

[No. 123]

(HB 4489)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act," by amending the title and sections 57, 59, 60, 61, 73c, 74, 87c, 107, 108, 131, 131c, and 131e (MCL 211.57, 211.59, 211.60, 211.61, 211.73c, 211.74, 211.87c, 211.107, 211.108, 211.131, 211.131c, and 211.131e), the title and section 59 as amended by 1983 PA 254, sections 57, 60, 61, 73c, 74, 108, 131, and 131c as amended by 1993 PA 291, section 87c as amended by 1988 PA 450, section 107 as amended by 1998 PA 378, and section 131e as amended by 1996 PA 476, and by adding sections 60a, 67c, 78, 78a, 78b, 78c, 78d, 78e, 78f, 78g, 78h, 78i, 78j, 78k, 78l, 78m, 78n, 78o, and 78p; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

TITLE

An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts.

211.57 Statement of unpaid taxes; return of delinquent taxes; extension of time; rules; notices. [M.S.A. 7.101]

Sec. 57. (1) If a county treasurer receives from a township, city, or village treasurer a statement of unpaid taxes, together with a list of the property on which the unpaid taxes are delinquent, verified according to law, the county treasurer shall enter the unpaid taxes at length on the books in his or her office provided for that purpose. The county treasurer shall make a statement of all descriptions of property returned as delinquent for unpaid taxes, except those rejected by him or her, with the taxes assessed upon those descriptions respectively. The statement, as made and compared, is the return of

delinquent taxes by the county treasurer to the department of treasury under this act, and shall be completed not later than the May 1 immediately following the return to the county treasurer of the statements of the township, city, or village treasurers. The state treasurer may extend for a period not to exceed 30 days the time within which the statement shall be completed. The state treasurer shall promulgate rules and regulations governing and shall supervise the preparation of the statement. The statement shall be kept on file in the office of the county treasurer as custodian for the state treasurer and shall not be forwarded to the state treasurer. The county treasurers shall perform the duties with respect to the maintenance and correction of the statement as prescribed by the state treasurer. The statement takes the place of the records of delinquent taxes in the department of treasury before sale of property for delinquent taxes, as provided in this act.

(2) For taxes levied before January 1, 1999, within 120 days after the county treasurer receives from the township, city, or village treasurers a statement of unpaid taxes, together with a list of the property on which the unpaid taxes are delinquent, verified according to law, the county treasurer shall mail to the persons to whom those unpaid taxes were levied as well as the legal owner of the property, if they are not the same party, a notice that the taxes have been returned to the county treasurer as unpaid. The notice shall state the amount of taxes unpaid, and penalties, interest, and charges on the taxes, and shall state that a description of the property assessed is on file in the office of the county treasurer.

(3) For taxes levied before January 1, 1999, within 120 days after March 1 of the year following the return of the delinquent taxes to the county treasurer, the county treasurer shall again mail the notice on all parcels for which the tax is still unpaid.

(4) Any person who wishes at any time to receive notice of the return of taxes on a parcel of property may pay an annual fee not to exceed \$5.00 by February 1 to the county treasurer and specify the parcel identification number and address of the property. The county treasurer shall notify the person if the property is returned delinquent within that year.

(5) The notices required by this section shall be sent by first class mail, address correction requested.

211.59 Payment of taxes on property returned as delinquent; interest and county property tax administration fee; allocation and distribution of taxes and interest; additional charge as lien on property; crediting expense charge to delinquent property tax administration fund and to general fund; reimbursement of state and county; disposition and use of county property tax administration fee; claim by certain persons for credit on taxes paid for homestead property; waiver of interest, fee, or penalty; indicating fee on delinquent tax roll; disposition and use of fees. [M.S.A. 7.103]

Sec. 59. (1) A person may pay the taxes, any 1 of the taxes, a portion of the taxes specified by resolution of the county board of commissioners, or if a specification is not made by a resolution of the county board of commissioners, a portion of the taxes approved by the county treasurer on a parcel or description of property returned as delinquent, or on an undivided share of a parcel or description of property returned as delinquent. For taxes levied before January 1, 1999, the amount paid under this subsection shall include interest computed from the March 1 after the taxes were assessed at the rate of 1% per month or fraction of a month, except as provided in section 89, and 4% of the delinquent taxes as a county property tax administration fee that shall be a minimum of \$1.00 per payment of delinquent taxes, except as provided in section 89. Payment under this subsection shall be made to the county treasurer of the county in which the property is situated, at any time before the property is sold. The county treasurer and the treasurer for the local tax collecting unit shall allocate and distribute

the taxes and interest paid proportionately among the county or local tax collecting unit funds and the property tax administration fee returned as delinquent under section 44(6) to the treasurer of the local tax collecting unit who transmitted the taxes returned as delinquent. For taxes levied before January 1, 1999, on all descriptions of property with unpaid taxes on the October 1 before the time prescribed for the sale of a tax lien on the property, an additional \$10.00 shall be charged for expenses, which shall be a lien on the property. If collected, \$5.00 of this expense charge shall be credited to a restricted revenue fund of this state, to be known as the delinquent property tax administration fund, to reimburse this state for the cost of publishing the lists of property and other expenses, and \$5.00 shall belong to the general fund of the county to reimburse the county for the expense incurred in preparing the list of delinquent property for sale or forfeiture.

(2) For taxes levied before January 1, 1999, the property tax administration fee paid to the county treasurer shall be credited to the general fund of the county and the property tax administration fee paid to the state treasurer shall be credited to the delinquent property tax administration fund. Amounts credited to the general fund of the county shall be used only for the purposes specified in subsection (6).

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

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

(b) Interest paid under subsection (1) or section 89(1)(a) is waived unless the interest is pledged to the repayment of delinquent tax revolving fund notes or payable to the county delinquent tax revolving fund, in which case the interest shall be refunded from the general fund of the county.

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

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

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

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

211.60 Disposition, sale, and redemption of delinquent tax property; purpose, method, and manner; time and place of tax sale; cancellation; expenses, county property tax administration fee, and interest; enforcement of lien. [M.S.A. 7.104]

Sec. 60. (1) For taxes levied before January 1, 1999, property returned for delinquent taxes, and upon which taxes remain unpaid after the property is returned as delinquent under this act is subject to disposition, sale, and redemption for the enforcement and collection of the tax liens, in the method and manner as provided in this section and sections 60a to 77.

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(2) Except as otherwise provided in this subsection, on the first Tuesday in May in each year, a tax sale for taxes levied before January 1, 1999 shall be held in the counties of this state by the county treasurers of those counties for and in behalf of this state. At the tax sale, property delinquent for taxes assessed in the third year preceding the sale or in a prior year shall be sold for the total of the unpaid taxes of those years. Not sooner than April 30, 2000 and April 30, 2001, the county treasurer may cancel the tax sale scheduled to take place on the first Tuesday in May 2000 and the first Tuesday in May 2001, respectively, if there are no outstanding bonds or notes issued by a county pursuant to sections 87b to 87e with respect to the delinquent taxes for which the sale is being conducted.

(3) Delinquent tax sales shall include \$10.00 for expenses, as provided in section 59, a county property tax administration fee of 4%, and interest computed at a rate of 1.25% per month, except as provided in section 89, from the date the taxes originally became delinquent under this act.

(4) In the sale of liens on property for delinquent taxes, the people of this state have a valid lien on the property, with rights to enforce the lien as a preferred or first claim on the property. The rights and choses to enforce the lien are the prima facie rights of this state, and shall not be set aside or annulled except in the manner and for the causes specified in this act.

211.60a Cancellation of tax sale; return of property for forfeiture, foreclosure, and sale; county property tax administration fee; enforcement of lien. [M.S.A. 7.104(1)]

Sec. 60a. (1) If a county treasurer cancels the tax sale under section 60 on April 30, 2000 as provided in section 60(2), on May 1, 2000, taxes levied after December 31, 1996 and before January 1, 1998 on property in that county that are delinquent under this act are returned to the county treasurer for forfeiture, foreclosure, and sale as provided in sections 78b to 79a. A county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 that the taxes originally became delinquent, shall be added to the delinquent taxes under this subsection. A county property tax administration fee provided for under this subsection shall not be less than \$1.00.

(2) If a county treasurer cancels the tax sale under section 60 on April 30, 2001 as provided in section 60(2), on May 1, 2001, taxes levied after December 31, 1997 and before January 1, 1999 on property in that county that are delinquent under this act are returned to the county treasurer for forfeiture, foreclosure, and sale as provided in sections 78b to 79a. A county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 that the taxes originally became delinquent, shall be added to the delinquent taxes under this subsection. A county property tax administration fee provided for under this subsection shall not be less than \$1.00.

(3) For taxes levied after December 31, 1998, property returned for delinquent taxes is subject to forfeiture, foreclosure, and sale as provided in sections 78 to 79a.

(4) The people of this state have a valid lien on property returned for delinquent taxes, with rights to enforce the lien as a preferred or first claim on the property. The right to enforce the lien is the prima facie right of this state and shall not be set aside or annulled except in the manner and for the causes specified in this act.

211.61 Petition to circuit court; preparation and filing; contents; signature; petition equivalent to bill to enforce lien; record book as tax record; entries in record; preparation of lists and schedules. [M.S.A. 7.105]

Sec. 61. (1) Before the annual tax sale, the state treasurer shall cause to be prepared and filed in the office of the county clerk in each county in which property is to be sold under this act a petition addressed to the circuit court for the county stating by appropriate reference to lists or schedules annexed to the petition a description of the property in the county upon which taxes have remained unpaid for more than 1 year after the property was returned as delinquent, the total amount of the taxes, with interest computed on the amount as provided in this act to May 1 after the petition is filed, and a county property tax administration fee of 4% extended separately against each parcel of property. Ten dollars shall be added to the total amount against each parcel for expenses as provided in section 59.

