

**SUBSTITUTE FOR
HOUSE BILL NO. 5810**

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. (1) Notwithstanding any provision of this act to the**
2 **contrary, all of the following apply to the collection of summer**
3 **2020 property taxes levied on property owned by a person that meets**
4 **the requirements set forth in subsection (2):**

5 **(a) A local tax collecting unit shall accept as timely a**
6 **payment of those summer 2020 property taxes made on or before**
7 **September 30, 2020.**

8 **(b) A local tax collecting unit shall not impose any interest,**



1 penalty, or other late charge or fee of any kind on any amount
2 timely paid under subdivision (a), including, but not limited to,
3 any interest, penalty, or late charge or fee that may have
4 otherwise been authorized under section 44a(6).

5 (c) A local tax collecting unit shall allow the property owner
6 to enter into a payment plan for the payment of those summer 2020
7 property taxes under which the property owner is able to pay all or
8 a portion of the bill for those summer 2020 property taxes on or
9 before the last day that winter 2020 property taxes must be paid
10 before being returned as delinquent under section 78a.

11 (d) Except as otherwise provided in this subdivision, if those
12 summer 2020 property taxes remain unpaid after September 30, 2020,
13 those unpaid summer 2020 taxes must be returned as delinquent to
14 the county treasurer on October 1, 2020 as provided in section
15 78a(6). This subdivision does not apply to unpaid summer 2020
16 property taxes subject to a payment plan under subdivision (c), if
17 that payment plan applies to at least \$50.00 of the bill for those
18 summer 2020 property taxes.

19 (2) An owner of property on which summer 2020 property taxes
20 have been levied qualifies for the collection process described in
21 subsection (1) only if the property owner meets all of the
22 following:

23 (a) Is a person that experienced economic hardship as a result
24 of the COVID-19 pandemic or the government's response to the
25 pandemic, or both.

26 (b) By not later than August 28, 2020, has filed an affidavit
27 with the local tax collecting unit in a form and manner prescribed
28 by the department of treasury attesting to that economic hardship
29 and its nature and surrounding circumstances. For purposes of this



1 subsection, evidence of an economic hardship includes, but is not
2 limited to, a property owner's inability to timely pay summer 2020
3 property taxes due to a closure of the property owner's business or
4 a restriction of its operation resulting from the COVID-19 pandemic
5 or an executive order issued in response to the COVID-19 pandemic,
6 or due to an adverse effect that the COVID-19 pandemic or an
7 executive order issued in response to the COVID-19 pandemic had on
8 the property owner's employment or income, such as the loss of a
9 job, a reduction in work hours, or a reduction in pay. Absent
10 evidence of a business closure or restriction or an adverse impact
11 on employment or income, as described in this subdivision, or a
12 similar adverse consequence, a property owner is presumed not to
13 have incurred economic hardship for purposes of this subsection.

14 (c) Is not a party to an escrow agreement or other agreement
15 obligating another individual or legal entity to pay those summer
16 2020 property taxes for that property owner.

17 (3) A property owner that fraudulently claims eligibility
18 under subsection (2) is guilty of a misdemeanor punishable by
19 imprisonment in the county jail for not less than 30 days or more
20 than 6 months or by a fine of not less than \$500.00 or more than
21 \$2,500.00, or both. If the assessor for the local tax collecting
22 unit is satisfied that a property owner is liable under this
23 subsection, he or she shall report the case to the prosecuting
24 attorney of the county in which the property is located.

25 (4) As used in this section:

26 (a) "Person" means an individual, corporation, limited
27 liability company, partnership, association, or any other legal
28 entity.

