

Property tax; delinquent taxes; delinquent property tax  
forfeiture and foreclosure process; revise.

PROPERTY TAX: Delinquent taxes

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 does not have a right to  
9 possession of the property until 21 days after a judgment of

1 foreclosure is entered under section 78k. If property is  
2 forfeited to a county treasurer under this subsection, the county  
3 treasurer shall add a \$175.00 fee, as adjusted under section 78p,  
4 to each parcel of property for which those delinquent taxes,  
5 interest, penalties, and fees remain unpaid. A COUNTY TREASURER  
6 SHALL WITHHOLD A PARCEL OF PROPERTY FROM FORFEITURE IF THAT PROP-  
7 ERTY IS THE SUBJECT OF AN APPEAL OF THE DENIAL OF A HOMESTEAD  
8 EXEMPTION UNDER SECTION 7CC ON THE MARCH 1 FORFEITURE DATE FOR  
9 TAXES TO BE FORFEITED ON THAT FORFEITURE DATE AND IF THE PROPERTY  
10 OWNER CLAIMING THE HOMESTEAD EXEMPTION HAS NOT PREVIOUSLY  
11 APPEALED THE DENIAL OF A HOMESTEAD EXEMPTION FOR THAT PROPERTY.  
12 A COUNTY TREASURER MAY WITHHOLD A PARCEL OF PROPERTY FROM FORFEI-  
13 TURE IF THAT PROPERTY IS THE SUBJECT OF AN APPEAL OF THE DENIAL  
14 OF A HOMESTEAD EXEMPTION UNDER SECTION 7CC ON THE MARCH 1 FORFEI-  
15 TURE DATE FOR TAXES TO BE FORFEITED ON THAT FORFEITURE DATE  
16 WHETHER OR NOT THE PROPERTY OWNER CLAIMING THE HOMESTEAD EXEMP-  
17 TION HAS PREVIOUSLY APPEALED THE DENIAL OF A HOMESTEAD EXEMPTION  
18 FOR THAT PROPERTY OR FOR ANY OTHER REASON DETERMINED BY THE STATE  
19 TAX COMMISSION. THE PROCEDURE FOR WITHHOLDING A PARCEL OF PROP-  
20 ERTY FROM FORFEITURE UNDER THIS SUBSECTION SHALL BE DETERMINED BY  
21 THE STATE TAX COMMISSION.

22 (2) Not more than 45 days after property is forfeited under  
23 subsection (1), the county treasurer shall record with the county  
24 register of deeds a certificate in a form determined by the state  
25 treasurer for each parcel of property forfeited to the county  
26 treasurer, specifying that the property has been forfeited to the  
27 county treasurer and not redeemed and that absolute title to the

1 property shall vest in the county treasurer 21 days after entry  
2 of a judgment of foreclosure under section 78k. IF A CERTIFICATE  
3 OF FORFEITURE IS RECORDED IN ERROR, THE COUNTY TREASURER SHALL  
4 RECORD WITH THE COUNTY REGISTER OF DEEDS A CERTIFICATE OF ERROR  
5 IN A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. A CERTIFI-  
6 CATE SUBMITTED TO THE COUNTY REGISTER OF DEEDS FOR RECORDING  
7 UNDER THIS SUBSECTION NEED NOT BE NOTARIZED AND MAY BE AUTHENTI-  
8 CATED BY A DIGITAL SIGNATURE OF THE COUNTY TREASURER OR BY OTHER  
9 ELECTRONIC MEANS. If the county has elected under section 78 to  
10 have this state foreclose property under this act forfeited to  
11 the county treasurer under this section, the county treasurer  
12 shall immediately transmit to the state treasurer a copy of each  
13 certificate recorded under this subsection. The county treasurer  
14 shall upon collection transmit to the state treasurer within 30  
15 days the fee added to each parcel under section 78g(1), which may  
16 be paid from the county's delinquent tax revolving fund and shall  
17 be deposited in the land reutilization fund created under  
18 section 78n.

