

**SUBSTITUTE FOR  
SENATE BILL NO. 1433**

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, and  
by adding sections 89d and 89e.

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

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

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

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

27           (a) Elect to have this state foreclose property under this act

1 forfeited to the county treasurer under section 78g.

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

5 (4) BEGINNING JANUARY 1, 2009 THROUGH MARCH 1, 2009, THE  
6 COUNTY BOARD OF COMMISSIONERS OF A COUNTY WITH A POPULATION OF NOT  
7 LESS THAN 220,000 ACCORDING TO THE MOST RECENT FEDERAL DECENNIAL  
8 CENSUS MAY, BY A RESOLUTION ADOPTED AT A MEETING HELD PURSUANT TO  
9 THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, AND WITH  
10 THE WRITTEN CONCURRENCE OF THE COUNTY TREASURER AND COUNTY  
11 EXECUTIVE, IF ANY, MAY RESCIND ITS PRIOR RESOLUTION BY WHICH IT  
12 ELECTED TO HAVE THIS STATE FORECLOSE PROPERTY UNDER THIS ACT  
13 FORFEITED TO THE COUNTY TREASURER UNDER SECTION 78G.

14 (5) ~~(4)~~—The foreclosure of forfeited property by a county is  
15 voluntary and is not an activity or service required of units of  
16 local government for purposes of section 29 of article IX of the  
17 state constitution of 1963.

18 (6) ~~(5)~~—A county and a local governmental unit within that  
19 county may enter into an agreement for the collection of property  
20 taxes or the enforcement and consolidation of tax liens within that  
21 local governmental unit. A local governmental unit shall not  
22 establish a delinquent tax revolving fund under section 87b.

23 (7) ~~(6)~~—As used in this section and sections 78a through 157  
24 for purposes of the collection of taxes returned as delinquent:

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

26 (i) The treasurer of a county.

27 (ii) This state if the county has elected under subsection (3)

1 to have this state foreclose property under this act forfeited to  
2 the county treasurer under section 78g.

3 (b) "Forfeited" or "forfeiture" means a foreclosing  
4 governmental unit may seek a judgment of foreclosure under section  
5 78k if the property is not redeemed as provided under this act, but  
6 does not acquire a right to possession or any other interest in the  
7 property.

8 SEC. 89D. (1) NOTWITHSTANDING THE PROVISIONS OF THE CHARTER OF  
9 A HOME RULE CITY TO THE CONTRARY, THE CITY TREASURER OF AN ELIGIBLE  
10 CITY SHALL RETURN TO THE COUNTY TREASURER ALL UNCOLLECTED  
11 DELINQUENT TAXES LEVIED ON REAL PROPERTY AFTER DECEMBER 31, 2008 ON  
12 THE MARCH 1 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE  
13 LEVIED.

14 (2) THE CITY TREASURER OF AN ELIGIBLE CITY MAY RETURN ALL  
15 UNCOLLECTED DELINQUENT TAXES LEVIED ON REAL PROPERTY PRIOR TO  
16 DECEMBER 31, 2008 TO THE COUNTY TREASURER FOR COLLECTION ON MARCH  
17 1, 2010. A CITY TREASURER SHALL PROVIDE WRITTEN NOTICE TO THE  
18 COUNTY TREASURER OF HIS OR HER INTENT TO RETURN UNCOLLECTED  
19 DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008 UNDER THIS  
20 SUBSECTION NOT LATER THAN FEBRUARY 1, 2010. IF UNCOLLECTED  
21 DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008 ARE RETURNED TO  
22 THE COUNTY TREASURER FOR COLLECTION UNDER THIS SUBSECTION, THE  
23 COUNTY TREASURER SHALL COLLECT THOSE TAXES WITH TAXES RETURNED AS  
24 DELINQUENT IN 2010.

25 (3) AFTER THE UNCOLLECTED DELINQUENT TAXES LEVIED ON REAL  
26 PROPERTY ARE RETURNED TO THE COUNTY TREASURER FOR COLLECTION UNDER  
27 THIS SECTION, THE PROVISIONS OF THIS ACT APPLY FOR COLLECTION OF

1 THOSE TAXES AND FOR THE ISSUANCE OF NOTES IN ANTICIPATION OF THE  
2 COLLECTION OF THOSE TAXES.

3 (4) A JUDGMENT ENTERED UNDER SECTION 78K THAT EXTINGUISHES ANY  
4 LIEN FOR UNPAID TAXES OR SPECIAL ASSESSMENTS DOES NOT EXTINGUISH  
5 THE RIGHT OF THE CITY TO BRING AN IN PERSONAM ACTION UNDER THIS ACT  
6 OR ITS CHARTER TO ENFORCE PERSONAL LIABILITY FOR THOSE UNPAID TAXES  
7 OR SPECIAL ASSESSMENTS. THE CITY MAY BRING AN IN PERSONAM ACTION TO  
8 ENFORCE PERSONAL LIABILITY FOR UNPAID DELINQUENT TAXES LEVIED PRIOR  
9 TO JANUARY 1, 2009 OR SPECIAL ASSESSMENTS NOT RETURNED AS  
10 DELINQUENT UNDER THIS SECTION WITHIN 15 YEARS AFTER THE TAXES OR  
11 SPECIAL ASSESSMENTS ARE LEVIED.