(2) The petition shall seek a judgment in favor of this state against the property for the payment of the amounts specified, and in default of those amounts, that the lands be sold.

(3) The petition shall be signed by the state treasurer or his or her authorized representative and need not be otherwise verified.

(4) The petition is considered equivalent to a bill to enforce the lien for the taxes, interest, and charges, averring their validity and that the amounts have not been paid, and seeking a sale to pay the lien.

(5) Except as otherwise provided in section 60a, property bid off in the name of this state and held by this state, and on which taxes have been levied subsequent to the tax for which the property was bid off to this state, shall be included in the petition for those subsequent taxes that have remained unpaid for more than 1 year after they were returned as delinquent.

(6) The petition shall be in a substantial record book, with the lists of property and taxes annexed following the petition in the book. The word petition includes the lists annexed to the petition. The record shall be called tax record.

(7) The tax record shall include all of the following:

(a) The amount of the unpaid taxes.

(b) Any penalties, interest, or charges due on the delinquent taxes.

(c) A description of the property.

(d) Parts of descriptions of property upon which taxes are paid before sale or that are withheld from sale.

(e) The amount paid on taxes before sale.

(f) Special orders made by the court relating to a parcel of property or any tax.

(8) The county treasurer shall, under the direction of the state treasurer, prepare the lists and schedules required in this section.

211.67c Property remaining subject to lien recorded pursuant to §§324.20101 to 324.20142. [M.S.A. 7.112(3)]

Sec. 67c. (1) Notwithstanding any other provision of law to the contrary, all property offered at a tax sale held pursuant to section 60 that is sold or bid off to this state pursuant to section 70 shall remain subject to a lien recorded pursuant to part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(2) In addition to a lien described under subsection (1), property offered at a tax sale held pursuant to section 60 that is bid off to this state pursuant to section 70 shall remain subject to any lien recorded by this state prior to redemption, sale, or transfer of that property by this state.

(3) A lien described under subsection (1) or (2) shall be extinguished on the sale or transfer of the property pursuant to section 131 or section 2101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101.

211.73c Notice of expiration of redemption period; contents; cost of mailing; failure to receive or serve notice; defect in notice. [M.S.A. 7.119(2)]

Sec. 73c. (1) Not later than 120 days before the expiration of the redemption period provided in section 74, the county treasurer of each county shall send a notice to each person who, according to the records of his or her office, has an interest in a piece or parcel of property offered at the tax sale under section 70 of this act that is not yet redeemed. The county treasurer shall also send a notice to all other persons shown by the records of the local assessing officer or local treasurer to have an interest in that property.

(2) On all parcels for which an address is known, the notice shall also be mailed by regular mail addressed to "occupant" if any of the following apply:

(a) A prior notice has not been sent to that address.

(b) A prior notice sent to that address has been forwarded or returned as undeliverable, except as provided in subsection (3).

(3) Certified mail notices returned as "undeliverable—unclaimed" shall be remailed by first class mail.

(4) On parcels bid off to the state and still a state bid, the notice shall be sent by certified mail with return receipt demanded, with postage fully prepaid. On all other parcels not redeemed, the notice shall be sent by first class mail, address correction requested. The notice under this section shall be in substantially the following form:

Sir or Madam:

This is to notify you that, according to the records of this office, a tax lien on the following piece or parcel of property, which you may have an interest in, was sold at the annual tax sale of May, 20..., for delinquent taxes of 19..., and prior years. Unless redeemed from the sale on or before 20..., the title to the property will vest and become absolute in the state of Michigan or if the taxes were paid by a private tax lien buyer, a tax deed will be issued by the state of Michigan entitling the buyer to collect all taxes paid plus a 50% penalty and other fees.

.....
Very truly yours,

.....County treasurer or
Assessor of

(5) The cost of mailing the notice under this section shall be paid to the county treasurer by the county.

(6) Failure to receive or serve the notice or a defect in the notice does not invalidate the proceedings taken under the state treasurer's petition and order of the circuit court for sale of a tax lien on the property for taxes.

211.74 Redemption of property following sale; time; showing; payment of redemption money and interest; issuance, delivery, and filing of redemption certificate; noting certificate in tax record book; certificates to be consecutively numbered; reports; evidence of redemption payment. [M.S.A. 7.120]

Sec. 74. (1) A person or a city or other political subdivision that owns property on which a tax lien was sold under this act or any interest in property on which a tax lien was sold under this act, at any time before the first Tuesday of May in the year following the

sale, may redeem any parcel of that property, or any part or interest in that property, by showing to the satisfaction of the county treasurer that the person, city, or other political subdivision owns only that part or interest in the property that the person, city, or other political subdivision proposes to redeem, and by paying to the county treasurer the amount of the sale of the parcel of property, or the portion of the property to be redeemed, and interest on that amount computed at a rate of 1.25% per month or fraction of a month, except as provided in section 89, from the first day of the month of the sale. If a person, city, or other political subdivision owns less than the whole description sold, the amount required to redeem that part shall be calculated under section 53. Upon the payment of the redemption amount and interest computed at a rate of 1.25% per month, or fraction of a month, except as provided in section 89, to the county treasurer under this section, the county treasurer shall issue a redemption certificate in triplicate in a form prescribed by the department of treasury. One of the triplicate certificates shall be delivered to the person making the redemption payment, 1 shall be filed in the office of the county treasurer, and 1 shall be immediately transmitted to the department of treasury. If the county treasurer fails to forward the certificate to the department of treasury as required by this section, the department of treasury may take possession of the certificate in the office of the county treasurer, and the certificates shall after that time be part of the records and files of the department of treasury.

(2) The county treasurer shall also make a note of the redemption certificate in the tax record book kept in his or her office, with the name of the payee, and the date and amount paid. All redemption certificates issued under this section shall be consecutively numbered. The county treasurer shall account for each certificate issued and forward a weekly report to the department of treasury accounting for each certificate issued.

(3) A certificate, and the entry of the certificate by the county treasurer, is evidence of a redemption payment in the courts of this state. However, each county treasurer shall make a full and complete report to the department of treasury of all redemption certificates issued by him or her during the redemption period not later than 20 days after the expiration of the redemption period. The department of treasury shall compel, in the manner provided by law, the filing of the reports required under this section by the county treasurers and for that purpose may incur expenses as required.

211.78 Return, forfeiture, and foreclosure of property; construction of act; election to have state foreclose property forfeited to county; definitions. [M.S.A. 7.124]

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

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

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

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

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

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

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

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

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

(i) The treasurer of a county.

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

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

211.78a Property returned as delinquent subject to forfeiture, foreclosure, and sale; unpaid taxes from previous year; county property tax administration fee and interest; notice of return of delinquent taxes; annual fee; list identifying property parcels for which notice required; procedures and schedules established by ordinance. [M.S.A. 7.124(1)]

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

(2) On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. Except as otherwise provided in section 79 for certified abandoned property, property delinquent for taxes levied in the second year preceding the forfeiture under section 78g or in a prior year to which this section applies shall be forfeited to the county treasurer for the total of the unpaid taxes, interest, penalties, and fees for those years as provided under section 78g.

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(3) A county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 that the taxes originally became delinquent, shall be added to property returned as delinquent under this section. A county property tax administration fee provided for under this subsection shall not be less than \$1.00.

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

(5) Upon the request of a holder of a tax lien purchased under the Michigan tax lien sale and collateralized securities act, 1998 PA 379, MCL 211.921 to 211.941, and payment to the county treasurer of the actual costs incurred in complying with that request, the county treasurer shall provide a list identifying the parcels of property for which a notice is required under sections 78 to 78/. The list required under this subsection may be in a computer generated form or other form.

(6) Notwithstanding any charter provision to the contrary, the governing body of a local governmental unit that collects delinquent taxes may establish for any property, by ordinance, procedures for the collection of delinquent taxes and the enforcement of tax liens and the schedule for the forfeiture or foreclosure of delinquent tax liens. The procedures and schedule established by ordinance shall conform at a minimum to those procedures and schedules established under sections 78a to 78/, except that those taxes subject to a payment plan approved by the treasurer of the local governmental unit as of July 1, 1999 shall not be considered delinquent as of the following March 1 if payments are not delinquent under that payment plan.

211.78b Notice provisions; June 1. [M.S.A. 7.124(2)]

Sec. 78b. Except as otherwise provided in section 79 for certified abandoned property, on the June 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued pursuant to section 71, as shown on the current records of the county treasurer:

(a) The date property on which unpaid taxes were returned as delinquent will be forfeited to the county treasurer for those unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

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(c) A legal description or parcel number of the property and the street address of the property, if possible.

(d) The person or persons to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid within 21 days after judgment is entered in the foreclosure proceeding, absolute title to the property shall vest in the foreclosing governmental unit.

(g) A statement of the person's rights of redemption and notice that the rights of redemption will expire 21 days after the court enters an order foreclosing the property.

211.78c Notice provisions; September 1. [M.S.A. 7.124(3)]

Sec. 78c. Except as otherwise provided in section 79 for certified abandoned property, on the September 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued pursuant to section 71, as shown on the current records of the county treasurer:

(a) The date property on which unpaid taxes were returned as delinquent will be forfeited to the county treasurer for those unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

(c) A legal description or parcel number of the property and the street address of the property, if possible.

