

HOUSE BILL No. 5485

January 21, 1998, Introduced by Reps. Brater, Hale, DeHart, Wojno, Cherry, Martinez, Ciaramitaro, LaForge, Hood, Varga, Palamara, Tesanovich, Mans and Kaza and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 61a, 73c, 131e, and 140 (MCL 211.61a, 211.73c, 211.131e, and 211.140), sections 61a, 131e, and 140 as amended by 1996 PA 476 and section 73c as amended by 1993 PA 291.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61a. (1) Immediately after the state treasurer files a
2 petition and list or schedule of delinquent tax ~~lands~~ PROPERTY
3 with a county clerk under section 61 and not less than 30 days
4 before the date fixed for the annual tax sale, the county trea-
5 surer of each county in which a petition is filed shall send a
6 notice to each person who, according to the records of his or her
7 office, has an interest in a piece or parcel of ~~land~~ PROPERTY

1 upon which taxes are then delinquent, and ~~which are~~ THAT IS
 2 subject to sale at the next ensuing annual tax sale.

3 (2) The county treasurer shall mail the notice by
 4 first-class mail, address correction requested, to each person,
 5 directed to his or her last known post office address with post-
 6 age fully prepaid. IN DETERMINING EACH PERSON'S LAST KNOWN POST
 7 OFFICE ADDRESS, THE COUNTY TREASURER SHALL REFER TO THE COMPUTER-
 8 IZED CENTRAL FILE MAINTAINED BY THE SECRETARY OF STATE PURSUANT
 9 TO SECTION 221 OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL
 10 257.221, AND SECTION 80315 OF THE NATURAL RESOURCES AND ENVIRON-
 11 MENTAL PROTECTION ACT, 1994 PA 451, MCL 324.80315. THIS STATE
 12 SHALL REIMBURSE EACH COUNTY TREASURER FOR ALL EXPENSES INCURRED
 13 AS A RESULT OF THE REFERRAL REQUIRED UNDER THIS SUBSECTION TO THE
 14 COMPUTERIZED CENTRAL FILE MAINTAINED BY THE SECRETARY OF STATE.

15 (3) The notice shall be in substantially the following
 16 form:

17 Office of the county treasurer of
 18 county, Michigan.

19 You are hereby notified that the annual tax sale of ~~lands~~
 20 PROPERTY for delinquent taxes of ~~19....~~ 20...., and prior years
 21 for the county of, will be made at the county
 22 treasurer's office of county at the county seat of
 23 county, on the day of May, ~~19....~~ 20.... .
 24 According to the records of this office the following described
 25 property is assessed to you and certain years' taxes on that
 26 property appear to be unpaid as stated below.

1 Description of ~~land~~ PROPERTY:

2

3 Amount of delinquent taxes unpaid for the year ~~19....~~ 20....,
4 \$..... . If the taxes on the above mentioned property ~~is~~ ARE
5 not paid before the date on which the annual tax sale is to be held,
6 then that property will be sold for the delinquent taxes stated
7 above. Any person with an interest in this property has a right to
8 be heard at the circuit court hearing authorizing the tax sale.
This

9 hearing will be held on the day of, ~~19....~~
10 20...., at (time), at (place of hearing).
To

11 be heard, you must file written objections in advance , as
provided
12 by law.

13 Very truly yours,

14
15 County Treasurer.

16 (4) The cost of mailing the notices shall be paid to the
17 county treasurer out of the general or contingent fund of each
18 county on allowance by the county board of commissioners or board
19 of county auditors.

20 (5) Failure to receive or serve the notice shall not invali-
21 date the proceedings taken under the state treasurer's petition
22 and ~~decree~~ ORDER of the circuit court in foreclosure and sale
23 of the ~~lands~~ PROPERTY for taxes.