12 (5) AS USED IN THIS SECTION:

13 (A) "DELINQUENT TAXES" OR "UNCOLLECTED DELINQUENT TAXES"  
14 INCLUDES THE FOLLOWING:

15 (i) ANY TAXES LEVIED BY AND PAYABLE TO THE CITY TREASURER IN  
16 INSTALLMENTS THE BALANCE OF WHICH REMAINS UNPAID ON JANUARY 1  
17 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED, AND  
18 INCLUDES ALL INTEREST AND PENALTIES THAT ACCRUE AFTER JULY 31 OF  
19 THE YEAR IN WHICH ALL TAXES BILLED BY THE ELIGIBLE CITY ARE LEVIED  
20 IF THAT INTEREST AND THOSE PENALTIES REMAIN UNPAID ON THE DATE THE  
21 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER.

22 (ii) ANY LIENS FOR UNPAID TAX AND ASSESSMENT LIABILITY ACQUIRED  
23 BY THE ELIGIBLE CITY AFTER DECEMBER 31, 1999 AND PRIOR TO JANUARY  
24 1, 2009 PURSUANT TO PROVISIONS CONTAINED WITHIN THE ELIGIBLE CITY'S  
25 CHARTER.

26 (B) "ELIGIBLE CITY" MEANS A CITY WITH A POPULATION OF MORE  
27 THAN 50,000 AND LESS THAN 100,000 THAT IS LOCATED IN A COUNTY WITH

1 A POPULATION OF LESS THAN 350,000 AS DETERMINED BY THE MOST RECENT  
2 FEDERAL DECENNIAL CENSUS.

3 SEC. 89E. (1) NOTWITHSTANDING THE PROVISIONS OF THE CHARTER OF  
4 A HOME RULE CITY TO THE CONTRARY, AND WITH THE AGREEMENT OF THE  
5 COUNTY TREASURER, THE CITY TREASURER OF AN ELIGIBLE CITY MAY RETURN  
6 TO THE COUNTY TREASURER ALL UNCOLLECTED DELINQUENT TAXES LEVIED ON  
7 PERSONAL PROPERTY AFTER DECEMBER 31, 2008 ON THE MARCH 1  
8 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED.

9 (2) WITH THE AGREEMENT OF THE COUNTY TREASURER, THE CITY  
10 TREASURER OF AN ELIGIBLE CITY MAY RETURN ALL UNCOLLECTED DELINQUENT  
11 TAXES LEVIED ON PERSONAL PROPERTY PRIOR TO DECEMBER 31, 2008 TO THE  
12 COUNTY TREASURER FOR COLLECTION ON MARCH 1 OF THE YEAR IN WHICH THE  
13 COUNTY TREASURER AGREES TO THE RETURN OF UNCOLLECTED DELINQUENT  
14 TAXES UNDER THIS SUBSECTION. A CITY TREASURER SHALL PROVIDE TO THE  
15 COUNTY TREASURER WRITTEN NOTICE OF HIS OR HER INTENT TO RETURN  
16 UNCOLLECTED DELINQUENT TAXES LEVIED PRIOR TO DECEMBER 31, 2008  
17 UNDER THIS SUBSECTION NOT LATER THAN FEBRUARY 1 OF THE YEAR IN  
18 WHICH THE COUNTY TREASURER AGREES TO THE RETURN OF UNCOLLECTED  
19 DELINQUENT TAXES UNDER THIS SUBSECTION. IF THOSE UNCOLLECTED  
20 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER FOR  
21 COLLECTION UNDER THIS SUBSECTION, THE COUNTY TREASURER SHALL  
22 COLLECT THOSE TAXES WITH TAXES RETURNED AS DELINQUENT IN THAT SAME  
23 YEAR.

24 (3) AFTER THE UNCOLLECTED DELINQUENT TAXES LEVIED ON PERSONAL  
25 PROPERTY ARE RETURNED TO THE COUNTY TREASURER FOR COLLECTION UNDER  
26 THIS SECTION, THE PROVISIONS OF THIS ACT APPLY FOR COLLECTION OF  
27 THOSE TAXES.

1 (4) AS USED IN THIS SECTION:

2 (A) "DELINQUENT TAXES" OR "UNCOLLECTED DELINQUENT TAXES"

3 INCLUDES ANY TAXES LEVIED BY AND PAYABLE TO THE CITY TREASURER IN

4 INSTALLMENTS THE BALANCE OF WHICH REMAINS UNPAID ON JANUARY 1

5 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE TAXES ARE LEVIED, AND

6 INCLUDES ALL INTEREST AND PENALTIES THAT ACCRUE AFTER JULY 31 OF

7 THE YEAR IN WHICH ALL TAXES BILLED BY THE CITY ARE LEVIED IF THAT

8 INTEREST AND THOSE PENALTIES REMAIN UNPAID ON THE DATE THE

9 DELINQUENT TAXES ARE RETURNED TO THE COUNTY TREASURER.

10 (B) "ELIGIBLE CITY" MEANS A CITY WITH A POPULATION OF MORE

11 THAN 50,000 AND LESS THAN 100,000 THAT IS LOCATED IN A COUNTY WITH

12 A POPULATION OF LESS THAN 350,000.