(d) The person or persons to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A schedule of the additional fees that will accrue on the immediately succeeding October 1 pursuant to section 78d if the unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

(g) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid within 21 days after judgment is entered in the foreclosure proceeding, absolute title to the property shall vest in the foreclosing governmental unit.

(h) A statement of the person's rights of redemption and notice that the rights of redemption will expire 21 days after the court enters an order foreclosing the property.

211.78d Additional fee; October 1. [M.S.A. 7.124(4)]

Sec. 78d. Except as otherwise provided in section 79 for certified abandoned property, on the October 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall add a \$15.00 fee, as adjusted under section 78p, on each parcel of property for which the delinquent taxes, interest, penalties, and fees remain unpaid.

211.78e List of property subject to forfeiture for delinquent taxes; determinations. [M.S.A. 7.124(5)]

Sec. 78e. (1) Except as otherwise provided in section 79 for certified abandoned property, on November 1 of each tax year, the county treasurer shall prepare a list of all property subject to forfeiture for delinquent taxes on the immediately succeeding March 1. The list shall include all property on which delinquent taxes, interest, penalties, and fees are unpaid on the November 1 immediately succeeding the date that taxes levied on the property were returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a. The list shall indicate for each parcel the total amount of delinquent taxes, interest, penalties, and fees, computed to the day preceding the forfeiture under section 78g.

(2) Not later than December 1 in each tax year, the county treasurer shall determine, to the extent possible, all of the following based exclusively on the records contained in the office of the local assessor, local treasurer, and county treasurer for property subject to forfeiture for delinquent taxes under section 78g on the immediately succeeding March 1:

(a) The street address of the property.

(b) The name and address of all of the following:

(i) The owners.

(ii) The holder of any undischarged mortgage, tax certificate issued under section 71, or other legal interest.

(iii) A subsequent purchaser under any land contract.

(iv) A person entitled to notice of the return of delinquent taxes under section 78a(5).

211.78f Notice provisions; February 1; additional notices. [M.S.A. 7.124(6)]

Sec. 78f. (1) Except as otherwise provided in section 79 for certified abandoned property, not later than the February 1 immediately succeeding the date that unpaid taxes were returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall send a notice by certified mail, return receipt requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, to the person identified as the owner of property returned for delinquent taxes as shown on the current records of the county treasurer and to those persons identified under section 78e(2). The notice required under this subsection shall include all of the following:

(a) The date property on which those unpaid taxes were returned as delinquent will be forfeited to the county treasurer for the unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

(c) A legal description or parcel number of the property and the street address of the property, if possible.

(d) The person or persons to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A schedule of the additional interest, penalties, and fees that will accrue on the immediately succeeding March 1 pursuant to section 78g if those unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

(g) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid within 21 days after judgment is entered in the foreclosure proceeding, absolute title to the property shall vest in the foreclosing governmental unit.

(h) A statement of the person's rights of redemption and notice that the rights of redemption will expire 21 days after the court enters an order foreclosing the property.

(2) The notice required under subsection (1) shall also be mailed to the property by first-class mail, addressed to "occupant", if the notice was not sent to the occupant of the property pursuant to subsection (1).

(3) A county treasurer may insert 1 or more additional notices in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication may be made in a newspaper published and circulated in an adjoining county. Publication under this subsection is subject to the requirements set forth in section 65.

(4) The county treasurer may publish the street address of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes or the street address of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes and the name of the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, the name of the person identified as the owner of the property returned for delinquent taxes as shown on the current records of the county treasurer in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication may be made in a newspaper published and circulated in an adjoining county. Publication under this subsection is subject to the requirements set forth in section 65.

211.78g Property delinquent for preceding 12 months or forfeited for total amount; right to possession by county treasurer; limitation; recording certificate with county register of deeds; redemption. [M.S.A. 7.124(7)]

Sec. 78g. (1) On March 1 in each tax year, certified abandoned property and property that is delinquent for taxes, interest, penalties, and fees for the immediately preceding 12 months or more is forfeited to the county treasurer for the total amount of those unpaid delinquent taxes, interest, fees, and penalties. If property is forfeited to a county treasurer under this subsection, the county treasurer does not have a right to possession of the property until 21 days after a judgment of foreclosure is entered under section 78k. If property is forfeited to a county treasurer under this subsection, the county treasurer shall add a \$175.00 fee, as adjusted under section 78p, to each parcel of property for which those delinquent taxes, interest, penalties, and fees remain unpaid.

(2) Not more than 45 days after property is forfeited under subsection (1), the county treasurer shall record with the county register of deeds a certificate in a form determined by the state treasurer for each parcel of property forfeited to the county treasurer, specifying that the property has been forfeited to the county treasurer and not redeemed and that absolute title to the property shall vest in the county treasurer 21 days after entry of a judgment of foreclosure under section 78k. If the county has elected under section 78 to have this state foreclose property under this act forfeited to the county treasurer under this section, the county treasurer shall immediately transmit to the state treasurer a copy of each certificate recorded under this subsection. The county treasurer shall upon collection transmit to the state treasurer within 30 days the fee added to each parcel under section 78g(1), which may be paid from the county's delinquent tax revolving fund and shall be deposited in the land reutilization fund created under section 78n.

(3) Property forfeited to the county treasurer under subsection (1) may be redeemed at any time before 21 days after the entry of judgment foreclosing the property under section 78k upon payment to the county treasurer of all of the following:

(a) The total amount of unpaid delinquent taxes, interest, penalties, and fees for which the property was forfeited.

(b) In addition to the interest calculated under sections 60a(1) or (2) and 78a(3), additional interest computed at a noncompounded rate of 1/2% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 preceding the forfeiture.

(c) All recording fees and all fees for service of process or notice.

(4) If property is redeemed by a person with a legal interest as provided under subsection (3), the person redeeming does not acquire a title or interest in the property greater than that person would have had if the property had not been forfeited to the county treasurer, but the person redeeming, other than the owner, is entitled to a lien for the amount paid to redeem the property in addition to any other lien or interest the person may have, which shall be recorded within 30 days with the register of deeds. The lien acquired shall have the same priority as the existing lien, title, or interest.

(5) If property is redeemed as provided under subsection (3), the county treasurer shall issue a redemption certificate in quadruplicate in a form prescribed by the department of treasury. One of the quadruplicate certificates shall be delivered to the person making the redemption payment, 1 shall be filed in the office of the county treasurer, 1 shall be recorded in the office of the county register of deeds, and 1 shall be immediately transmitted to the department of treasury. The county treasurer shall also make a note of the redemption certificate in the tax record kept in his or her office, with the name of the person making the redemption payment, the date of the payment, and the amount paid. A certificate and the entry of the certificate in the tax record by the county treasurer is prima facie evidence of a redemption payment in the courts of this state.

211.78h Petition for foreclosure; filing in circuit court; withholding property by foreclosing governmental unit; hearing date.

[M.S.A. 7.124(8)]

Sec. 78h. (1) Not later than June 15 in each tax year, the foreclosing governmental unit shall file a petition with the clerk of the circuit court of that county listing the property forfeited and not redeemed to the county treasurer under section 78g to be foreclosed under section 78k for the total of the forfeited unpaid delinquent taxes, interest, penalties, and fees. If available to the foreclosing governmental unit, the petition shall include the street address of each parcel of property set forth in the petition. The petition shall seek a judgment in favor of the foreclosing governmental unit for the forfeited unpaid delinquent taxes, interest, penalties, and fees listed against each parcel of property. The petition shall request that a judgment be entered vesting absolute title to each parcel of property in the foreclosing governmental unit, without right of redemption. Before the date of the hearing on the petition, the foreclosing governmental unit shall file with the clerk of the circuit court proof of any notice, service, or publication required under this act.

(2) If property is redeemed after the petition for foreclosure is filed under this section, the foreclosing governmental unit shall request that the circuit court remove that property from the petition for foreclosure before entry of judgment foreclosing the property under section 78k.

(3) The foreclosing governmental unit may withhold the following property from the petition for foreclosure filed under this section:

(a) Property the title to which is held by minor heirs or persons who are incompetent or without means of support until a guardian is appointed to protect that person's rights and interests.

(b) Property the title to which is held by a person undergoing substantial financial hardship.

(4) If a foreclosing governmental unit withholds property from the petition for foreclosure under subsection (3), a taxing unit's lien for taxes due or the foreclosing governmental unit's right to include the property in a subsequent petition for foreclosure is not prejudiced.

(5) The clerk of the circuit court in which the petition is filed shall immediately set the date, time, and place for a hearing on the petition for foreclosure, which hearing shall be held not more than 30 days before the March 1 immediately succeeding the date the petition for foreclosure is filed.

211.78i Identification of owners of property interest; title search; personal visit to determine occupancy; proof of service of hearing notice; publication of notice; sources of identification; notice provisions; prohibited assertions if failure to redeem property.
[M.S.A. 7.124(9)]

Sec. 78i. (1) Not later than May 1 immediately succeeding the forfeiture of property to the county treasurer under section 78g, the foreclosing governmental unit shall conduct a title search to identify the owners of a property interest in the property who are entitled to notice under this section of the show cause hearing under section 78j and the foreclosure hearing under section 78k. The foreclosing governmental unit may enter into a contract with 1 or more title insurance companies or agents licensed to conduct business in this state to perform the title search required under this subsection and to perform the other functions set forth in this section.

