER SEC-  
17 TION 78J, PROOF OF SERVICE OF THE NOTICE OF THE FORECLOSURE HEAR-  
18 ING UNDER THIS SECTION, AND PROOF OF THE PERSONAL VISIT TO THE  
19 PROPERTY AND PUBLICATION UNDER SECTION 78I.

20       (2) A person claiming an interest in a parcel of property  
21 set forth in the petition for foreclosure may contest the valid-  
22 ity or correctness of the forfeited unpaid delinquent taxes,  
23 interest, penalties, and fees for 1 or more of the following  
24 reasons:

25       (a) No law authorizes the tax.

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1 (b) The person appointed to decide whether a tax shall be  
2 levied under a law of this state acted without jurisdiction, or  
3 did not impose the tax in question.

4 (c) The property was exempt from the tax in question, or the  
5 tax was not legally levied.

6 (d) The tax has been paid within the time limited by law for  
7 payment or redemption.

8 (e) The tax was assessed fraudulently.

9 (f) The description of the property used in the assessment  
10 was so indefinite or erroneous that the forfeiture was void.

11 (3) A person claiming an interest in a parcel of property  
12 set forth in the petition for foreclosure who desires to contest  
13 that petition shall file written objections with the clerk of the  
14 circuit court and serve those objections on the foreclosing gov-  
15 ernmental unit.

16 (4) If the court determines that the owner of property  
17 subject to foreclosure is a minor heir, is incompetent, ~~or~~ is  
18 without means of support, OR IS UNDERGOING A SUBSTANTIAL FINAN-  
19 CIAL HARDSHIP, the court may withhold that property from foreclo-  
20 sure for 1 year or may enter an order extending the redemption  
21 period as the court determines to be equitable. If the court  
22 withholds property from foreclosure under this subsection, a  
23 taxing unit's lien for taxes due is not prejudiced and that prop-  
24 erty shall be included in the immediately succeeding year's tax  
25 foreclosure proceeding.

26 (5) The circuit court shall enter judgment on a petition for  
27 foreclosure filed under section 78h not more than 10 days after

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1 the March 1 immediately succeeding the date the petition for  
2 foreclosure is filed for uncontested cases or 10 days after the  
3 conclusion of the hearing for contested cases. All redemption  
4 rights to the property expire 21 days after the circuit court  
5 enters a judgment foreclosing the property as requested in the  
6 petition for foreclosure. The circuit court's judgment shall  
7 specify all of the following:

8 (a) The legal description and, if known, the street address  
9 of the property foreclosed and the forfeited unpaid delinquent  
10 taxes, interest, penalties, and fees due on each parcel of  
11 property.

12 (b) That fee simple title to property foreclosed by the  
13 judgment will vest absolutely in the foreclosing governmental  
14 unit, EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISIONS (C) AND (E),  
15 without any further rights of redemption, if all forfeited delin-  
16 quent taxes, interest, penalties, and fees are not paid within 21  
17 days after entry of the judgment.

18 (c) That all liens against the property, INCLUDING ANY LIEN  
19 FOR UNPAID TAXES OR SPECIAL ASSESSMENTS, except future install-  
20 ments of special assessments and liens recorded by this state or  
21 the foreclosing governmental unit pursuant to the natural  
22 resources and environmental protection act, 1994 PA 451,  
23 MCL 324.101 to 324.90106, are extinguished, if all forfeited  
24 delinquent taxes, interest, penalties, and fees are not paid  
25 within 21 days after entry of the judgment.

26 (d) That, EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISIONS (C)  
27 AND (E), the foreclosing governmental unit has good and

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1 marketable fee simple title to the property, if all forfeited  
2 delinquent taxes, interest, penalties, and fees are not paid  
3 within 21 days after entry of the judgment.

4 (e) That all existing recorded and unrecorded interests in  
5 that property are extinguished, except a visible or recorded  
6 easement or right-of-way, private deed restrictions,  
7 ~~restrictions~~ OR RESTRICTIONS OR OTHER GOVERNMENTAL INTERESTS  
8 imposed pursuant to the natural resources and environmental pro-  
9 tection act, 1994 PA 451, MCL 324.101 to 324.90106, ~~or other~~  
10 ~~governmental interests~~, if all forfeited delinquent taxes,  
11 interest, penalties, and fees are not paid within 21 days after  
12 entry of the judgment.

13 (f) A finding that ~~those~~ ALL PERSONS entitled to notice  
14 and an opportunity to be heard have been provided that notice and  
15 opportunity.

16 (6) ~~Fee~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(C)  
17 AND (E), FEE simple title to property set forth in a petition for  
18 foreclosure filed under section 78h on which forfeited delinquent  
19 taxes, interest, penalties, and fees are not paid within 21 days  
20 after the entry of judgment shall vest absolutely in the fore-  
21 closing governmental unit, and the foreclosing governmental unit  
22 shall have absolute title to the property. The foreclosing gov-  
23 ernmental unit's title is not subject to any recorded or unre-  
24 corded lien and shall not be stayed or held invalid except as  
25 provided in subsection (7).