19 (3) Property forfeited to the county treasurer under subsec-  
20 tion (1) may be redeemed at any time before 21 days after the  
21 entry of judgment foreclosing the property under section 78k upon  
22 payment to the county treasurer of all of the following:

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

25 (b) In addition to the interest calculated under sections  
26 60a(1) or (2) and 78a(3), additional interest computed at a  
27 noncompounded rate of 1/2% per month or fraction of a month on

1 the taxes that were originally returned as delinquent, computed  
2 from the March 1 preceding the forfeiture.

3 (c) All recording fees and all fees for service of process  
4 or notice.

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

9 (5) ~~(4)~~ If property is redeemed by a person with a legal  
10 interest as provided under subsection (3), the person redeeming  
11 does not acquire a title or interest in the property greater than  
12 that person would have had if the property had not been forfeited  
13 to the county treasurer, but the person redeeming, other than the  
14 owner, is entitled to a lien for the amount paid to redeem the  
15 property in addition to any other lien or interest the person may  
16 have, which shall be recorded within 30 days with the register of  
17 deeds BY THE PERSON ENTITLED TO THE LIEN. The lien acquired  
18 shall have the same priority as the existing lien, title, or  
19 interest.

20 (6) ~~(5)~~ If property is redeemed as provided under subsec-  
21 tion (3), the county treasurer shall issue a redemption certifi-  
22 cate in quadruplicate in a form prescribed by the department of  
23 treasury. One of the quadruplicate certificates shall be deliv-  
24 ered to the person making the redemption payment, 1 shall be  
25 filed in the office of the county treasurer, 1 shall be recorded  
26 in the office of the county register of deeds, and 1 shall be  
27 immediately transmitted to the department of treasury IF THIS

1 STATE IS THE FORECLOSING GOVERNMENTAL UNIT. The county treasurer  
2 shall also make a note of the redemption certificate in the tax  
3 record kept in his or her office, with the name of the person  
4 making the FINAL redemption payment, the date of the payment, and  
5 the amount paid. IF THE COUNTY TREASURER ACCEPTS PARTIAL REDEMP-  
6 TION PAYMENTS, THE COUNTY TREASURER SHALL INCLUDE IN THE TAX  
7 RECORD KEPT IN HIS OR HER OFFICE THE NAME OF THE PERSON OR PER-  
8 SONS MAKING EACH PARTIAL REDEMPTION PAYMENT, THE DATE OF EACH  
9 PARTIAL REDEMPTION PAYMENT, THE AMOUNT OF EACH PARTIAL REDEMPTION  
10 PAYMENT, AND THE TOTAL AMOUNT OF ALL REDEMPTION PAYMENTS. A cer-  
11 tificate and the entry of the certificate in the tax record by  
12 the county treasurer is prima facie evidence of a redemption pay-  
13 ment in the courts of this state. A CERTIFICATE SUBMITTED TO THE  
14 COUNTY REGISTER OF DEEDS FOR RECORDING UNDER THIS SUBSECTION NEED  
15 NOT BE NOTARIZED AND MAY BE AUTHENTICATED BY A DIGITAL SIGNATURE  
16 OF THE COUNTY TREASURER OR BY OTHER ELECTRONIC MEANS. IF A  
17 REDEMPTION CERTIFICATE IS RECORDED IN ERROR, THE COUNTY TREASURER  
18 SHALL RECORD WITH THE COUNTY REGISTER OF DEEDS A CERTIFICATE OF  
19 ERROR IN A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. A COPY  
20 OF A CERTIFICATE OF ERROR RECORDED UNDER THIS SECTION SHALL BE  
21 IMMEDIATELY TRANSFERRED TO THE DEPARTMENT OF TREASURY IF THIS  
22 STATE IS THE FORECLOSING GOVERNMENTAL UNIT.

23 Sec. 78k. (1) If a petition for foreclosure is filed under  
24 section 78h, before the date of the hearing, the foreclosing gov-  
25 ernmental unit shall file with the clerk of the circuit court  
26 proof of ~~any notice, service, or publication required under this~~  
27 ~~act~~ SERVICE OF THE NOTICE OF THE SHOW CAUSE HEARING UNDER

1 SECTION 78J, PROOF OF SERVICE OF THE NOTICE OF THE FORECLOSURE  
2 HEARING UNDER THIS SECTION, AND PROOF OF THE PERSONAL VISIT TO  
3 THE PROPERTY AND PUBLICATION UNDER SECTION 78I.