(2) The foreclosing governmental unit or its authorized representative shall determine the address reasonably calculated to apprise those owners of a property interest of the pendency of the show cause hearing under section 78j and the foreclosure hearing under section 78k and shall send notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k to those owners, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax deed for property returned for delinquent taxes was issued pursuant to section 72 as determined by the records of the state treasurer, by certified mail, return receipt requested, not less than 30 days before the show cause hearing. The failure of the foreclosing governmental unit to comply with any provision of this section shall not invalidate any proceeding under this act if the owner of a property interest or a person to whom a tax deed was issued is accorded the minimum due process required under the state constitution of 1963 and the constitution of the United States.

(3) The foreclosing governmental unit or its authorized representative shall make a personal visit to each parcel of property forfeited to the county treasurer under section 78g to ascertain whether or not the property is occupied. If the property appears to be occupied, the foreclosing governmental unit or its authorized representative shall do all of the following:

(a) Attempt to personally serve upon a person occupying the property a copy of a notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k.

(b) If a person occupying the property is personally served, orally inform the occupant that the property will be foreclosed and the occupants will be required to vacate unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid, of the time within which all forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and of agencies or other resources that may be available to assist the owner to avoid loss of the property.

(c) If the occupant appears to lack the ability to understand the advice given, notify the family independence agency or provide the occupant with the names and telephone number of the agencies that may be able to assist the occupant.

(d) If the foreclosing governmental unit or its authorized representative is not able to personally meet with the occupant, the foreclosing governmental unit or its authorized representative shall place the notice in a conspicuous manner on the property and shall also place in a conspicuous manner on the property a notice that explains, in plain English, that the property will be foreclosed unless forfeited unpaid delinquent taxes, penalties, interest, and fees are paid, the time within which forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and the names, addresses, and telephone numbers of agencies or other resources that may be available to assist the occupant to avoid loss of the property. If this state is the foreclosing governmental unit within a county, the department of natural resources shall perform the personal visit to each parcel of property under this subsection on behalf of this state.

(4) The foreclosing governmental unit or its authorized representative shall record the proof of service of the notice of the show cause hearing under section 78j, the foreclosure hearing under section 78k, and the personal visit to the property required under this section with the register of deeds in the county in which the property is located.

(5) If the foreclosing governmental unit entered into a contract with a title insurance company or agent licensed to do business in this state under subsection (1), the foreclosing governmental unit shall provide the proof of service recorded under subsection (4) to the title insurance company or agent. Within 10 days after receipt of the proof of service of the notice of the show cause hearing under section 78j, the foreclosure hearing under section 78k, and the personal visit to the property, the title insurance company or agent shall notify the foreclosing governmental unit in writing of any deficiency in service. If the foreclosing governmental unit is notified of any deficiency in service, the foreclosing governmental unit shall correct that deficiency and provide proof of that correction to the title insurance company or agent.

(6) If the foreclosing governmental unit or its authorized representative is unable to ascertain the address reasonably calculated to apprise the owners of a property interest entitled to notice under this section, or is unable to serve the owner of a property interest, service of the notice shall be made by publication. The notice shall be published for 3 successive weeks, once each week, in a newspaper published and circulated in the county in which the property is located, if there is one. If no paper is published in that county, publication shall be made in a newspaper published and circulated in an adjoining county, and proof of publication, by affidavit of the printer or publisher of the newspaper, shall be recorded with the register of deeds in the county in which the property is located. This publication shall be instead of service under subsection (2). Publication under this subsection is subject to the requirements set forth in section 65.

(7) The owner of a property interest is entitled to notice under this section of the show cause hearing under section 78j and the foreclosure hearing under section 78k if that owner's interest was identifiable by reference to any of the following sources before the date that the county treasurer records the certificate required under section 78g(2):

- (a) Records in the office of the county register of deeds.
- (b) Tax records in the office of the county treasurer.
- (c) Records in the office of the local assessor.
- (d) Records in the office of the local treasurer.

(8) The notice required under this section shall include all of the following:

(a) The date on which the property was forfeited to the county treasurer.

(b) A statement that the person notified may lose his or her interest in the property as a result of the foreclosure proceeding under section 78k.

(c) A legal description or parcel number of the property and the street address of the property, if possible.

(d) All persons to whom the notice is addressed.

(e) The total taxes, interest, penalties, and fees due on the property.

(f) The date and time of the show cause hearing under section 78j.

(g) The date and time of the hearing on the petition for foreclosure under section 78k, and a statement that unless the forfeited unpaid delinquent taxes, interest, penalties, and fees are paid within 21 days after judgment is entered in the foreclosure proceeding under section 78k, the title to the property shall vest absolutely in the foreclosing governmental unit.

(h) An explanation of the person's rights of redemption and notice that the rights of redemption will expire 21 days after judgment is entered in the foreclosure proceeding under section 78k.

(9) The owner of a property interest who has been properly served with a notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k and who failed to redeem the property as provided under this act shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other owner of a property interest was not also served.

(b) That the redemption period provided under this act was extended in any way on the grounds that some other owner of a property interest was not also served.

211.78j Schedule of show cause hearing by foreclosing governmental unit. [M.S.A. 7.124(10)]

Sec. 78j. (1) If a petition for foreclosure is filed under section 78h, the foreclosing governmental unit shall schedule a hearing not later than 7 days immediately preceding the date of the foreclosure hearing under section 78k to show cause why absolute title to the property forfeited to the county treasurer under section 78g should not vest in the foreclosing governmental unit. The foreclosing governmental unit may hold combined or separate hearings for different owners or persons with a property interest in the property forfeited to the county treasurer.

(2) The owner and any person with a property interest in the property forfeited to the county treasurer may appear at the hearing held pursuant to this section and redeem that property or show cause why absolute title to that property should not vest in the foreclosing governmental unit for any of the reasons set forth in section 78k(2).

(3) If the owner or any person with a property interest in the property forfeited to the county treasurer prevails in a hearing under subsection (1), the foreclosing governmental unit shall notify the county treasurer and the county treasurer shall correct the tax roll to reflect that determination.

211.78k Proof of notice, service, or publication; filing with circuit court; contesting validity or correctness by person claiming property interest; filing objections; order extending redemption period; entry of judgment; specifications; failure to pay delinquent taxes, interest, penalties, and fees after entry of judgment; appeal to court of appeals; recording judgment or notice of judgment. [M.S.A. 7.124(11)]

Sec. 78k. (1) If a petition for foreclosure is filed under section 78h, before the date of the hearing, the foreclosing governmental unit shall file with the clerk of the circuit court proof of any notice, service, or publication required under this act.

(2) A person claiming an interest in a parcel of property set forth in the petition for foreclosure may contest the validity or correctness of the forfeited unpaid delinquent taxes, interest, penalties, and fees for 1 or more of the following reasons:

(a) No law authorizes the tax.

(b) The person appointed to decide whether a tax shall be levied under a law of this state acted without jurisdiction, or did not impose the tax in question.

(c) The property was exempt from the tax in question, or the tax was not legally levied.

(d) The tax has been paid within the time limited by law for payment or redemption.

(e) The tax was assessed fraudulently.

(f) The description of the property used in the assessment was so indefinite or erroneous that the forfeiture was void.

(3) A person claiming an interest in a parcel of property set forth in the petition for foreclosure who desires to contest that petition shall file written objections with the clerk of the circuit court and serve those objections on the foreclosing governmental unit.

(4) If the court determines that the owner of property subject to foreclosure is a minor heir, is incompetent, or is without means of support, the court may withhold that property from foreclosure for 1 year or may enter an order extending the redemption period as the court determines to be equitable. If the court withholds property from foreclosure under this subsection, a taxing unit's lien for taxes due is not prejudiced and that property shall be included in the immediately succeeding year's tax foreclosure proceeding.

(5) The circuit court shall enter judgment on a petition for foreclosure filed under section 78h not more than 10 days after the March 1 immediately succeeding the date the petition for foreclosure is filed for uncontested cases or 10 days after the conclusion of the hearing for contested cases. All redemption rights to the property expire 21 days after the circuit court enters a judgment foreclosing the property as requested in the petition for foreclosure. The circuit court's judgment shall specify all of the following:

(a) The legal description and, if known, the street address of the property foreclosed and the forfeited unpaid delinquent taxes, interest, penalties, and fees due on each parcel of property.

(b) That fee simple title to property foreclosed by the judgment will vest absolutely in the foreclosing governmental unit, without any further rights of redemption, if all forfeited delinquent taxes, interest, penalties, and fees are not paid within 21 days after entry of the judgment.

(c) That all liens against the property, except future installments of special assessments and liens recorded by this state or the foreclosing governmental unit pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, are extinguished, if all forfeited delinquent taxes, interest, penalties, and fees are not paid within 21 days after entry of the judgment.

(d) That the foreclosing governmental unit has good and marketable fee simple title to the property, if all forfeited delinquent taxes, interest, penalties, and fees are not paid within 21 days after entry of the judgment.

(e) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way, private deed restrictions, restrictions imposed pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, or other governmental interests, if all forfeited delinquent taxes, interest, penalties, and fees are not paid within 21 days after entry of the judgment.

(f) A finding that those entitled to notice and an opportunity to be heard have been provided that notice and opportunity.

