

SUBSTITUTE FOR
HOUSE BILL NO. 4484

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78i, 78k, 78l, 78m, and 131e (MCL 211.78i,
211.78k, 211.78l, 211.78m, and 211.131e), section 78i as amended
by 2001 PA 101, section 78k as amended by 2001 PA 94, section 78l
as added and section 131e as amended by 1999 PA 123, and section
78m as amended by 2001 PA 99.

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

1 foreclosing governmental unit may enter into a contract with 1 or
2 more authorized representatives to perform ~~the~~ a title search
3 or may request from 1 or more authorized representatives another
4 title search product to identify the owners of a property
5 interest in the property as required under this subsection ~~and~~
6 or to perform ~~the~~ other functions ~~set forth in this section~~
7 required for the collection of delinquent taxes under this act.

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

1 governmental unit is unable to determine an address reasonably
2 calculated to inform a person with an interest in a forfeited
3 property or if the notice under this subsection is returned as
4 undeliverable, the following shall be considered reasonable steps
5 by the foreclosing governmental unit or its authorized
6 representative to ascertain the address of a person entitled to
7 notice under this section:

8 (a) For an individual, a search of the records of the county
9 probate court.

10 (b) For an individual, a search of the qualified voter file
11 established under section 509o of the Michigan election law, 1954
12 PA 116, MCL 168.509o, which is authorized by this subdivision.

13 (c) For a partnership, a search of partnership records filed
14 with the county clerk.

15 (d) For a business entity other than a partnership, a search
16 of business entity records filed with the corporation division of
17 the department of consumer and industry services.

18 (e) A search of the current telephone directory for the area
19 in which the property is located.

20 (f) A letter of inquiry to the last seller of the property or
21 an attorney for the seller, if ascertainable.

22 (3) The foreclosing governmental unit or its authorized
23 representative shall make a personal visit to each parcel of
24 property forfeited to the county treasurer under section 78g to
25 ascertain whether or not the property is occupied. If the
26 property appears to be occupied, the foreclosing governmental
27 unit or its authorized representative shall do all of the

1 following:

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

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

13 (c) If the occupant appears to lack the ability to understand
14 the advice given, notify the family independence agency or
15 provide the occupant with the names and telephone number of the
16 agencies that may be able to assist the occupant.

17 (d) If the foreclosing governmental unit or its authorized
18 representative is not able to personally meet with the occupant,
19 the foreclosing governmental unit or its authorized
20 representative shall place the notice in a conspicuous manner on
21 the property and shall also place in a conspicuous manner on the
22 property a notice that explains, in plain English, that the
23 property will be foreclosed unless forfeited unpaid delinquent
24 taxes, interest, penalties, and fees are paid, the time within
25 which forfeited unpaid delinquent taxes, interest, penalties, and
26 fees must be paid, and the names, addresses, and telephone
27 numbers of agencies or other resources that may be available to

1 assist the occupant to avoid loss of the property. ~~If this~~
2 ~~state is the foreclosing governmental unit within a county, the~~
3 ~~department of natural resources shall perform the personal visit~~
4 ~~to each parcel of property under this subsection on behalf of~~
5 ~~this state.~~

6 (4) If the foreclosing governmental unit or its authorized
7 representative discovers any deficiency in the provision of
8 notice, the foreclosing governmental unit shall take reasonable
9 steps in good faith to correct that deficiency not later than 30
10 days before the show cause hearing under section 78j.

11 (5) If the foreclosing governmental unit or its authorized
12 representative is unable to ascertain the address reasonably
13 calculated to apprise the owners of a property interest entitled
14 to notice under this section, or is unable to ~~serve~~ **notify** the
15 owner of a property interest **under subsection (2)**, ~~service of~~
16 the notice shall be made by publication. A notice shall be
17 published for 3 successive weeks, once each week, in a newspaper
18 published and circulated in the county in which the property is
19 located, if there is one. If no paper is published in that
20 county, publication shall be made in a newspaper published and
21 circulated in an adjoining county. This publication shall be
22 instead of ~~service~~ **notice** under subsection (2).