29 (b) "Summer 2020 property taxes" means all taxes and



1 **assessments levied on property in the summer of 2020 that are**
 2 **subject to collection under this act.**

3 Sec. 78a. (1) For taxes levied after December 31, 1998, all
 4 property returned for delinquent taxes, and upon which taxes,
 5 interest, penalties, and fees remain unpaid after the property is
 6 returned as delinquent to the county treasurers of this state under
 7 this act, is subject to forfeiture, foreclosure, and sale for the
 8 enforcement and collection of the delinquent taxes as provided in
 9 section 78, this section, and sections 78b to 79a. As used in
 10 section 78, this section, and sections 78b to 79a, "taxes" includes
 11 interest, penalties, and fees imposed before the taxes become
 12 delinquent and unpaid special assessments or other assessments that
 13 are due and payable up to and including the date of the foreclosure
 14 hearing under section 78k.

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



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

10 (4) Any person with an unrecorded property interest or any
11 other person who wishes at any time to receive notice of the return
12 of delinquent taxes on a parcel of property may pay an annual fee
13 not to exceed \$5.00 by February 1 to the county treasurer and
14 specify the parcel identification number, the address of the
15 property, and the address to which the notice shall be sent.
16 Holders of any undischarged mortgages wishing to receive notice of
17 the return of delinquent taxes on a parcel or parcels of property
18 may provide a list of such parcels in a form prescribed by the
19 county treasurer and pay an annual fee not to exceed \$1.00 per
20 parcel to the county treasurer and specify for each parcel the
21 parcel identification number, the address of the property, and the
22 address to which the notice should be sent. The county treasurer
23 shall notify the person or holders of undischarged mortgages if
24 delinquent taxes on the property or properties are returned within
25 that year.

26 (5) Notwithstanding any charter provision to the contrary, the
27 governing body of a local governmental unit that collects
28 delinquent taxes may establish for any property, by ordinance,
29 procedures for the collection of delinquent taxes and the



1 enforcement of tax liens and the schedule for the forfeiture or
2 foreclosure of delinquent tax liens. The procedures and schedule
3 established by ordinance shall conform at a minimum to those
4 procedures and schedules established under sections 78a to 78l,
5 except that those taxes subject to a payment plan approved by the
6 treasurer of the local governmental unit as of July 1, 1999 shall
7 not be considered delinquent if payments are not delinquent under
8 that payment plan.

9 **(6) Notwithstanding any provision of this act to the contrary,**
10 **all of the following apply to the collection of summer 2020**
11 **property taxes described in section 44e(1)(d) that remain unpaid**
12 **after September 30, 2020:**

13 **(a) Those unpaid summer 2020 property taxes must be returned**
14 **as delinquent to the county treasurer on October 1, 2020 and,**
15 **beginning on October 1, 2020, are due and payable to the county on**
16 **behalf of the taxing units in the county and this state, and are**
17 **subject to payment, including payment from a county's delinquent**
18 **tax revolving fund under sections 87b to 87f, by not later than**
19 **December 31, 2020. It is the intent of the legislature that**
20 **sufficient funds be appropriated from the general fund to the**
21 **department of treasury for payment to county treasurers to**
22 **compensate for any additional costs of borrowing reasonably**
23 **incurred to finance their delinquent tax revolving funds as a**
24 **result of the early return of delinquent taxes under this**
25 **subdivision.**

26 **(b) Subject to section 78t, the fees and interest charges**
27 **described in subsection (3) apply to those delinquent summer 2020**
28 **property taxes beginning October 1, 2020 and continuing through**
29 **February 28, 2021. Beginning March 1, 2021, interest imposed on any**



1 unpaid balance must be reduced to a noncompounded rate of 1/2% per
2 month or fraction of a month pursuant to a written payment plan
3 entered into between the foreclosing governmental unit and the
4 taxpayer.

5 (c) For all other purposes relating to the forfeiture,
6 foreclosure, and sale for the enforcement and collection of
7 delinquent taxes under this act, unpaid summer 2020 property taxes
8 returned as delinquent under this subsection must be treated as
9 having been returned at the time prescribed under subsection (2)
10 for the return of unpaid taxes levied in December 2020.

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