(6) Fee simple title to property set forth in a petition for foreclosure filed under section 78h on which forfeited delinquent taxes, interest, penalties, and fees are not paid within 21 days after the entry of judgment shall vest absolutely in the foreclosing governmental unit, and the foreclosing governmental unit shall have absolute title to the property. The foreclosing governmental unit's title is not subject to any recorded or unrecorded lien and shall not be stayed or held invalid except as provided in subsection (7).

(7) The foreclosing governmental unit or a person claiming to have a property interest under section 78i in property foreclosed under this section may appeal the circuit court's judgment foreclosing property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section and shall not be de novo. The circuit court's judgment foreclosing property shall be stayed until the court of appeals has reversed, modified, or affirmed that judgment. To appeal the circuit court's judgment foreclosing property, a person appealing the judgment shall pay to the county treasurer the amount determined to be due to the county treasurer under the judgment within 21 days after the circuit court's judgment is entered, together with a notice of appeal. If the circuit court's judgment is affirmed on appeal, the amount determined to be due shall be refunded to the person who appealed the judgment. If the circuit court's judgment is reversed or modified on appeal, the county treasurer shall refund the amount determined to be due to the person who appealed the judgment, if any, and retain the balance in accordance with the order of the court of appeals.

(8) The foreclosing governmental unit shall record either the judgment or a notice of judgment in the office of the register of deeds for the county in which the foreclosed property is located.

211.78/ Owner of extinguished recorded or unrecorded property interest; claim of failure to receive notice; action to recover monetary damages. [M.S.A. 7.124(12)]

Sec. 78l. (1) If a judgment for foreclosure is entered under section 78k and all existing recorded and unrecorded interests in a parcel of property are extinguished as provided in section 78k, the owner of any extinguished recorded or unrecorded interest in that property who claims that he or she did not receive any notice required under this act shall not bring an action for possession of the property against any subsequent owner, but may only bring an action to recover monetary damages as provided in this section.

(2) The court of claims has original and exclusive jurisdiction in any action to recover monetary damages under this section.

(3) An action to recover monetary damages under this section shall not be brought more than 2 years after a judgment for foreclosure is entered under section 78k.

(4) Any monetary damages recoverable under this section shall be determined as of the date a judgment for foreclosure is entered under section 78k and shall not exceed the fair market value of the property on that date.

211.78m Granting state right of first refusal; election by state not to purchase property; purchase of property by city, village, township, or county; property sale at auction; notice of time and location; procedure; property not previously sold; disposition of sale proceeds; joint sale by two or more county treasurers; "minimum bid" defined. [M.S.A. 7.124(13)]

Sec. 78m. (1) Not later than the first Tuesday in July, or the first Tuesday in September if a sale is not held under subsection (2), immediately succeeding the entry of judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, this state is granted the right of first refusal to purchase property at the greater of the minimum bid or its fair market value by paying that amount to the foreclosing governmental unit if the foreclosing governmental unit is not this state. If this state elects not to purchase the property under its right of first refusal, a city, village, or township may purchase for a public purpose any property located within that city, village, or township set forth in the judgment and subject to sale under this section by payment to the foreclosing governmental unit of the minimum bid. If a city, village, or township does not purchase that property, the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid. If property is purchased by a city, village, township, or county under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, or county within 30 days. If property purchased by a city, village, township, or county under this subsection is subsequently sold for an amount in excess of the minimum bid and all costs incurred relating to demolition, renovation, improvements, or infrastructure development, the excess amount shall be returned to the delinquent tax property sales proceeds account for the year in which the property was purchased by the city, village, township, or county or, if this state is the foreclosing governmental unit within a county, to the land reutilization fund created under section 78n. Upon the request of the foreclosing governmental unit, a city, village, township, or county that purchased property under this subsection shall provide to the foreclosing governmental unit without cost information regarding any subsequent sale or transfer of the property. This subsection applies to the purchase of property by this state, a city, village, or township, or a county prior to a sale held under subsection (2) or, if no sale is held under subsection (2), prior to a sale held under subsection (4).

(2) Subject to subsection (1), beginning on the third Tuesday in July immediately succeeding the entry of the judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, the foreclosing governmental unit, or its authorized representative, at the option of the foreclosing governmental unit, may hold 1 or more property sales at 1 or more convenient locations at which property foreclosed by the judgment entered under section 78k shall be sold by auction sale. Notice of the time and location of the sale shall be published not less than 30 days before the sale in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication shall be made in a newspaper published and circulated in an adjoining county. The sale or sales shall be completed within 15 days. Property shall be sold to the person bidding the highest amount above the minimum bid. The foreclosing governmental unit may sell parcels individually or may offer 2 or more parcels for sale as a group. The minimum bid for a group of parcels

shall equal the sum of the minimum bid for each parcel included in the group. The foreclosing governmental unit may require full payment by cash, certified check, or money order at the close of each day's bidding. Not more than 30 days after the date of a sale under this subsection, the foreclosing governmental unit shall convey the property by deed to the person bidding the highest amount above the minimum bid. The deed shall vest fee simple title to the property in the person bidding the highest amount above the minimum bid. If this state is the foreclosing governmental unit within a county, the department of natural resources shall conduct the sale of property under this subsection and subsections (4) and (5) on behalf of this state.

(3) If a sale has been held under subsection (2), after the conclusion of that sale, and not later than the first Tuesday in September immediately succeeding that sale, a city, village, or township may purchase any property not previously sold under subsection (1) or (2) by paying the minimum bid to the foreclosing governmental unit. If a city, village, or township does not purchase that property, the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid. If property is purchased by a city, village, township, or county under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, or county within 30 days.

(4) Beginning on the third Tuesday in September immediately succeeding the entry of the judgment of foreclosure, all property not previously sold by the foreclosing governmental unit under subsection (1), (2), or (3) shall be offered or reoffered for sale, subject to the same requirements set forth in subsection (2).

(5) Beginning on the third Tuesday in November immediately succeeding the sale held pursuant to subsection (4), all property not previously sold under subsection (1), (2), (3), or (4) shall again be reoffered for sale. The sale is subject to the requirements set forth in subsection (2), except that the minimum bid shall not be required.

(6) On December 1 immediately succeeding the date of the sale under subsection (5), a list of all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the clerk of the city, village, or township in which the property is located. The city, village, or township may object in writing to the transfer of 1 or more parcels of property set forth on that list. On December 30 immediately succeeding the date of the sale under subsection (5), all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the city, village, or township in which the property is located, except those parcels of property to which the city, village, or township has objected. The city, village, or township may make the property available under the urban homestead act or for any other lawful purpose.

(7) If property not previously sold is not transferred to the city, village, or township in which the property is located under subsection (6), the foreclosing governmental unit shall retain possession of that property.

(8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year ____". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. Proceeds in that account shall only be used by the foreclosing governmental unit for the following purposes in the following order of priority:

(a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.

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(b) All costs of the sale of property for the year shall be paid.

(c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.

(d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.

(e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.

(f) If the foreclosing governmental unit is this state, any remaining balance shall be transferred to the land reutilization fund created under section 78n.

(9) Two or more county treasurers of adjacent counties may elect to hold a joint sale of property as provided in this section. If 2 or more county treasurers elect to hold a joint sale, property may be sold under this section at a location outside of the county in which the property is located. The sale may be conducted by any county treasurer participating in the joint sale.

(10) As used in this section, "minimum bid" is the minimum amount established by the foreclosing governmental unit for which property may be sold under this section. The minimum bid shall include all of the following:

(a) All delinquent taxes, interest, penalties, and fees due on the property. If a city, village, or township purchases the property, the minimum bid shall not include any taxes levied by that city, village, or township and any interest, penalties, or fees due on those taxes.

(b) The expenses of administering the sale, including all preparations for the sale. The foreclosing governmental unit shall estimate the cost of preparing for and administering the annual sale for purposes of prorating the cost for each property included in the sale.

211.78n Land reutilization fund. [M.S.A. 7.124(14)]

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

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

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

(4) The department of treasury may expend money from the fund for 1 or more of the following purposes:

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

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

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

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

(5) As used in this section, "fund" means the land reutilization fund created in this section.

211.78o Forms. [M.S.A. 7.124(15)]

Sec. 78o. (1) Not later than 1 year after the effective date of the amendatory act that added this section, the state treasurer shall prescribe the form of all of the following to be used in the administration of the collection of taxes under sections 78 to 78n:

(a) The notice and the proof of service required under section 78i, which shall include the steps taken to identify the addresses of those persons entitled to notice under this act.

(b) The affidavit of publication required under section 78i.

(c) The judgment of foreclosure required under section 78k.

(2) In prescribing the forms required under subsection (1), the state treasurer shall actively solicit recommendations from the county treasurers and other interested parties.

211.78p Fee adjustment; reports. [M.S.A. 7.124(16)]

Sec. 78p. (1) Not later than March 1 in each year, the state treasurer shall adjust all of the following fees added to each parcel of property on which delinquent taxes remain unpaid:

(a) The fee added on October 1 under section 78d, which shall be adequate to meet the expenses incurred by county treasurers in providing notice by certified mail under section 78f.

(b) The fee added on March 1 under section 78g, which shall be adequate to meet the expenses incurred by the foreclosing governmental units in conducting the title search under section 78i.

(2) The state treasurer shall not adjust the fees under subsection (1) after December 31, 2002.

(3) Not later than December 31 in each year, each county treasurer in this state shall submit a report to the state treasurer detailing the expenses incurred in the administration of the delinquent tax collection process set forth in sections 78 to 78p and the adequacy of the fees imposed under this act in relation to those expenses.