26 (7) The foreclosing governmental unit or a person claiming  
27 to have a property interest under section 78i in property



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1 foreclosed under this section may appeal the circuit court's  
2 ORDER OR THE CIRCUIT COURT'S judgment foreclosing property to the  
3 court of appeals. An appeal under this subsection is limited to  
4 the record of the proceedings in the circuit court under this  
5 section and shall not be de novo. The circuit court's judgment  
6 foreclosing property shall be stayed until the court of appeals  
7 has reversed, modified, or affirmed that judgment. IF AN APPEAL  
8 UNDER THIS SUBSECTION STAYS THE CIRCUIT COURT'S JUDGMENT FORE-  
9 CLOSING PROPERTY, THE CIRCUIT COURT'S JUDGMENT IS STAYED ONLY AS  
10 TO THE PROPERTY THAT IS THE SUBJECT OF THAT APPEAL AND THE CIR-  
11 CUIT COURT'S JUDGMENT FORECLOSING OTHER PROPERTY THAT IS NOT THE  
12 SUBJECT OF THAT APPEAL IS NOT STAYED. To appeal the circuit  
13 court's judgment foreclosing property, a person appealing the  
14 judgment shall pay to the county treasurer the amount determined  
15 to be due to the county treasurer under the judgment within 21  
16 days after the circuit court's judgment is entered, together with  
17 a notice of appeal. If the circuit court's judgment FORECLOSING  
18 THE PROPERTY is affirmed on appeal, the amount determined to be  
19 due shall be refunded to the person who appealed the judgment.  
20 If the circuit court's judgment FORECLOSING THE PROPERTY is  
21 reversed or modified on appeal, the county treasurer shall refund  
22 the amount determined to be due to the person who appealed the  
23 judgment, if any, and retain the balance in accordance with the  
24 order of the court of appeals.

25 (8) The foreclosing governmental unit shall record ~~either~~  
26 ~~the judgment or~~ a notice of judgment FOR EACH PARCEL OF  
27 FORECLOSED PROPERTY in the office of the register of deeds for

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1 the county in which the foreclosed property is located IN A FORM  
2 PRESCRIBED BY THE DEPARTMENT OF TREASURY.

3       Sec. 78o. (1) ~~Not later than 1 year after the effective~~  
4 ~~date of the amendatory act that added this section~~ OCTOBER 1,  
5 2000, the state treasurer shall prescribe the form of all of the  
6 following to be used in the administration of the collection of  
7 taxes under sections 78 to 78n:

8       (a) The notice and the proof of service required under sec-  
9 tion 78i. ~~, which shall include the steps taken to identify the~~  
10 ~~addresses of those persons entitled to notice under this act.~~

11       (b) ~~The affidavit of publication required under section~~  
12 ~~78i.~~

13       (B) ~~(c)~~ The judgment of foreclosure required under section  
14 78k.

15       (2) In prescribing the forms required under subsection (1),  
16 the state treasurer shall actively solicit recommendations from  
17 the county treasurers and other interested parties.

18       Sec. 124. (1) ~~From and after the passage of this act the~~  
19 ~~auditor general~~ SUBJECT TO SUBSECTION (5), THE DEPARTMENT OF  
20 TREASURY shall perform all the duties in relation to taxes  
21 levied, assessed, collected, ~~and~~ returned AS delinquent, AND  
22 sold or to be sold as required ~~by this act:~~ ~~Provided,~~ UNDER  
23 SECTION 60.

24       (2) It ~~shall~~ IS not ~~be~~ necessary for ~~him~~ THE DEPART-  
25 MENT OF TREASURY to sell or order resold, advertise or  
26 re-advertise, ~~and~~ OR revise or renew any act done by any  
27 officer or court under ~~and by virtue of the said act heretofore~~

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1 ~~mentioned in the preceding section, but all~~ THIS ACT. ALL such  
2 proceedings and acts shall be recognized and held to be legal and  
3 valid under this act, subject ~~, however,~~ to ~~the provisions of~~  
4 section 98. ~~of this act.~~

5 (3) In all cases ~~where~~ IN WHICH deeds have been issued by  
6 county treasurers, any ~~such~~ deeds ISSUED shall be valid, ~~and~~  
7 ~~of such~~ WITH THE SAME force and effect as if issued by the  
8 ~~auditor general, but the auditor general~~ DEPARTMENT OF  
9 TREASURY. THE DEPARTMENT OF TREASURY may cancel any deed ~~so~~  
10 ~~made~~ ISSUED by any county treasurer ~~,~~ on the request of the  
11 holder ~~thereof,~~ OF THE DEED and issue a new deed signed by the  
12 ~~auditor general or his deputy as~~ DEPARTMENT OF TREASURY AS  
13 PROVIDED in this act. ~~provided. And for~~

14 (4) FOR all ~~lands~~ PROPERTY advertised and sold by any  
15 county treasurer under ~~the authority granted in said act before~~  
16 ~~mentioned, such~~ SECTION 60, THE advertisement and sale shall be  
17 held legal and valid. ~~, but all such proceedings and all~~ ALL  
18 SUBSEQUENT proceedings ~~necessary to be had hereafter in relation~~  
19 ~~to such lands and taxes~~ shall be ~~had under the provisions of~~  
20 SUBJECT TO this act.

21 (5) THIS SECTION ONLY APPLIES TO TAXES LEVIED PRIOR TO  
22 JANUARY 1, 1999 AND PROPERTY OFFERED FOR SALE PURSUANT TO SECTION  
23 60.

24 Enacting section 1. Sections 61a, 62, 63, 64, 65, 66, 88,  
25 95, 104, 106, 115, 124, 130, and 140 of the general property tax  
26 act, 1893 PA 206, MCL 211.61a, 211.62, 211.63, 211.64, 211.65,

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**1** 211.66, 211.88, 211.95, 211.104, 211.106, 211.115, 211.124,

**2** 211.130, and 211.140, are repealed effective December 31, 2003.