4 (2) A person claiming an interest in a parcel of property  
5 set forth in the petition for foreclosure may contest the valid-  
6 ity or correctness of the forfeited unpaid delinquent taxes,  
7 interest, penalties, and fees for 1 or more of the following  
8 reasons:

9 (a) No law authorizes the tax.

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

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

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

17 (e) The tax was assessed fraudulently.

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

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

25 (4) If the court determines that the owner of property  
26 subject to foreclosure is a minor heir, is incompetent, ~~or~~ is  
27 without means of support, OR IS UNDERGOING A SUBSTANTIAL

1 FINANCIAL HARDSHIP, the court may withhold that property from  
2 foreclosure for 1 year or may enter an order extending the  
3 redemption period as the court determines to be equitable. If  
4 the court withholds property from foreclosure under this subsec-  
5 tion, a taxing unit's lien for taxes due is not prejudiced and  
6 that property shall be included in the immediately succeeding  
7 year's tax foreclosure proceeding.

8 (5) The circuit court shall enter judgment on a petition for  
9 foreclosure filed under section 78h not more than 10 days after  
10 the March 1 immediately succeeding the date the petition for  
11 foreclosure is filed for uncontested cases or 10 days after the  
12 conclusion of the hearing for contested cases. All redemption  
13 rights to the property expire 21 days after the circuit court  
14 enters a judgment foreclosing the property as requested in the  
15 petition for foreclosure. The circuit court's judgment shall  
16 specify all of the following:

17 (a) The legal description and, if known, the street address  
18 of the property foreclosed and the forfeited unpaid delinquent  
19 taxes, interest, penalties, and fees due on each parcel of  
20 property.

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

1 (c) That all liens against the property, INCLUDING ANY LIEN  
2 FOR UNPAID TAXES OR SPECIAL ASSESSMENTS, except future  
3 installments of special assessments and liens recorded by this  
4 state or the foreclosing governmental unit pursuant to the natu-  
5 ral resources and environmental protection act, 1994 PA 451,  
6 MCL 324.101 to 324.90106, are extinguished, if all forfeited  
7 delinquent taxes, interest, penalties, and fees are not paid  
8 within 21 days after entry of the judgment.

9 (d) That, EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISIONS (C)  
10 AND (E), the foreclosing governmental unit has good and market-  
11 able fee simple title to the property, if all forfeited delin-  
12 quent taxes, interest, penalties, and fees are not paid within 21  
13 days after entry of the judgment.

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

23 (f) A finding that ~~those~~ ALL PERSONS entitled to notice  
24 and an opportunity to be heard have been provided that notice and  
25 opportunity.

26 (6) ~~Fee~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(C)  
27 AND (E), FEE simple title to property set forth in a petition for



1 foreclosure filed under section 78h on which forfeited delinquent  
2 taxes, interest, penalties, and fees are not paid within 21 days  
3 after the entry of judgment shall vest absolutely in the fore-  
4 closing governmental unit, and the foreclosing governmental unit  
5 shall have absolute title to the property. The foreclosing gov-  
6 ernmental unit's title is not subject to any recorded or unre-  
7 corded lien and shall not be stayed or held invalid except as  
8 provided in subsection (7).

9       (7) The foreclosing governmental unit or a person claiming  
10 to have a property interest under section 78i in property fore-  
11 closed under this section may appeal the circuit court's ORDER OR  
12 THE CIRCUIT COURT'S judgment foreclosing property to the court of  
13 appeals. An appeal under this subsection is limited to the  
14 record of the proceedings in the circuit court under this section  
15 and shall not be de novo. The circuit court's judgment foreclos-  
16 ing property shall be stayed until the court of appeals has  
17 reversed, modified, or affirmed that judgment. IF AN APPEAL  
18 UNDER THIS SUBSECTION STAYS THE CIRCUIT COURT'S JUDGMENT FORE-  
19 CLOSING PROPERTY, THE CIRCUIT COURT'S JUDGMENT IS STAYED ONLY AS  
20 TO THE PROPERTY THAT IS THE SUBJECT OF THAT APPEAL AND THE CIR-  
21 CUIT COURT'S JUDGMENT FORECLOSING OTHER PROPERTY THAT IS NOT THE  
22 SUBJECT OF THAT APPEAL IS NOT STAYED. To appeal the circuit  
23 court's judgment foreclosing property, a person appealing the  
24 judgment shall pay to the county treasurer the amount determined  
25 to be due to the county treasurer under the judgment within 21  
26 days after the circuit court's judgment is entered, together with  
27 a notice of appeal. If the circuit court's judgment FORECLOSING

