

SENATE BILL NO. 943

May 28, 2020, Introduced by Senator MACGREGOR and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 78a (MCL 211.78a), as amended by 2014 PA 499,
and by adding section 44e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 44e.** Notwithstanding any provision of this act to the
2 **contrary, all of the following apply to all taxes and assessments**
3 **collected under this act that are levied on property in the summer**

1 of 2020:

2 (a) A local tax collecting unit shall accept as timely a
3 payment of those taxes or assessments made on or before September
4 30, 2020.

5 (b) A local tax collecting unit shall not impose any interest,
6 penalty, or other late charge or fee of any kind on any amount
7 timely paid under subdivision (a), including, but not limited to,
8 any interest, penalty, or late charge or fee that may have
9 otherwise been authorized under section 44a(6).

10 (c) Except as otherwise provided in this subdivision, property
11 for which summer 2020 taxes or assessments remain unpaid after
12 September 30, 2020 must be returned as delinquent to the county
13 treasurer on October 1, 2020 as provided in section 78a(6). This
14 subdivision does not apply to a portion of an unpaid summer 2020
15 property tax bill for which the local tax collecting unit has
16 agreed to accept payment on or before the last day that 2020 winter
17 taxes must be paid before being returned as delinquent under
18 section 78a, if that partial payment plan applies to at least
19 \$50.00 of the summer 2020 tax bill. A local tax collecting unit
20 shall allow taxpayers the opportunity to enter into such partial
21 payment plans.

22 Sec. 78a. (1) For taxes levied after December 31, 1998, all
23 property returned for delinquent taxes, and upon which taxes,
24 interest, penalties, and fees remain unpaid after the property is
25 returned as delinquent to the county treasurers of this state under
26 this act, is subject to forfeiture, foreclosure, and sale for the
27 enforcement and collection of the delinquent taxes as provided in
28 section 78, this section, and sections 78b to 79a. As used in
29 section 78, this section, and sections 78b to 79a, "taxes" includes

1 interest, penalties, and fees imposed before the taxes become
2 delinquent and unpaid special assessments or other assessments that
3 are due and payable up to and including the date of the foreclosure
4 hearing under section 78k.

5 (2) ~~On~~ **Subject to subsection (6)**, on March 1 in each year,
6 taxes levied in the immediately preceding year that remain unpaid
7 shall be returned as delinquent for collection. However, if the
8 last day in a year that taxes are due and payable before being
9 returned as delinquent is on a Saturday, Sunday, or legal holiday,
10 the last day taxes are due and payable before being returned as
11 delinquent is on the next business day and taxes levied in the
12 immediately preceding year that remain unpaid shall be returned as
13 delinquent on the immediately succeeding business day. Except as
14 otherwise provided in section 79 for certified abandoned property,
15 property delinquent for taxes levied in the second year preceding
16 the forfeiture under section 78g or in a prior year to which this
17 section applies shall be forfeited to the county treasurer for the
18 total of the unpaid taxes, interest, penalties, and fees for those
19 years as provided under section 78g.

20 (3) ~~A~~ **Subject to subsection (6)**, a county property tax
21 administration fee of 4% and, except as provided in section
22 78g(3)(c), interest computed at a noncompounded rate of 1% per
23 month or fraction of a month on the taxes that were originally
24 returned as delinquent, computed from the date that the taxes
25 originally became delinquent, shall be added to property returned
26 as delinquent under this section. A county property tax
27 administration fee provided for under this subsection shall not be
28 less than \$1.00.

29 (4) Any person with an unrecorded property interest or any

1 other person who wishes at any time to receive notice of the return
2 of delinquent taxes on a parcel of property may pay an annual fee
3 not to exceed \$5.00 by February 1 to the county treasurer and
4 specify the parcel identification number, the address of the
5 property, and the address to which the notice shall be sent.

6 Holders of any undischarged mortgages wishing to receive notice of
7 the return of delinquent taxes on a parcel or parcels of property
8 may provide a list of such parcels in a form prescribed by the
9 county treasurer and pay an annual fee not to exceed \$1.00 per
10 parcel to the county treasurer and specify for each parcel the
11 parcel identification number, the address of the property, and the
12 address to which the notice should be sent. The county treasurer
13 shall notify the person or holders of undischarged mortgages if
14 delinquent taxes on the property or properties are returned within
15 that year.

16 (5) Notwithstanding any charter provision to the contrary, the
17 governing body of a local governmental unit that collects
18 delinquent taxes may establish for any property, by ordinance,
19 procedures for the collection of delinquent taxes and the
20 enforcement of tax liens and the schedule for the forfeiture or
21 foreclosure of delinquent tax liens. The procedures and schedule
22 established by ordinance shall conform at a minimum to those
23 procedures and schedules established under sections 78a to 78l,
24 except that those taxes subject to a payment plan approved by the
25 treasurer of the local governmental unit as of July 1, 1999 shall
26 not be considered delinquent if payments are not delinquent under
27 that payment plan.

28 (6) **Notwithstanding any provision of this act to the contrary,**
29 **all of the following apply to the collection of taxes and**

1 assessments under this act that are levied on property in the
2 summer of 2020 and remain unpaid after September 30, 2020, except
3 for those summer 2020 taxes and assessments subject to partial
4 payment plans as described in section 44e(c):

5 (a) Those unpaid summer 2020 taxes and assessments must be
6 returned as delinquent to the county treasurer on October 1, 2020
7 and, beginning on October 1, 2020, are due and payable to the
8 county on behalf of the taxing units in the county and this state,
9 and are subject to payment from the delinquent tax revolving fund,
10 including payment accomplished by issuance of revolving fund notes,
11 for purposes of sections 87b to 87f. It is the intent of the
12 legislature that sufficient funds be appropriated from the general
13 fund to the department of treasury for payment to county treasurers
14 to compensate for any additional costs of borrowing reasonably
15 incurred to finance the delinquent tax revolving fund as a result
16 of the early return of delinquent taxes under this subdivision.

17 (b) Subject to section 78t, the fees and interest charges
18 described in subsection (3) apply to those delinquent summer 2020
19 taxes and assessments beginning October 1, 2020.

20 (c) For all other purposes relating to the forfeiture,
21 foreclosure, and sale for the enforcement and collection of
22 delinquent taxes under this act, those delinquent summer 2020 taxes
23 and assessments shall be treated as having been returned at the
24 time prescribed under subsection (2) for the return of unpaid taxes
25 levied in December 2020.

26 Enacting section 1. This amendatory act does not take effect
27 unless House Bill No. 5761 of the 100th Legislature is enacted into
28 law.