

REPRINT

**SUBSTITUTE FOR  
SENATE BILL NO. 776**

(As Passed the Senate September 17, 1998)

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 107 (MCL 211.107), as amended by 1982 PA  
539.

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

1       Sec. 107. (1) The requirements of this act relating to the  
2 amount and imposition of interest, penalties, ~~and~~ THE collec-  
3 tion or administration fees, ~~shall be~~ THE PROCEDURES FOR COL-  
4 LECTION OF TAXES, AND THE ENFORCEMENT OF TAX LIENS ARE applicable  
5 to all cities and villages ~~where~~ IF not inconsistent with their  
6 respective charters OR AN ORDINANCE ENACTED PURSUANT TO THEIR  
7 RESPECTIVE CHARTERS. IN ADDITION TO THE METHODS AUTHORIZED UNDER  
8 SECTION 108, A CITY OR VILLAGE, WHICH BY ITS CHARTER DOES NOT  
9 RETURN ITS DELINQUENT TAXES TO THE COUNTY FOR COLLECTION, MAY  
10 ENFORCE THE TAX LIENS FOR DELINQUENT TAXES, ASSESSMENTS, AND

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1 CHARGES BY FORECLOSURE PROCEEDINGS OR ANY OTHER METHOD AUTHORIZED  
2 UNDER STATUTE, CHARTER, OR ORDINANCE ENACTED PURSUANT TO LAW OR  
3 CHARTER. Notwithstanding any provision of this act to the con-  
4 trary, a charter of a city or township may authorize the estab-  
5 lishment of procedures requiring protests to the board of review  
6 to be first addressed to the assessor or other agency of the city  
7 or township as a prerequisite for a protest before the board of  
8 review ~~so long as~~ IF the assessor or other agency to whom a  
9 protest is first addressed does not have the authority to deny  
10 the petitioner the right to protest before the board of review.

11 (2) For purposes of this act, reference to supervisor, town-  
12 ship treasurer, and board of review includes assessing and col-  
13 lecting officers ~~—~~ and boards whose duty it is to review an  
14 assessment roll. The word township may include city, ward, vil-  
15 lage, or, ~~when~~ IF in relation to property tax collection func-  
16 tions, any other local property tax collecting unit.

17 (3) In an incorporated city, the charter of which does not  
18 provide for a board of review, the board OF REVIEW shall consist  
19 of the supervisors or other officers making the assessment, the  
20 city attorney, and additional members to be appointed by the  
21 common council, who shall not be aldermen, equaling the number of  
22 supervisors or assessing officers. The session of the board of  
23 review shall be held at the council room on the same days as des-  
24 ignated in this act for the meeting of the township board of  
25 review, unless otherwise provided by the charter of the city, and  
26 the proceedings SHALL BE conducted in the same manner AS PROVIDED  
27 IN THIS ACT. The board OF REVIEW shall elect a chairperson and

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1 clerk, who shall certify to the correctness of the several  
2 assessment rolls when completed, substantially as the form pre-  
3 scribed in sections 29 and 30. The appointed members of the  
4 board of review shall take the constitutional oath of office,  
5 which shall be filed in the office of the city recorder or  
6 clerk.

7 (4) AT ANY  
8 TIME BEFORE THE REDEMPTION PERIOD PROVIDED UNDER SECTION 131E HAS  
9 EXPIRED, A PERSON WHO HOLDS A TAX LIEN FROM A CITY PURSUANT TO  
10 THE MICHIGAN TAX LIEN SALE AND COLLATERALIZED SECURITIES ACT MAY  
11 ALSO PURCHASE A COUNTY TAX LIEN. A COUNTY TAX LIEN PURCHASED  
12 UNDER THIS SECTION SHALL BE TRANSFERRED BY THE COUNTY OR BY THIS  
13 STATE TO THE PURCHASER UPON RECEIPT OF AN AMOUNT EQUAL TO THE  
14 DELINQUENT TAXES, CHARGES, ASSESSMENTS, PENALTIES, INTEREST, AND  
15 FEES REPRESENTED BY THE COUNTY TAX LIEN. THIS SUBSECTION ONLY  
16 APPLIES TO COUNTY TAX LIENS ON PROPERTY FOR WHICH THE PURCHASER  
17 HOLDS A TAX LIEN FROM A CITY.