23 (6) The owner of a property interest is entitled to notice
24 under this section of the show cause hearing under section 78j
25 and the foreclosure hearing under section 78k if that owner's
26 interest was identifiable by reference to any of the following
27 sources before the date that the county treasurer records the

1 certificate required under section 78g(2):

2 (a) ~~Records~~ **Land title records** in the office of the county
3 register of deeds.

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

5 (c) ~~Records~~ **Tax records** in the office of the local
6 assessor.

7 (d) ~~Records~~ **Tax records** in the office of the local
8 treasurer.

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

11 (a) The date on which the property was forfeited to the
12 county treasurer.

13 (b) A statement that the person notified may lose his or her
14 interest in the property as a result of the foreclosure
15 proceeding under section 78k.

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

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

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

21 (f) The date and time of the show cause hearing under section
22 78j.

23 (g) The date and time of the hearing on the petition for
24 foreclosure under section 78k, and a statement that unless the
25 forfeited unpaid delinquent taxes, interest, penalties, and fees
26 are paid within 21 days after judgment is entered in the
27 foreclosure proceeding under section 78k, the title to the

1 property shall vest absolutely in the foreclosing governmental
2 unit.

3 (h) An explanation of the person's rights of redemption and
4 notice that the rights of redemption will expire 21 days after
5 judgment is entered in the foreclosure proceeding under section
6 78k.

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

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

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

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

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

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

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

23 (g) A statement that a person with an interest in the
24 property may lose his or her interest in the property as a result
25 of the foreclosure proceeding under section 78k.

26 (9) The owner of a property interest who has been properly
27 served with a notice of the show cause hearing under section 78j

1 and the foreclosure hearing under section 78k and who failed to
2 redeem the property as provided under this act shall not assert
3 any of the following:

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

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

10 **(10) The failure of the foreclosing governmental unit to**
11 **comply with any provision of this section shall not invalidate**
12 **any proceeding under this act if the owner of a property interest**
13 **or a person to whom a tax deed was issued is accorded the minimum**
14 **due process required under the state constitution of 1963 and the**
15 **constitution of the United States.**

16 **(11) —(10)—** As used in this section, "authorized
17 representative" includes all of the following:

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

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

21 (c) A person accredited in **land** title search procedures by a
22 nationally recognized organization in the field of **land** title
23 searching.

24 (d) A person with demonstrated experience ~~in the field of~~
25 ~~title~~ searching **land title records**, as determined by the
26 foreclosing governmental unit.

27 **(12) The provisions of this section relating to notice of the**

1 show cause hearing under section 78j and the foreclosure hearing
2 under section 78k are exclusive and exhaustive. Other
3 requirements relating to notice or proof of service under other
4 law, rule, or legal requirement are not applicable to notice and
5 proof of service under this section.

6 Sec. 78k. (1) If a petition for foreclosure is filed under
7 section 78h, before the date of the hearing, the foreclosing
8 governmental unit shall file with the clerk of the circuit court
9 proof of service of the notice of the show cause hearing under
10 section 78j, proof of service of the notice of the foreclosure
11 hearing under this section, and proof of the personal visit to
12 the property and publication under section 78i.

13 (2) A person claiming an interest in a parcel of property set
14 forth in the petition for foreclosure may contest the validity or
15 correctness of the forfeited unpaid delinquent taxes, interest,
16 penalties, and fees for 1 or more of the following reasons:

17 (a) No law authorizes the tax.

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

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

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

25 (e) The tax was assessed fraudulently.

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

1 (3) A person claiming an interest in a parcel of property set
2 forth in the petition for foreclosure who desires to contest that
3 petition shall file written objections with the clerk of the
4 circuit court and serve those objections on the foreclosing
5 governmental unit.

