

**SUBSTITUTE FOR  
HOUSE BILL NO. 5717**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 59 and 78n (MCL 211.59 and 211.78n), section  
59 as amended by 2001 PA 97 and section 78n as added by 1999 PA  
123.

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

1       Sec. 59. (1) A person may pay the taxes, any 1 of the taxes, a  
2       portion of the taxes specified by resolution of the county board of  
3       commissioners, or if a specification is not made by a resolution of  
4       the county board of commissioners, a portion of the taxes approved  
5       by the county treasurer on a parcel or description of property  
6       returned as delinquent, or on an undivided share of a parcel or  
7       description of property returned as delinquent. For taxes levied on  
8       real property before January 1, 1999 and for taxes levied on  
9       personal property, the amount paid under this subsection shall

1 include interest computed from the March 1 after the taxes were  
2 assessed at the rate of 1% per month or fraction of a month, except  
3 as provided in section 89, and 4% of the delinquent taxes as a  
4 county property tax administration fee that shall be a minimum of  
5 \$1.00 per payment of delinquent taxes, except as provided in  
6 section 89. Payment under this subsection shall be made to the  
7 county treasurer of the county in which the property is ~~situated,~~  
8 ~~at any time before the property is sold at a tax sale held pursuant~~  
9 ~~to section 60, bid off to this state pursuant to section 70, or~~  
10 forfeited to a county treasurer pursuant to section 78g. The county  
11 treasurer and the treasurer for the local tax collecting unit shall  
12 allocate and distribute the taxes and interest paid proportionately  
13 among the county or local tax collecting unit funds and the  
14 property tax administration fee returned as delinquent under  
15 section 44(6) to the treasurer of the local tax collecting unit who  
16 transmitted the taxes returned as delinquent. For taxes levied  
17 before January 1, 1999, on all descriptions of property with unpaid  
18 taxes on the October 1 before the time prescribed for the sale of a  
19 tax lien on the property, an additional \$10.00 shall be charged for  
20 expenses, which shall be a lien on the property. If collected,  
21 **BEFORE JANUARY 1, 2006,** \$5.00 of this expense charge shall be  
22 credited to a restricted revenue fund of this state, to be known as  
23 the delinquent property tax administration fund, **AND AFTER DECEMBER**  
24 **31, 2005 \$5.00 OF THIS EXPENSE CHARGE SHALL BE DEPOSITED IN THE**  
25 **LAND REUTILIZATION FUND CREATED IN SECTION 78N,** to reimburse this  
26 state for the cost of publishing the lists of property and other  
27 expenses, and \$5.00 shall belong to the general fund of the county

1 to reimburse the county for the expense incurred in preparing the  
2 list of delinquent property for sale or forfeiture.

3 (2) For taxes levied before January 1, 1999, the property tax  
4 administration fee paid to the county treasurer shall be credited  
5 to the general fund of the county and the property tax  
6 administration fee paid to the state treasurer shall be credited to  
7 the ~~delinquent property tax administration fund~~ **LAND**  
8 **REUTILIZATION FUND CREATED IN SECTION 78N**. Amounts credited to the  
9 general fund of the county shall be used only for the purposes  
10 specified in subsection (6).

11 (3) For taxes levied before January 1, 1999, and for taxes  
12 levied after December 31, 1998, a county board of commissioners, by  
13 resolution, may provide all of the following for taxes paid before  
14 May 1 in the first year of delinquency for the homestead property  
15 of a senior citizen, paraplegic, hemiplegic, quadriplegic, eligible  
16 serviceman, eligible veteran, eligible widow, totally and  
17 permanently disabled person, or blind person, as those persons are  
18 defined in chapter 9 of the income tax act of 1967, 1967 PA 281,  
19 MCL 206.501 to 206.532, if a claim is made before February 15 for  
20 the credit provided by chapter 9 of the income tax act of 1967,  
21 1967 PA 281, MCL 206.501 to 206.532, if that claimant presents a  
22 copy of the form filed for that credit to the county treasurer, and  
23 if that claimant has not received the credit before March 1:

24 (a) Any interest, fee, or penalty in excess of the interest,  
25 fee, or penalty that would have been added if the tax had been paid  
26 before February 15 is waived.

27 (b) Interest paid under subsection (1) or section 89(1)(a) is

1 waived unless the interest is pledged to the repayment of  
2 delinquent tax revolving fund notes or payable to the county  
3 delinquent tax revolving fund, in which case the interest shall be  
4 refunded from the general fund of the county.

5 (c) The county property tax administration fee is waived.

6 (4) The treasurer of the local tax collecting unit shall  
7 indicate on the delinquent tax roll if a 1% property tax  
8 administration fee was added to taxes collected before February 15.

9 (5) The fees authorized and collected under this section and  
10 credited to the delinquent property tax administration fund shall  
11 be used by the department of treasury to pay expenses incurred in  
12 the administration of this act.

13 (6) The county property tax administration fee shall be used  
14 by the county to offset the costs incurred in and ancillary to  
15 collecting delinquent property taxes and for purposes authorized by  
16 sections 87b and 87d.

17 Sec. 78n. (1) The land reutilization fund is created within  
18 the department of treasury.

19 (2) The state treasurer may receive money or other assets from  
20 any source for deposit into the fund, **INCLUDING A TRANSFER OF FUNDS**  
21 **FROM THE DELINQUENT PROPERTY TAX ADMINISTRATION FUND AS PROVIDED IN**  
22 **SUBSECTION (5)**. The state treasurer shall direct the investment of  
23 the fund. The state treasurer shall credit to the fund interest and  
24 earnings from fund investments.

25 (3) Money in the fund at the close of the fiscal year shall  
26 remain in the fund and shall not lapse to the general fund.

27 (4) The department of treasury may expend money from the fund

1 for 1 or more of the following purposes:

2 (a) Contracts with title insurance companies pursuant to  
3 section 78i.

4 (b) Costs of determining addresses, service of notices, and  
5 recording fees incurred pursuant to section 78i.

6 (c) Defense of title actions as determined by the state  
7 treasurer.

8 (d) Other costs incurred in administering the foreclosure and  
9 disposition of property forfeited for delinquent taxes under this  
10 act.

11 **(5) THE STATE TREASURER MAY TRANSFER TO THE FUND ANY BALANCE**  
12 **REMAINING IN THE DELINQUENT PROPERTY TAX ADMINISTRATION FUND OF**  
13 **THIS STATE CREATED IN SECTION 59.**

14 **(6) —(5)—** As used in this section, "fund" means the land  
15 reutilization fund created in this section.