1 THE PROPERTY is affirmed on appeal, the amount determined to be  
2 due shall be refunded to the person who appealed the judgment.  
3 If the circuit court's judgment FORECLOSING THE PROPERTY is  
4 reversed or modified on appeal, the county treasurer shall refund  
5 the amount determined to be due to the person who appealed the  
6 judgment, if any, and retain the balance in accordance with the  
7 order of the court of appeals.

8 (8) The foreclosing governmental unit shall record ~~either~~  
9 ~~the judgment or~~ a notice of judgment FOR EACH PARCEL OF FORE-  
10 CLOSED PROPERTY in the office of the register of deeds for the  
11 county in which the foreclosed property is located IN A FORM PRE-  
12 SCRIBED BY THE DEPARTMENT OF TREASURY.

13 Sec. 78o. (1) Not later than ~~1 year after the effective~~  
14 ~~date of the amendatory act that added this section~~ OCTOBER 1,  
15 2000, the state treasurer shall prescribe the form of all of the  
16 following to be used in the administration of the collection of  
17 taxes under sections 78 to 78n:

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

21 ~~(b) The affidavit of publication required under section~~  
22 ~~78i.~~

23 (B) ~~(c)~~ The judgment of foreclosure required under section  
24 78k.

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

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

7       (2) It ~~shall~~ IS not ~~be~~ necessary for ~~him~~ THE DEPART-  
8 MENT OF TREASURY to sell or order resold, advertise or  
9 re-advertise, ~~and~~ OR revise or renew any act done by any offi-  
10 cer or court under ~~and by virtue of the said act heretofore men-~~  
11 ~~tioned in the preceding section, but all~~ THIS ACT. ALL such  
12 proceedings and acts shall be recognized and held to be legal and  
13 valid under this act, subject ~~, however,~~ to ~~the provisions of~~  
14 section 98. ~~of this act.~~

15       (3) In all cases ~~where~~ IN WHICH deeds have been issued by  
16 county treasurers, any ~~such~~ deeds ISSUED shall be valid, ~~and~~  
17 ~~of such~~ WITH THE SAME force and effect as if issued by the  
18 ~~auditor general, but the auditor general~~ DEPARTMENT OF  
19 TREASURY. THE DEPARTMENT OF TREASURY may cancel any deed ~~so~~  
20 ~~made~~ ISSUED by any county treasurer ~~,~~ on the request of the  
21 holder ~~thereof,~~ OF THE DEED and issue a new deed signed by the  
22 ~~auditor general or his deputy as~~ DEPARTMENT OF TREASURY AS  
23 PROVIDED in this act. ~~provided. And for~~

24       (4) FOR all ~~lands~~ PROPERTY advertised and sold by any  
25 county treasurer under ~~the authority granted in said act before~~  
26 ~~mentioned, such~~ SECTION 60, THE advertisement and sale shall be  
27 held legal and valid. ~~, but all such proceedings and all~~ ALL

1 SUBSEQUENT proceedings ~~necessary to be had hereafter in relation~~  
2 ~~to such lands and taxes~~ shall be ~~had under the provisions of~~  
3 SUBJECT TO this act.

4 (5) THIS SECTION ONLY APPLIES TO TAXES LEVIED PRIOR TO  
5 JANUARY 1, 1999 AND PROPERTY OFFERED FOR SALE PURSUANT TO SECTION  
6 60.

7 Enacting section 1. Sections 61a, 62, 63, 64, 65, 66, 88,  
8 95, 104, 106, 115, 124, 130, and 140 of the general property tax  
9 act, 1893 PA 206, MCL 211.61a, 211.62, 211.63, 211.64, 211.65,  
10 211.66, 211.88, 211.95, 211.104, 211.106, 211.115, 211.124,  
11 211.130, and 211.140, are repealed effective December 31, 2003.