6 (4) If the court determines that the owner of property
7 subject to foreclosure is a minor heir, is incompetent, is
8 without means of support, or is undergoing a substantial
9 financial hardship, the court may withhold that property from
10 foreclosure for 1 year or may enter an order extending the
11 redemption period as the court determines to be equitable. If
12 the court withholds property from foreclosure under this
13 subsection, a taxing unit's lien for taxes due is not prejudiced
14 and that property shall be included in the immediately succeeding
15 year's tax foreclosure proceeding.

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

25 (a) The legal description and, if known, the street address
26 of the property foreclosed and the forfeited unpaid delinquent
27 taxes, interest, penalties, and fees due on each parcel of

1 property.

2 (b) That fee simple title to property foreclosed by the
3 judgment will vest absolutely in the foreclosing governmental
4 unit, except as otherwise provided in subdivisions (c) and (e),
5 without any further rights of redemption, if all forfeited
6 delinquent taxes, interest, penalties, and fees are not paid
7 within 21 days after entry of the judgment.

8 (c) That all liens against the property, including any lien
9 for unpaid taxes or special assessments, except future
10 installments of special assessments and liens recorded by this
11 state or the foreclosing governmental unit pursuant to the
12 natural resources and environmental protection act, 1994 PA 451,
13 MCL 324.101 to 324.90106, are extinguished, if all forfeited
14 delinquent taxes, interest, penalties, and fees are not paid
15 within 21 days after entry of the judgment.

16 (d) That, except as otherwise provided in subdivisions (c)
17 and (e), the foreclosing governmental unit has good and
18 marketable fee simple title to the property, if all forfeited
19 delinquent taxes, interest, penalties, and fees are not paid
20 within 21 days after entry of the judgment.

21 (e) That all existing recorded and unrecorded interests in
22 that property are extinguished, except a visible or recorded
23 easement or right-of-way, private deed restrictions, or
24 restrictions or other governmental interests imposed pursuant to
25 the natural resources and environmental protection act, 1994
26 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent
27 taxes, interest, penalties, and fees are not paid within 21 days

1 after entry of the judgment.

2 (f) A finding that all persons entitled to notice and an
3 opportunity to be heard have been provided that notice and
4 opportunity. **A person shall be deemed to have been provided**
5 **notice and an opportunity to be heard if any of the following**
6 **apply:**

7 (i) **The person had constructive notice of the hearing by**
8 **acquiring an interest in the property after the date the notice**
9 **of forfeiture is recorded under section 78g.**

10 (ii) **The person appeared at the hearing under this section or**
11 **filed written objections with the clerk of the circuit court**
12 **under subsection (3) prior to the hearing.**

13 (iii) **Prior to the hearing under this section, the person had**
14 **actual notice of the hearing.**

15 (6) Except as otherwise provided in subsection (5)(c) and
16 (e), fee simple title to property set forth in a petition for
17 foreclosure filed under section 78h on which forfeited delinquent
18 taxes, interest, penalties, and fees are not paid within 21 days
19 after the entry of judgment shall vest absolutely in the
20 foreclosing governmental unit, and the foreclosing governmental
21 unit shall have absolute title to the property. The foreclosing
22 governmental unit's title is not subject to any recorded or
23 unrecorded lien and shall not be stayed or held invalid except as
24 provided in subsection (7).