(4) Not later than December 1, 2003, a committee of county treasurers of this state selected by the Michigan association of county treasurers shall submit a report to the house committee on local government and urban policy or its successor and the senate committee on local, urban, and state affairs or its successor on the delinquent tax collection process under this act. The report under this subsection shall contain, but is not limited to, all of the following:

(a) The potential successes and areas for improvement of the delinquent tax collection process set forth in sections 78 to 78p.

(b) The adequacy of the fees established under this act.

211.87c Delinquent tax revolving fund; resolution authorizing issuance of notes; county treasurer as agent; amounts payable from surplus; limitations; pledge of delinquent taxes; segregated fund or account; disposition of note proceeds; application to department of treasury; order; requirements as to notes and resolution authorizing issuance; sale and award of notes; full faith and credit; designation as general obligation tax notes; interest payments; coupons; payment and registration of notes; tax exemption. [M.S.A. 7.142(2)]

Sec. 87c. (1) A county that has created a fund pursuant to section 87b by resolution of its board of commissioners and without a vote of its electors may borrow money and issue its revolving fund notes to establish or continue, in whole or in part, the delinquent tax revolving fund and to pay the expenses of the borrowing.

(2) If a fund is created and a county determines to borrow pursuant to this section, the county treasurer shall be the agent for the county in connection with all transactions relative to the fund.

(3) If provided by separate resolution of the county board of commissioners for any year in which a county determines to borrow for the purposes provided in this section and subject to subsection (16), there shall be payable from the surplus in the fund an amount equal to 20% of the following amount to the county treasurer for services as agent for the county and the remainder of the following amount to the county treasurer's office for delinquent tax administration expenses:

(a) For any delinquent tax on which the interest rate before sale exceeds 1% per month, $1/27$ of the interest collected per month.

(b) For any delinquent tax on which the interest rate before sale is 1% per month or less, $3/64$ of the interest collected each month.

(4) The amount payable under subsection (3) to the county treasurer for services as agent for the county shall not exceed 20% of the county treasurer's annual salary, and any excess over this limitation shall be payable to the county treasurer's office for delinquent tax administration expenses. In addition, the total sum payable under subsection (3) shall not exceed 5% of the total budget of the treasurer's office for that year.

(5) In the resolution authorizing the borrowing and issuance of notes, the delinquent taxes from which the borrowing is to be repaid shall be pledged to the payment of the principal and interest of the notes, and the proceeds of the collection of the delinquent taxes pledged and the interest on the proceeds shall be placed in a segregated fund or account and shall not be used for any other purpose until the notes are paid in full, including interest. The segregated fund or account shall be established as a part of the delinquent tax revolving fund and shall be accounted for separately on the books of the county treasurer.

(6) The proceeds of the notes shall be placed in and used as the whole or part of the fund established pursuant to section 87b, after the expenses of borrowing have been deducted.

(7) Before a county issues notes under this act, it shall make a sworn application to the department of treasury for permission and shall attach to the application a certified copy of the resolution authorizing the issuance of the notes. The application shall specify the actual amount of the notes or maximum amount that the notes shall not exceed, the maturity or maturities, and the maximum interest rate. After receiving these materials, the department of treasury shall issue its order approving or disapproving the issuance of the notes. Chapter II of the municipal finance act, 1943 PA 202, MCL 132.1 to 132.3, shall govern if applicable to the various matters covered by this section. An order of the department of treasury permitting the issuance of notes under this act is not considered an approval of the legality of the notes. However, a determination or finding made by the department of treasury involving a question of fact, after the issuance of the notes, is considered conclusive of that fact. The issuance of the department of treasury's order granting permission to issue notes shall be considered to mean that the department of treasury has made the determination of facts or circumstances, has given the approvals, and has reached the opinions necessary before issuance of the order.

(8) The notes issued pursuant to this act shall comply with all of the following:

(a) Be in an aggregate principal amount not exceeding the aggregate amount of the delinquent taxes pledged, exclusive of interest.

(b) Bear interest not exceeding 11.5% per annum, except as provided in section 89.

(c) Be in those denominations, and mature on the date not exceeding 6 years after their date of issue, as the board of commissioners by its resolution determines.

(9) The resolution authorizing issuance of the notes may provide that all or part of the notes shall be subject to prepayment and, if subject to prepayment, shall provide the amount of call premium payable, if any, the number of days' notice of prepayment that shall be given, and whether the notice shall be written or published, or both. Otherwise, the notes shall not be subject to prepayment.

(10) The sale and award of notes shall be conducted and made by the treasurer of the county issuing them at a public or private sale. If a public sale is held, the notes shall be advertised for sale once not less than 5 days before sale in a publication printed in the English language and circulated in this state that carries as a part of its regular service notices of the sales of municipal bonds and that has been designated in the resolution as a publication complying with these qualifications. The notice of sale shall be in the form designated by the treasurer and, if requested in the application, the department of treasury may approve the form of notice. Otherwise, the department of treasury shall not approve the notice. The notes may be sold subject to the option of the treasurer and the treasurer may withhold a part of the issue from delivery if, in his or her opinion, sufficient funds are available before delivery of the notes to make full delivery unnecessary to the purposes of the borrowing.

(11) The notes are full faith and credit obligations of the county issuing them and, subject to section 87d, if the proceeds of the taxes pledged are not sufficient to pay the principal and interest of the notes when due, the county shall impose a general ad valorem tax without limitation as to rate or amount on all taxable property in the county to pay the principal and interest and may thereafter reimburse itself from delinquent taxes collected.

(12) If the resolution so provides and subject to section 87d, the notes may be designated general obligation tax notes.

(13) Interest on the notes may be made payable at maturity, annually, or semiannually, and the notes shall be signed as provided in the resolution authorizing the notes. Notes may be issued with or without coupons and if coupons are authorized to be attached to the notes, the coupons shall contain the facsimile signature of the county treasurer.

(14) The notes issued under this act and interest on the notes shall be payable in lawful money of the United States of America and shall be exempt from all taxation by this state or a taxing authority in this state.

(15) The notes may be made payable at a bank or trust company, or may be made registrable as to principal or as to principal and interest under the terms and conditions specified in the authorizing resolution or by the treasurer when awarding the notes.

(16) A county treasurer elected or appointed to office after the effective date of the amendatory act that added this subsection is not eligible for the payment under subsection (3) for services as agent for the county unless that county treasurer held office on the effective date of the amendatory act that added this subsection and has not vacated that office after the effective date of the amendatory act that added this subsection.

211.107 Applicability of interest, penalty, and fee requirements to cities and villages; prerequisite for protest to board of review; reference to supervisor, township treasurer, and board of review; composition of board in certain cities; sessions; election and duties of chairperson and clerk; purchase of county tax lien; enforcement and collection; interest and penalties; validity of pledge; foreclosure; county tax lien. [M.S.A. 7.161]

Sec. 107. (1) The requirements of this act relating to the amount and imposition of interest, penalties, collection or administration fees, the procedures for collection of taxes, and the enforcement of tax liens are applicable to all cities and villages if not inconsistent with their respective charters or an ordinance enacted pursuant to their respective charters. In addition to the methods authorized under section 108, a city or village, which by its charter does not return its delinquent taxes to the county for collection, may enforce the tax liens for delinquent taxes, assessments, and charges by foreclosure proceedings or any other method authorized under statute, charter, or ordinance enacted pursuant to law or charter. Notwithstanding any provision of this act to the contrary, a charter of a city or township may authorize the establishment of procedures requiring protests to the board of review to be first addressed to the assessor or other agency of the city or township as a prerequisite for a protest before the board of review if the assessor or other agency to whom a protest is first addressed does not have the authority to deny the petitioner the right to protest before the board of review.

(2) For purposes of this act, reference to supervisor, township treasurer, and board of review includes assessing and collecting officers and boards whose duty it is to review an assessment roll. The word township may include city, ward, village, or, if in relation to property tax collection functions, any other local property tax collecting unit.

(3) In an incorporated city, the charter of which does not provide for a board of review, the board of review shall consist of the supervisors or other officers making the assessment, the city attorney, and additional members to be appointed by the common council, who shall not be aldermen, equaling the number of supervisors or assessing officers. The session of the board of review shall be held at the council room on the same days as designated in this act for the meeting of the township board of review, unless otherwise provided by the charter of the city, and the proceedings shall be conducted in the same manner as provided in this act. The board of review shall elect a chairperson and clerk, who shall certify to the correctness of the several assessment rolls when completed, substantially as the form prescribed in sections 29 and 30. The appointed members of the board of review shall take the constitutional oath of office, which shall be filed in the office of the city recorder or clerk.

(4) For taxes levied before January 1, 1997, at any time before the redemption period provided under section 131e has expired, a person who holds a tax lien from a city pursuant to the Michigan tax lien sale and collateralized securities act, 1998 PA 379, MCL 211.921 to 211.941, may also purchase a county tax lien. A county tax lien purchased under this section shall be transferred by the county or by this state to the purchaser upon receipt of an amount equal to the delinquent taxes, charges, assessments, penalties, interest, and fees represented by the county tax lien. This subsection only applies to county tax liens on property for which the purchaser holds a tax lien from a city.

(5) For taxes levied before January 1, 1997, a person who purchased a county tax lien under this section may enforce that county tax lien and collect the amounts secured by that county tax lien, together with any interest and penalties that accrued before or after the purchase, in any manner that the city is authorized to use to enforce and collect a tax lien for taxes collected by the city. A county tax lien sold under this section is a preferred or first claim upon the property subject to the lien in the same manner as if the city held

the tax lien. A county tax lien purchaser shall not take any action to enforce or collect a county tax lien that the city is not authorized to take to enforce and collect a tax lien for taxes collected by the city.