18 (5) A PERSON WHO PURCHASED A COUNTY TAX LIEN UNDER THIS SEC-  
19 TION MAY ENFORCE THAT COUNTY TAX LIEN AND COLLECT THE AMOUNTS  
20 SECURED BY THAT COUNTY TAX LIEN, TOGETHER WITH ANY INTEREST AND  
21 PENALTIES THAT ACCRUED BEFORE OR AFTER THE PURCHASE, IN ANY MANNER THAT THE CITY  
22 IS AUTHORIZED TO USE TO ENFORCE AND COLLECT A TAX LIEN FOR TAXES  
23 COLLECTED BY THE CITY. A COUNTY TAX LIEN SOLD UNDER THIS SECTION  
24 IS A PREFERRED OR FIRST CLAIM UPON THE PROPERTY SUBJECT TO THE  
25 LIEN IN THE SAME MANNER AS IF THE CITY HELD THE TAX LIEN. A  
26 COUNTY TAX LIEN PURCHASER SHALL NOT TAKE ANY ACTION TO ENFORCE OR  
27 COLLECT A COUNTY TAX LIEN THAT THE CITY IS NOT AUTHORIZED TO TAKE

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1 TO ENFORCE AND COLLECT A TAX LIEN FOR TAXES COLLECTED BY THE  
2 CITY.

3       (6) IF A COUNTY TAX LIEN IS PURCHASED PURSUANT TO THIS SEC-  
4 TION, THE PORTION OF THE COUNTY TAX LIEN THAT REPRESENTS DELIN-  
5 QUENT TAXES, CHARGES, AND ASSESSMENTS IS SUBJECT TO INTEREST AND  
6 PENALTIES AT THE SAME RATE AS INTEREST AND PENALTIES ON DELIN-  
7 QUENT TAXES, CHARGES, AND ASSESSMENTS SUBJECT TO COLLECTION BY  
8 THE CITY. HOWEVER, THE MAXIMUM AMOUNT OF PENALTIES CHARGED  
9 BEFORE AND AFTER THE PURCHASE OF THE TAX LIEN SHALL NOT EXCEED  
10 THE MAXIMUM AMOUNT OF PENALTIES THAT MAY BE IMPOSED BY THE CITY  
11 FOR DELINQUENT TAXES, CHARGES, AND ASSESSMENTS SUBJECT TO COLLEC-  
12 TION BY THE CITY. A PERSON WHO PURCHASES A COUNTY TAX LIEN PUR-  
13 SUANT TO THIS SECTION MAY RETAIN ANY DELINQUENT TAXES, INTEREST,  
14 AND PENALTIES COLLECTED FOR DELINQUENT TAXES, CHARGES, AND  
15 ASSESSMENTS SUBJECT TO THE COUNTY TAX LIEN PURCHASED.

16       (7) A PLEDGE OF TAX LIENS OR EARNINGS, REVENUES, OTHER  
17 MONEY, OR ASSETS FROM ENFORCEMENT OF COUNTY TAX LIENS PURCHASED  
18 PURSUANT TO THIS SECTION IS VALID AND BINDING FROM THE TIME THE  
19 PLEDGE IS MADE WITHOUT ANY FILING, RECORDING, OR OTHER REQUIRE-  
20 MENT OF NOTICE. THE TAX LIENS, EARNINGS, REVENUES, OTHER MONEY,  
21 OR ASSETS PLEDGED BY A PERSON WHO PURCHASED A TAX LIEN ARE IMME-  
22 DIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT PHYSICAL DELIV-  
23 ERY OR FURTHER ACT. THE LIEN OF THE PLEDGE OF TAX LIENS, EARN-  
24 INGS, REVENUES, OTHER MONEY, OR ASSETS IS VALID AND BINDING  
25 AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT,  
26 OR OTHERWISE AGAINST THE PURCHASER WHETHER OR NOT THOSE PARTIES

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1 HAVE NOTICE OF THE LIEN OF THE PLEDGE. ANY INSTRUMENT BY WHICH A  
2 PLEDGE IS CREATED IS NOT REQUIRED TO BE RECORDED.

(8) 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.

3 (9) AS USED IN THIS SECTION, "COUNTY TAX LIEN" MEANS AN  
4 INTEREST IN OR ENCUMBRANCE UPON PROPERTY FOR TAXES, CHARGES,  
5 ASSESSMENTS, PENALTIES, INTEREST, OR FEES THAT ARE RETURNED AS  
6 DELINQUENT TO A COUNTY TREASURER OR, AFTER BEING RETURNED AS  
7 DELINQUENT AND BID OFF TO THIS STATE PURSUANT TO SECTION 70, THE  
8 STATE TREASURER.