25 (7) The foreclosing governmental unit or a person claiming to
26 have a property interest under section 78i in property foreclosed
27 under this section may appeal the circuit court's order or the

1 circuit court's judgment foreclosing property to the court of
2 appeals. An appeal under this subsection is limited to the
3 record of the proceedings in the circuit court under this section
4 and shall not be de novo. The circuit court's judgment
5 foreclosing property shall be stayed until the court of appeals
6 has reversed, modified, or affirmed that judgment. If an appeal
7 under this subsection stays the circuit court's judgment
8 foreclosing property, the circuit court's judgment is stayed only
9 as to the property that is the subject of that appeal and the
10 circuit court's judgment foreclosing other property that is not
11 the subject of that appeal is not stayed. To appeal the circuit
12 court's judgment foreclosing property, a person appealing the
13 judgment shall pay to the county treasurer the amount determined
14 to be due to the county treasurer under the judgment within 21
15 days after the circuit court's judgment is entered, together with
16 a notice of appeal. If the circuit court's judgment foreclosing
17 the property is affirmed on appeal, the amount determined to be
18 due shall be refunded to the person who appealed the judgment.
19 If the circuit court's judgment foreclosing the property is
20 reversed or modified on appeal, the county treasurer shall refund
21 the amount determined to be due to the person who appealed the
22 judgment, if any, and retain the balance in accordance with the
23 order of the court of appeals.

24 (8) The foreclosing governmental unit shall record a notice
25 of judgment for each parcel of foreclosed property in the office
26 of the register of deeds for the county in which the foreclosed
27 property is located in a form prescribed by the department of

1 treasury.

2 Sec. 78l. (1) If a judgment for foreclosure is entered
3 under section 78k and all existing recorded and unrecorded
4 interests in a parcel of property are extinguished as provided in
5 section 78k, the owner of any extinguished recorded or unrecorded
6 interest in that property who claims that he or she did not
7 receive any notice required under this act shall not bring an
8 action for possession of the property against any subsequent
9 owner, but may only bring an action to recover monetary damages
10 as provided in this section.

11 (2) The court of claims has original and exclusive
12 jurisdiction in any action to recover monetary damages under this
13 section.

14 (3) An action to recover monetary damages under this section
15 shall not be brought more than 2 years after a judgment for
16 foreclosure is entered under section 78k.

17 (4) Any monetary damages recoverable under this section shall
18 be determined as of the date a judgment for foreclosure is
19 entered under section 78k and shall not exceed the fair market
20 value of the property on that date, **less any taxes, interest,**
21 **penalties, and fees due on the property as of that date.**

22 Sec. 78m. (1) Not later than the first Tuesday in July, ~~or~~
23 ~~the first Tuesday in September if a sale is not held under~~
24 ~~subsection (2),~~ immediately succeeding the entry of judgment
25 under section 78k vesting absolute title to tax delinquent
26 property in the foreclosing governmental unit, this state is
27 granted the right of first refusal to purchase property at the

1 greater of the minimum bid or its fair market value by paying
2 that amount to the foreclosing governmental unit if the
3 foreclosing governmental unit is not this state. If this state
4 elects not to purchase the property under its right of first
5 refusal, a city, village, or township may purchase for a public
6 purpose any property located within that city, village, or
7 township set forth in the judgment and subject to sale under this
8 section by payment to the foreclosing governmental unit of the
9 minimum bid. If a city, village, or township does not purchase
10 that property, the county in which that property is located may
11 purchase that property under this section by payment to the
12 foreclosing governmental unit of the minimum bid. If property is
13 purchased by a city, village, township, or county under this
14 subsection, the foreclosing governmental unit shall convey the
15 property to the purchasing city, village, township, or county
16 within 30 days. If property purchased by a city, village,
17 township, or county under this subsection is subsequently sold
18 for an amount in excess of the minimum bid and all costs incurred
19 relating to demolition, renovation, improvements, or
20 infrastructure development, the excess amount shall be returned
21 to the delinquent tax property sales proceeds account for the
22 year in which the property was purchased by the city, village,
23 township, or county or, if this state is the foreclosing
24 governmental unit within a county, to the land reutilization fund
25 created under section 78n. Upon the request of the foreclosing
26 governmental unit, a city, village, township, or county that
27 purchased property under this subsection shall provide to the