(6) For taxes levied before January 1, 1997, if a county tax lien is purchased pursuant to this section, the portion of the county tax lien that represents delinquent taxes, charges, and assessments is subject to interest and penalties at the same rate as interest and penalties on delinquent taxes, charges, and assessments subject to collection by the city. However, the maximum amount of penalties charged before and after the purchase of the tax lien shall not exceed the maximum amount of penalties that may be imposed by the city for delinquent taxes, charges, and assessments subject to collection by the city. A person who purchases a county tax lien pursuant to this section may retain any delinquent taxes, interest, and penalties collected for delinquent taxes, charges, and assessments subject to the county tax lien purchased.

(7) For taxes levied before January 1, 1997, a pledge of tax liens or earnings, revenues, other money, or assets from enforcement of county tax liens purchased pursuant to this section is valid and binding from the time the pledge is made without any filing, recording, or other requirement of notice. The tax liens, earnings, revenues, other money, or assets pledged by a person who purchased a tax lien are immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge of tax liens, earnings, revenues, other money, or assets is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the purchaser whether or not those parties have notice of the lien of the pledge. Any instrument by which a pledge is created is not required to be recorded.

(8) For taxes levied before January 1, 1997, a city that does not return its delinquent taxes to the county for collection pursuant to its charter shall commence a civil action to foreclose its lien for any delinquent taxes, assessments, and charges subject to collection by the city on real property for which a prior lien has been obtained from the city pursuant to the Michigan tax lien sale and collateralized securities act. Foreclosure proceedings required under this subsection shall commence within 3 years after the date the taxes, assessments, and charges subject to collection by the city become delinquent. Foreclosure proceedings on a lien shall not be required under this subsection if either of the following circumstances exists:

(a) The subsequent tax lien on the same property is conveyed pursuant to the Michigan tax lien sale and collateralized securities act.

(b) The prior tax lien conveyed pursuant to the Michigan tax lien sale and collateralized securities act has been satisfied or extinguished.

(9) For taxes levied after December 31, 1996, at any time before the redemption period provided under section 78g has expired, a person who holds a tax lien from a city pursuant to the Michigan tax lien sale and collateralized securities act, 1998 PA 379, MCL 211.921 to 211.941, may also purchase a county tax lien. A county tax lien purchased under this section shall be transferred by the county or by this state to the purchaser upon receipt of an amount equal to the delinquent taxes, charges, assessments, penalties, interest, and fees represented by the county tax lien. This subsection only applies to county tax liens on property for which the purchaser holds a tax lien from a city.

(10) For taxes levied after December 31, 1996, a person who purchased a county tax lien under subsection (9) may enforce that county tax lien and collect the amounts secured by that county tax lien, together with any interest and penalties that accrued before or after the purchase, in the manner provided under sections 78 to 78k only, notwithstanding any city charter provisions to the contrary. A county tax lien sold under subsection (9) is a preferred or first claim upon the property subject to the lien in the same manner as if

the city held the tax lien. A county tax lien purchaser shall not take any action to enforce or collect a county tax lien that is not authorized under sections 78 to 78n.

(11) For taxes levied after December 31, 1996, if a county tax lien is purchased pursuant to subsection (9), the portion of the county tax lien that represents delinquent taxes, interest, penalties, and fees is subject to interest, penalties, and fees as provided under sections 78 to 78k. A person who purchases a county tax lien pursuant to subsection (9) may retain any delinquent taxes, interest, penalties, and fees collected for delinquent taxes, interest, penalties, and fees subject to the county tax lien purchased. The fees levied under sections 78 to 78k shall not be levied more than 1 time on each parcel in each tax year.

(12) For taxes levied after December 31, 1996, a pledge of tax liens or earnings, revenues, other money, or assets from enforcement of county tax liens purchased pursuant to subsection (9) is valid and binding from the time the pledge is made without any filing, recording, or other requirement of notice. The tax liens, earnings, revenues, other money, or assets pledged by a person who purchased a tax lien are immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge of tax liens, earnings, revenues, other money, or assets is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the purchaser whether or not those parties have notice of the lien of the pledge. Any instrument by which a pledge is created is not required to be recorded.

(13) As used in this section, "county tax lien" means the following:

(a) As used in subsections (4) to (8), an interest in or encumbrance upon property for taxes levied before January 1, 1997, and charges, assessments, penalties, interest, or fees on those taxes that are returned as delinquent to a county treasurer or, after being returned as delinquent and bid off to this state pursuant to section 70, the state treasurer.

(b) As used in subsections (9) to (12), an interest in or encumbrance upon property for taxes levied after December 31, 1996, charges, assessments, penalties, interest, or fees that are returned as delinquent to a county treasurer.

211.108 Unpaid tax return; ordinance; description rejected by county treasurer; judicial sale; condition. [M.S.A. 7.162]

Sec. 108. If not provided in the charter of a city or village, the governing body of a city or village may provide by ordinance for the return of all unpaid taxes on real property to the county treasurer in the same manner and with the same effect as returns by township treasurers. The words and characters by which the property is described on the village delinquent tax roll shall be the same as the words and characters used to describe the property as it appears on the regular roll of the local tax collecting unit. The county treasurer shall reject, as provided in section 55, any description returned by the treasurer of a local tax collecting unit that does not agree with the description as it appears on the regular tax roll for the same year. The taxes returned shall be collected in the same manner as other taxes returned delinquent under this act. The governing body of a city or village, which by its charter has the right to sell property for unpaid taxes or assessments, may provide for judicial sale of that property. The city or village sale shall be made on petition filed in behalf of the city or village in interest, and shall conform, as near as practicable, to the provisions for a sale under this act. However, if property is offered at a city or village sale that has been bid off or forfeited to this state at any tax sale or forfeiture made under this act, and the bid or forfeiture remains undischarged, a sale of that property at the city or village tax sale is conditioned upon the payment of the tax lien held by this state on the property and the city or village tax sale is void if the tax lien held by this state remains unsatisfied.

211.131 Withholding certain property from sale; minimum price for property not withheld from sale; accounting for proceeds of sale; payment and disposition of additional charges; deed subject to restrictions or notices. [M.S.A. 7.188]

Sec. 131. (1) The director of the department of natural resources may withhold from sale any property that he or she determines to be suitable for state forests, state parks, state game refuges, public hunting, or recreational grounds. The director of the department of natural resources may set a minimum price for property not withheld from sale. Property not withheld from sale and not held by a local tax collecting unit shall be offered for sale by the director of the department of natural resources, at a price to be determined by the director of the department of natural resources, pursuant to 1873 PA 21, MCL 322.261 to 322.266. A bid shall not be accepted for less than the minimum price set by the director of the department of natural resources. If no bids are received or accepted by the director of the department of natural resources, the director of the department of natural resources may sell the property to a person applying to purchase the property at a price not less than the minimum price affixed by the director of the department of natural resources. The proceeds of the sale, after deducting costs paid for maintaining the property in condition to protect the public health and safety shall be accounted for to the state, county, local tax collecting unit, and school district in which the property is situated, pro rata according to their interests in the property arising from the nonpayment of taxes and special assessments on the property as that interest appears in the offices of the state, county, city, and local tax collecting unit treasurers. A person who purchases property under this section shall, in addition to paying the purchase price, pay to the state a fee of \$10.00 per parcel of property purchased, plus 5% of the purchase price. The \$10.00 charge and 5% of the purchase price shall be transmitted to the state treasurer for deposit in the general fund of this state to the credit of the delinquent property tax administration fund. This section does not apply to sales conducted under section 78m.

(2) A deed issued under this section shall remain subject to any restrictions or notices approved by this state or the foreclosing governmental unit and recorded with the register of deeds pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

211.131c Redemption of parcels by payment of delinquent taxes, special assessments, interest, penalties, and processing fee; disposition of processing fee; certification; conveyance; withholding property from sale; redemption; redemption deed; lien of grantee; personal visit to property; notice. [M.S.A. 7.190(1)]

Sec. 131c. (1) At any time before the first Tuesday in November after title vests in this state, property may be redeemed by payment to the county treasurer of all amounts due on the property as delinquent taxes and delinquent special assessments that had been assessed or were a lien at the time title vested in this state, together with interest and penalties on the delinquent taxes or special assessments and a processing fee of \$50.00 per parcel. Interest shall be computed to the date of the application to redeem and pursuant to the provisions of this act or the charter of a municipality collecting its own delinquent taxes and special assessments for tax and special assessment liens of that municipality. Of each \$50.00 per parcel processing fee, the county shall retain \$10.00 and shall transmit \$40.00 to the state treasurer for deposit in the general fund of this state to the credit of the delinquent property tax administration fund. After redemption is effected, the state treasurer shall certify the redemption to the department of natural resources, which shall convey the property described in the certificate to the owner.

(2) At any time before the first Tuesday in November after title vests in this state, a municipality may withhold from a sale held pursuant to section 131 any property within its boundaries by filing with the department of natural resources an application for the withholding, which application shall accurately describe the property by its legal description according to the records of the state treasurer or the department of natural resources. The withholding is only effective until the first Tuesday in November of the year following the date of withholding and does not affect the right of this state to take possession of the property and manage and rent the property during the period it is withheld. The property withheld may be redeemed by the payment of all amounts as provided in subsection (1). If property included in the application to withhold is not redeemed, the property shall be administered by the department of natural resources as provided in section 131.

