

SENATE BILL No. 1004

February 18, 2004, Introduced by Senators CHERRY, JACOBS, GOSCHKA and BIRKHOLZ and referred to the Committee on Finance.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78. (1) The legislature finds that there exists in
2 this state a continuing need to strengthen and revitalize the
3 economy of this state and its municipalities by encouraging the
4 efficient and expeditious return to productive use of property
5 returned for delinquent taxes. Therefore, the powers granted in
6 this act relating to the return of property for delinquent taxes
7 constitute the performance by this state or a political
8 subdivision of this state of essential public purposes and
9 functions.

10 (2) It is the intent of the legislature that the provisions
11 of this act relating to the return, forfeiture, and foreclosure

1 of property for delinquent taxes satisfy the minimum requirements
2 of due process required under the constitution of this state and
3 the constitution of the United States but that those provisions
4 do not create new rights beyond those required under the state
5 constitution of 1963 or the constitution of the United States.
6 The failure of this state or a political subdivision of this
7 state to follow a requirement of this act relating to the return,
8 forfeiture, or foreclosure of property for delinquent taxes shall
9 not be construed to create a claim or cause of action against
10 this state or a political subdivision of this state unless the
11 minimum requirements of due process accorded under the state
12 constitution of 1963 or the constitution of the United States are
13 violated.

14 (3) Not later than December 1, 1999, the county board of
15 commissioners of a county, by a resolution adopted at a meeting
16 held pursuant to the open meetings act, 1976 PA 267, MCL 15.261
17 to 15.275, and with the written concurrence of the county
18 treasurer and the county executive, if any, may elect to have
19 this state foreclose property under this act forfeited to the
20 county treasurer under section 78g. At any time during December
21 2004, the county board of commissioners of a county, by a
22 resolution adopted at a meeting held pursuant to the open
23 meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the
24 written concurrence of the county treasurer and county executive,
25 if any, may do either of the following:

26 (a) Elect to have this state foreclose property under this
27 act forfeited to the county treasurer under section 78g.

1 (b) Rescind its prior resolution by which it elected to have
2 this state foreclose property under this act forfeited to the
3 county treasurer under section 78g.

4 (4) The foreclosure of forfeited property by a county is
5 voluntary and is not an activity or service required of units of
6 local government for purposes of section 29 of article IX of the
7 state constitution of 1963.

8 (5) A county and a local governmental unit within that county
9 may enter into an agreement for the collection of property taxes
10 or the enforcement and consolidation of tax liens within that
11 local governmental unit. A local governmental unit shall not
12 establish a delinquent tax revolving fund under section 87b.

13 **(6) Notwithstanding any other provision of law to the**
14 **contrary, this state and a foreclosing governmental unit may form**
15 **a group self-insurance pool to offer title insurance coverage for**
16 **property subject to forfeiture, foreclosure, and sale under this**
17 **act.**

18 (7) ~~(6)~~ As used in this section and sections 78a through
19 157 for purposes of the collection of taxes returned as
20 delinquent:

21 (a) "Foreclosing governmental unit" means 1 of the
22 following:

23 (i) The treasurer of a county.

24 (ii) This state if the county has elected under subsection
25 (3) to have this state foreclose property under this act
26 forfeited to the county treasurer under section 78g.

27 (b) "Forfeited" or "forfeiture" means a foreclosing

1 governmental unit may seek a judgment of foreclosure under
2 section 78k if the property is not redeemed as provided under
3 this act, but does not acquire a right to possession or any other
4 interest in the property.