1 foreclosing governmental unit without cost information regarding
2 any subsequent sale or transfer of the property. This subsection
3 applies to the purchase of property by this state, a city,
4 village, or township, or a county prior to a sale held under
5 subsection (2). ~~or, if no sale is held under subsection (2),~~
6 ~~prior to a sale held under subsection (4).~~

7 (2) Subject to subsection (1), beginning on the third Tuesday
8 in July immediately succeeding the entry of the judgment under
9 section 78k vesting absolute title to tax delinquent property in
10 the foreclosing governmental unit **and ending on the immediately**
11 **succeeding November 1**, the foreclosing governmental unit, or its
12 authorized ~~representative~~ **agent**, at the option of the
13 foreclosing governmental unit, ~~may hold 1 or more~~ **shall hold at**
14 **least 2** property sales at 1 or more convenient locations at which
15 property foreclosed by the judgment entered under section 78k
16 shall be sold by auction sale, **which may include an auction sale**
17 **conducted via an internet website**. Notice of the time and
18 location of the ~~sale~~ **sales** shall be published not less than 30
19 days before ~~the~~ **each** sale in a newspaper published and
20 circulated in the county in which the property is located, if
21 there is one. If no newspaper is published in that county,
22 publication shall be made in a newspaper published and circulated
23 in an adjoining county. ~~The sale or sales~~ **Each sale** shall be
24 completed ~~within 15 days. Property~~ **before the November 1**
25 **immediately succeeding the entry of judgment under section 78k**
26 **vesting absolute title to the tax delinquent property in the**
27 **foreclosing governmental unit. Except as provided in subsection**

1 **(5), property** shall be sold to the person bidding the highest
2 amount above the minimum bid. The foreclosing governmental unit
3 may sell parcels individually or may offer 2 or more parcels for
4 sale as a group. The minimum bid for a group of parcels shall
5 equal the sum of the minimum bid for each parcel included in the
6 group. **The foreclosing governmental unit may adopt procedures**
7 **governing the conduct of the sale and may cancel the sale prior**
8 **to the issuance of a deed under this subsection if authorized**
9 **under the procedures.** The foreclosing governmental unit may
10 require full payment by cash, certified check, or money order at
11 the close of each day's bidding. Not more than 30 days after the
12 date of a sale under this subsection, the foreclosing
13 governmental unit shall convey the property by deed to the person
14 bidding the highest amount above the minimum bid. The deed shall
15 vest fee simple title to the property in the person bidding the
16 highest amount above the minimum bid, **unless the foreclosing**
17 **governmental unit discovers a defect in the foreclosure of the**
18 **property under sections 78 to 78I.** ~~If this state is the~~
19 ~~foreclosing governmental unit within a county, the department of~~
20 ~~natural resources shall conduct the sale of property under this~~
21 ~~subsection and subsections (4) and (5) on behalf of this state.~~
22 (3) If a sale has been held under subsection (2), after the
23 conclusion of that sale, and ~~not later than the first Tuesday in~~
24 ~~September immediately succeeding that sale~~ **prior to any**
25 **additional sale held under subsection (2),** a city, village, or
26 township may purchase any property not previously sold under
27 subsection (1) or (2) by paying the minimum bid to the

1 foreclosing governmental unit. If a city, village, or township
2 does not purchase that property, the county in which that
3 property is located may purchase that property under this section
4 by payment to the foreclosing governmental unit of the minimum
5 bid. ~~If property is purchased by a city, village, township, or~~
6 ~~county under this subsection, the foreclosing governmental unit~~
7 ~~shall convey the property to the purchasing city, village,~~
8 ~~township, or county within 30 days.~~

9 (4) ~~Beginning on the third Tuesday in September immediately~~
10 ~~succeeding the entry of the judgment of foreclosure, all property~~
11 ~~not previously sold by the foreclosing governmental unit under~~
12 ~~subsection (1), (2), or (3) shall be offered or reoffered for~~
13 ~~sale, subject to the same requirements set forth in subsection~~
14 ~~(2). If property is purchased by a city, village, township, or~~
15 ~~county under subsection (3), the foreclosing governmental unit~~
16 ~~shall convey the property to the purchasing city, village, or~~
17 ~~township within 30 days.~~