(3) A municipality collecting its own delinquent taxes and assessments may redeem the property as owner as provided in this section if the municipality, either before or during the withholding period, has acquired title to the property by foreclosure of its delinquent tax or special assessment liens or otherwise, and in that foreclosure proceeding the state need not be named as a party. The redemption may be effected by payment in the same manner as provided in this section for redemption for the benefit of the former owner except that all delinquent taxes and special assessments that had been assessed or were a lien at the time title vested in this state shall be paid in full, together with interest and penalties, interest to be computed to the date of application to redeem and in accordance with the provisions of the general tax laws. The tax and assessment liens of the redeeming municipality need not be paid. After the redemption is effected, the state treasurer shall certify the redemption to the department of natural resources, which shall convey the property described in the certificate to the municipality.

(4) A redemption deed issued under this section does not vest in the grantee named in the deed any title or interest in the property beyond that which he or she would have owned, if title to the property had not vested in this state. However, the grantee is entitled to a lien on the property, or on parts of the property or interests in the property not owned by him or her, for the amount paid upon the redemption or the portion of the amount as may be lawfully charged to those parts or interests, in addition to the lien or other interests the grantee held before redemption. A grantee's lien may be enforced in any court of competent jurisdiction as for liens upon lands, with interest on the lien at 6% per year from the date of payment. The deed, except if there is redemption as owner by judgment for foreclosure by a municipality collecting its own delinquent taxes and assessments for tax and assessment liens of the municipality as provided in subsection (3), revives all titles, liens, and encumbrances, with their respective priorities, as would have existed if title to the property had not vested in this state, subject to the lien of the grantee named in the deed as provided in this subsection.

(5) During the periods of redemption provided in subsections (1) and (2), the director of the department of natural resources or his or her authorized agent shall make a personal visit to each parcel of property deeded to this state to ascertain whether or not the property is occupied. If the property appears to be occupied, the director or his or her authorized agent shall attempt to personally serve upon a person occupying the property a copy of a notice, stating that the property has been deeded to this state, and that unless redeemed, the property will be sold to the highest bidder, deeded to a local unit of government, or retained by this state. If unable to personally serve the notice, the notice shall be placed in a conspicuous manner on the premises.

211.131e Extension of redemption period; notice of hearing; hearing; redemption following expiration of redemption period; additional penalty; redemption of property exempt from taxes; payment; failure of property owner to redeem property; prohibited assertions. [M.S.A. 7.190(3)]

Sec. 131e. (1) For all property the title to which vested in this state under this section after October 25, 1976, the redemption period on property deeded to the state under section 67a shall be extended until the owners of a recorded property interest in the property have been notified of a hearing before the department of treasury. Proof of the notice of the hearing shall be recorded with the register of deeds in the county in which the property is located.

(2) For all property the title to which vested in this state under this section after October 25, 1976, 1 hearing shall be held to allow each owner of a recorded property interest the opportunity to show cause why the tax sale and the deed to the state should be canceled for any reason specified in section 98. The hearing shall be held after the expiration of the redemption periods provided in section 131c. The department of treasury may hold combined or separate show cause hearings for different owners of a recorded property interest.

(3) For all property the title to which vested in this state under this section after October 25, 1976, after expiration of the redemption periods provided in section 131c, on the first Tuesday in November after title to the property vests in this state, an owner of a recorded property interest may redeem the property up to 30 days following the date of hearing for that owner of a recorded property interest provided by this section by payment of the amounts set forth in subsection (4) and in section 131c(1), plus an additional penalty of 50% of the tax on which foreclosure was made. The additional penalty shall be credited to the delinquent property tax administration fund. A redemption under this section shall reinstate title as provided in section 131c(4).

(4) For all property the title to which vested in this state under this section after October 25, 1976, if property redeemed under this section has been exempt from taxes levied in any year after the year of foreclosure because a deed to that property was issued to the state, an amount equal to the sum of the following amounts shall be paid, as required by subsection (3), before redemption of the property:

(a) For taxes and ad valorem special assessments levied before January 1, 1997, an amount computed by applying the special assessment and ad valorem property tax rates levied by taxing units in which the property is located in the years the property was exempt against the most recently established state equalized valuation of the property. For taxes and ad valorem special assessments levied after December 31, 1996, an amount computed by applying the special assessment and ad valorem property tax rates levied by taxing units in which the property is located in the years the property was exempt against the most recently established taxable value of the property. For purposes of this subsection, special assessments do not include special assessments or special assessment installments deferred under section 67a.

(b) If the levy of an ad valorem special assessment on the property's taxable value is found to be invalid by a court of competent jurisdiction, the levy of the ad valorem special assessment may be levied on the property's state equalized value.

(c) Interest on the delinquent taxes or special assessments to be computed from the date title vested in this state to the date of the application to redeem under this section.

(d) Interest and penalties on taxes and special assessments identified by subdivision (a) that would have been imposed by law or charter and would have accrued if the property had not been exempt, computed from the date title vested in the state to the date of the application to redeem under this section.

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(5) For all property the title to which vested in this state under this section after October 25, 1976, the owner of a recorded property interest who has been properly served with a notice of the hearing under this section and who fails to redeem the property as provided under this section shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other owner of a property interest was not also served.

(b) That the redemption period provided under this section was extended in any way on the grounds that some other owner of a property interest was not also served.

§211.131e as retroactive and effective.

Enacting section 1. Section 131e of the general property tax act, 1893 PA 206, MCL 211.131e, as amended by this amendatory act, is retroactive and is effective for all property the title to which vested in this state under section 131e of the general property tax act, 1893 PA 206, MCL 211.131e, after October 25, 1976.

Effective date.

Enacting section 2. Sections 57, 59, 60, 61, 73c, 74, 87c, 107, 108, 131, and 131c as amended and sections 60a, 67c, 78, 78a, 78b, 78c, 78d, 78e, 78f, 78g, 78h, 78i, 78j, 78k, 78l, 78m, 78n, 78o, and 78p as added by this amendatory act are effective October 1, 1999.

Repeal of §§211.55a and 211.70b.

Enacting section 3. Sections 55a and 70b of the general property tax act, 1893 PA 206, MCL 211.55a and 211.70b, are repealed.

Repeal of §§211.61, 211.61a, 211.61b, 211.62, 211.63, 211.64, 211.66, 211.67, 211.67a, 211.67b, 211.68, 211.69, 211.70, 211.70a, 211.71, 211.72, 211.73, 211.73a, 211.73b, and 211.73c; effective date of repeal.

Enacting section 4. Sections 61, 61a, 61b, 62, 63, 64, 66, 67, 67a, 67b, 68, 69, 70, 70a, 71, 72, 73, 73a, 73b, and 73c of the general property tax act, 1893 PA 206, MCL 211.61, 211.61a, 211.61b, 211.62, 211.63, 211.64, 211.66, 211.67, 211.67a, 211.67b, 211.68, 211.69, 211.70, 211.70a, 211.71, 211.72, 211.73, 211.73a, 211.73b, and 211.73c, are repealed effective December 31, 2003.

Repeal of §§211.74, 211.75, 211.76, 211.77, 211.83, 211.84, 211.85, 211.86, 211.95, 211.96, 211.97, 211.98, 211.98a, 211.98b, 211.99, 211.101, 211.102, 211.103, 211.115, 211.127b, 211.131, 211.131a, 211.131b, 211.131c, 211.131d, 211.131e, 211.135, 211.138, 211.140, 211.140a, 211.141, 211.142, 211.142a, 211.143, 211.144, 211.156, and 211.157; effective date of repeal.

Enacting section 5. Sections 74, 75, 76, 77, 83, 84, 85, 86, 95, 96, 97, 98, 98a, 98b, 99, 101, 102, 103, 115, 127b, 131, 131a, 131b, 131c, 131d, 131e, 135, 138, 140, 140a, 141, 142, 142a, 143, 144, 156, and 157 of the general property tax act, 1893 PA 206, MCL 211.74, 211.75, 211.76, 211.77, 211.83, 211.84, 211.85, 211.86, 211.95, 211.96, 211.97, 211.98, 211.98a, 211.98b, 211.99, 211.101, 211.102, 211.103, 211.115, 211.127b, 211.131, 211.131a, 211.131b, 211.131c, 211.131d, 211.131e, 211.135, 211.138, 211.140, 211.140a, 211.141, 211.142, 211.142a, 211.143, 211.144, 211.156, and 211.157, are repealed effective December 31, 2006.

Conditional effective date.

Enacting section 6. This amendatory act does not take effect unless all of the following bills of the 90th Legislature are enacted into law:

- (a) Senate Bill No. 343.
- (b) Senate Bill No. 488.
- (c) Senate Bill No. 489.

1999 PUBLIC AND LOCAL ACTS

This act is ordered to take immediate effect.

Approved July 22, 1999.

Filed with Secretary of State July 23, 1999.

Compiler's note: The bills referred to in enacting 6 were enacted into law as follows:

Senate Bill No. 343 was filed with the Secretary of State July 23, 1999, and became P.A. 1999, No. 127, Imd. Eff. July 23, 1999.

Senate Bill No. 488 was filed with the Secretary of State July 23, 1999, and became P.A. 1999, No. 132, Imd. Eff. July 23, 1999.

Senate Bill No. 489 was filed with the Secretary of State July 23, 1999, and became P.A. 1999, No. 133, Imd. Eff. July 23, 1999.