18 (5) ~~Beginning on the third Tuesday in November immediately~~
19 ~~succeeding the sale held pursuant to subsection (4), all property~~
20 ~~not previously sold under subsection (1), (2), (3), or (4) shall~~
21 ~~again be reoffered for sale. The sale is subject to the~~
22 ~~requirements set forth in subsection (2), except that the minimum~~
23 ~~bid shall not be required. All property subject to sale under~~
24 ~~subsection (2) shall be offered for sale at not less than 2 sales~~
25 ~~conducted as required by subsection (2). The final sale held~~
26 ~~under subsection (2) shall be held not less than 30 days after~~
27 ~~the previous sale under subsection (2). At the final sale held~~

1 under subsection (2), the sale is subject to the requirements of
2 subsection (2), except that the minimum bid shall not be
3 required.

4 (6) On **or before** December 1 immediately succeeding the date
5 of the sale under subsection (5), a list of all property not
6 previously sold by the foreclosing governmental unit under this
7 section shall be transferred to the clerk of the city, village,
8 or township in which the property is located. The city, village,
9 or township may object in writing to the transfer of 1 or more
10 parcels of property set forth on that list. On **or before**
11 December 30 immediately succeeding the date of the sale under
12 subsection (5), all property not previously sold by the
13 foreclosing governmental unit under this section shall be
14 transferred to the city, village, or township in which the
15 property is located, except those parcels of property to which
16 the city, village, or township has objected. **Property located in**
17 **both a village and a township may be transferred under this**
18 **subsection only to a village.** The city, village, or township may
19 make the property available under the urban homestead act, 1999
20 PA 127, MCL 125.2701 to 125.2709, or for any other lawful
21 purpose.

22 (7) If property not previously sold is not transferred to the
23 city, village, or township in which the property is located under
24 subsection (6), the foreclosing governmental unit shall retain
25 possession of that property. **If the foreclosing governmental**
26 **unit retains possession of the property and the foreclosing**
27 **governmental unit is this state, title to the property shall vest**

1 in the land bank fast track authority created under section 15 of
2 the land bank fast track act.

3 (8) A foreclosing governmental unit shall deposit the
4 proceeds from the sale of property under this section into a
5 restricted account designated as the "delinquent tax property
6 sales proceeds for the year ____". The foreclosing
7 governmental unit shall direct the investment of the account.
8 The foreclosing governmental unit shall credit to the account
9 interest and earnings from account investments. Proceeds in that
10 account shall only be used by the foreclosing governmental unit
11 for the following purposes in the following order of priority:

12 (a) The delinquent tax revolving fund shall be reimbursed for
13 all taxes, interest, and fees on all of the property, whether or
14 not all of the property was sold.

15 (b) All costs of the sale of property for the year shall be
16 paid.

17 (c) Any costs of the foreclosure proceedings for the year,
18 including, but not limited to, costs of mailing, publication,
19 personal service, and outside contractors shall be paid.

20 (d) Any costs for the sale of property or foreclosure
21 proceedings for any prior year that have not been paid or
22 reimbursed from that prior year's delinquent tax property sales
23 proceeds shall be paid.

24 (e) Any costs incurred by the foreclosing governmental unit
25 in maintaining property foreclosed under section 78k before the
26 sale under this section shall be paid, including costs of any
27 environmental remediation.

1 (f) If the foreclosing governmental unit is not this state,
2 any of the following:

3 (i) Any costs for the sale of property or foreclosure
4 proceedings for any subsequent year that are not paid or
5 reimbursed from that subsequent year's delinquent tax property
6 sales proceeds shall be paid from any remaining balance in any
7 prior year's delinquent tax property sales proceeds account.

8 (ii) Any costs for the defense of title actions.

9 (iii) Any costs incurred in administering the foreclosure and
10 disposition of property forfeited for delinquent taxes under this
11 act.

12 (g) If the foreclosing governmental unit is this state, any
13 remaining balance shall be transferred to the land reutilization
14 fund created under section 78n.

15 (9) Two or more county treasurers of adjacent counties may
16 elect to hold a joint sale of property as provided in this
17 section. If 2 or more county treasurers elect to hold a joint
18 sale, property may be sold under this section at a location
19 outside of the county in which the property is located. The sale
20 may be conducted by any county treasurer participating in the
21 joint sale.

22 (10) The foreclosing governmental unit shall record a deed
23 for any property transferred under this section with the county
24 register of deeds. The foreclosing governmental unit may charge
25 a fee in excess of the minimum bid and any sale proceeds for the
26 cost of recording a deed under this subsection.

27 (11) As used in this section, "minimum bid" is the minimum

1 amount established by the foreclosing governmental unit for which
2 property may be sold under this section. The minimum bid shall
3 include all of the following:

4 (a) All delinquent taxes, interest, penalties, and fees due
5 on the property. If a city, village, or township purchases the
6 property, the minimum bid shall not include any taxes levied by
7 that city, village, or township and any interest, penalties, or
8 fees due on those taxes.

9 (b) The expenses of administering the sale, including all
10 preparations for the sale. The foreclosing governmental unit
11 shall estimate the cost of preparing for and administering the
12 annual sale for purposes of prorating the cost for each property
13 included in the sale.

14 **(12) For property transferred to this state under subsection**
15 **(1), a city, village, or township under subsection (6) or**
16 **retained by a county under subsection (7), all taxes due on the**
17 **property as of the December 31 following the transfer or**
18 **retention of the property are canceled effective on that December**
19 **31.**

20 Sec. 131e. (1) For all property the title to which vested
21 in this state under this section after October 25, 1976, the
22 redemption period on property deeded to the state under section
23 67a shall be extended until the owners of a recorded property
24 interest in the property have been notified of a hearing before
25 the department of treasury. Proof of the notice of ~~the~~ a
26 hearing **under this section** shall be recorded with the register of
27 deeds in the county in which the property is located **in a form**

1 prescribed by the department of treasury. If a notice is
2 recorded in error, the department of treasury or a local unit of
3 government may correct the error by recording a certificate of
4 error with the register of deeds. A notice under this subsection
5 need not be notarized and may be authenticated by digital
6 signature or other electronic means.

7 (2) For all property the title to which vested in this state
8 under this section after October 25, 1976, 1 hearing shall be
9 held to allow each owner of a recorded property interest the
10 opportunity to show cause why the tax sale and the deed to the
11 state should be canceled for any reason specified in section 98.
12 The hearing shall be held after the expiration of the redemption
13 periods provided in section 131c. The department of treasury may
14 hold combined or separate show cause hearings for different
15 owners of a recorded property interest.

16 (3) For tax reverted property that was transferred to a local
17 unit of government under section 2101 or 2102 of the natural
18 resources and environmental protection act, 1994 PA 451, MCL
19 324.2101 and 324.2102, or under former section 461 of 1909 PA
20 223, if the local unit of government determines that the owner of
21 a recorded property interest was not properly served with a
22 notice of the hearing under this section, the local unit of
23 government may conduct a hearing to show cause why the tax sale
24 and tax deed to the state should be canceled for any reason
25 specified in section 98. Notice of the hearing shall be provided
26 to the department of treasury, which may provide evidence why the
27 tax sale and tax deed to the state should not be set aside. The

1 local unit of government may hold combined or separate show cause
2 hearings for different owners of a recorded property interest.

3 (4) ~~-(3)-~~ For all property the title to which vested in this
4 state under this section after October 25, 1976, after expiration
5 of the redemption periods provided in section 131c, on the first
6 Tuesday in November after title to the property vests in this
7 state, an owner of a recorded property interest may redeem the
8 property up to 30 days following the date of hearing for that
9 owner of a recorded property interest provided by this section by
10 payment of the amounts set forth in subsection ~~-(4)-~~ (5) and in
11 section 131c(1), plus an additional penalty of 50% of the tax on
12 which foreclosure was made. The additional penalty shall be
13 credited to the delinquent property tax administration fund. A
14 redemption under this section shall reinstate title as provided
15 in section 131c(4).

16 (5) ~~-(4)-~~ For all property the title to which vested in this
17 state under this section after October 25, 1976, if property
18 redeemed under this section has been exempt from taxes levied in
19 any year after the year of foreclosure because a deed to that
20 property was issued to the state, an amount equal to the sum of
21 the following amounts shall be paid, as required by subsection
22 ~~-(3)-~~ (4), before redemption of the property:

23 (a) For taxes and ad valorem special assessments levied
24 before January 1, 1997, an amount computed by applying the
25 special assessment and ad valorem property tax rates levied by
26 taxing units in which the property is located in the years the
27 property was exempt against the most recently established state

1 equalized valuation of the property. For taxes and ad valorem
2 special assessments levied after December 31, 1996, an amount
3 computed by applying the special assessment and ad valorem
4 property tax rates levied by taxing units in which the property
5 is located in the years the property was exempt against the most
6 recently established taxable value of the property. For purposes
7 of this subsection, special assessments do not include special
8 assessments or special assessment installments deferred under
9 section 67a.

10 (b) If the levy of an ad valorem special assessment on the
11 property's taxable value is found to be invalid by a court of
12 competent jurisdiction, the levy of the ad valorem special
13 assessment may be levied on the property's state equalized
14 value.

15 (c) Interest on the delinquent taxes or special assessments
16 to be computed from the date title vested in this state to the
17 date of the application to redeem under this section.

18 (d) Interest and penalties on taxes and special assessments
19 identified by subdivision (a) that would have been imposed by law
20 or charter and would have accrued if the property had not been
21 exempt, computed from the date title vested in the state to the
22 date of the application to redeem under this section.

23 ~~(5)~~ (6) For all property the title to which vested in this
24 state under this section after October 25, 1976, the owner of a
25 recorded property interest who has been properly served with a
26 notice of ~~the~~ a hearing under this section and who fails to
27 redeem the property as provided under this section shall not

1 assert any of the following:

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

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

8 **(7) For tax reverted property that was transferred to a local**
9 **unit of government under section 2101 or 2102 of the natural**
10 **resources and environmental protection act, 1994 PA 451, MCL**
11 **324.2101 and 324.2102, or under former section 461 of 1909 PA**
12 **223, the local unit of government may initiate an expedited quiet**
13 **title and foreclosure action to quiet title to the property in**
14 **the same manner as a land bank fast track authority under section**
15 **9 of the land bank fast track act. A local unit of government**
16 **may initiate an action under this subsection as an alternative to**
17 **a hearing by the local unit of government under this section.**

18 Enacting section 1. Section 78i(12) of the general property
19 tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory
20 act and section 78k(5) of the general property tax act, 1893 PA
21 206, MCL 211.78k, as amended by this amendatory act are curative
22 and are intended to express the original intent of the
23 legislature concerning the application of 1999 PA 123, section
24 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as
25 amended by 2001 PA 101 and section 78k of the general property
26 tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

27 Enacting section 2. This amendatory act does not take

1 effect unless all of the following bills of the 92nd Legislature
2 are enacted into law:

3 (a) House Bill No. 4480.

4 (b) House Bill No. 4481.

5 (c) House Bill No. 4482.

6 (d) House Bill No. 4483.

7 (e) House Bill No. 4488.