1 Sec. 73c. (1) Not later than 120 days or for parcels
2 identified as certified special residential property under sec-
3 tion 55a, not later than 30 days, before the expiration of the
4 redemption period provided in section 74, the county treasurer of
5 each county shall send a notice to each person who, according to
6 the records of his or her office, has an interest in a piece or
7 parcel of ~~land~~ PROPERTY offered at the tax sale under section
8 70 ~~of this act~~ that is not yet redeemed. The county treasurer
9 shall also send a notice to all other persons shown by the
10 records of the local assessing officer or local treasurer to have
11 an interest in ~~those lands~~ THAT PROPERTY. IN DETERMINING THE
12 ADDRESS FOR EACH PERSON TO WHOM NOTICE IS SENT UNDER THIS SUBSEC-
13 TION, THE COUNTY TREASURER SHALL REFER TO THE COMPUTERIZED CEN-
14 TRAL FILE MAINTAINED BY THE SECRETARY OF STATE PURSUANT TO SEC-
15 TION 221 OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.221,
16 AND SECTION 80315 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PRO-
17 TECTION ACT, 1994 PA 451, MCL 324.80315. THIS STATE SHALL REIM-
18 BURSE EACH COUNTY TREASURER FOR ALL EXPENSES INCURRED AS A RESULT
19 OF THE REFERRAL REQUIRED UNDER THIS SUBSECTION TO THE COMPUTER-
20 IZED CENTRAL FILE MAINTAINED BY THE SECRETARY OF STATE.

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

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

25 (b) A prior notice sent to that address has been forwarded
26 or returned as undeliverable, except as provided in subsection
27 (3).

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

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

10 Sir or Madam:

11 This is to notify you that, according to the records of this
12 office, the following piece or parcel of ~~land~~ PROPERTY, which
13 you may have an interest in, was sold at the annual tax sale of
14 May, ~~19...~~ 20..., for delinquent taxes of ~~19...~~ 20..., and
15 prior years. Unless redeemed from the sale on or before
16 ~~19...~~ 20..., the title to the ~~land~~ PROPERTY will
17 vest and become absolute in the state of Michigan or if the taxes
18 were paid by a private tax lien buyer, a tax deed will be issued
19 by the state of Michigan entitling the buyer to collect all taxes
20 paid plus a 50% penalty and other fees.

21

22

23 Very truly yours,

1County treasurer or
2 Assessor of.....

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

5 (6) Failure to receive or serve the notice or a defect in
6 the notice does not invalidate the proceedings taken under the
7 state treasurer's petition and order of the circuit court in
8 foreclosure and sale of the lands for taxes.

9 Sec. 131e. (1) The redemption period on property deeded to
10 ~~the~~ THIS state under section 67a shall be extended until the
11 owners of a recorded property interest in the property have been
12 notified of a hearing before the department of treasury. Proof
13 of the notice of the hearing shall be recorded with the register
14 of deeds in the county in which the property is located. IN
15 DETERMINING THE ADDRESS OF EACH PERSON TO WHOM NOTICE IS SENT
16 UNDER THIS SUBSECTION, THE DEPARTMENT OF TREASURY SHALL REFER TO
17 THE COMPUTERIZED CENTRAL FILE MAINTAINED BY THE SECRETARY OF
18 STATE PURSUANT TO SECTION 221 OF THE MICHIGAN VEHICLE CODE, 1949
19 PA 300, MCL 257.221, AND SECTION 80315 OF THE NATURAL RESOURCES
20 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.80315.

21 (2) The hearing shall be held to allow the owners to show
22 cause why the tax sale and the deed to ~~the~~ THIS state should be
23 canceled for any reason specified in section 98. The hearing
24 shall be held after the expiration of the redemption periods pro-
25 vided in section 131c.

1 (3) After expiration of the redemption periods provided in
2 section 131c, on the first Tuesday in November after title to the
3 property vests in this state, property may be redeemed up to 30
4 days following the date of hearing provided by this section by
5 payment of the amounts set forth in subsection (4) and in section
6 131c(1), plus an additional penalty of 50% of the tax on which
7 foreclosure was made. The additional penalty shall be credited
8 to the delinquent property tax administration fund. A redemption
9 under this section shall reinstate title as provided in section
10 131c(4).

11 (4) If property redeemed under this section has been exempt
12 from taxes levied in any year after the year of foreclosure
13 because a deed to that property was issued to ~~the~~ THIS state,
14 an amount equal to the sum of the following amounts shall be
15 paid, as required by subsection (3), before redemption of the
16 property:

17 (a) For taxes and ad valorem special assessments levied
18 before January 1, 1997, an amount computed by applying the spe-
19 cial assessment and ad valorem property tax rates levied by
20 taxing units in which the property is located in the years the
21 property was exempt against the most recently established state
22 equalized valuation of the property. For taxes and ad valorem
23 special assessments levied after December 31, 1996, an amount
24 computed by applying the special assessment and ad valorem prop-
25 erty tax rates levied by taxing units in which the property is
26 located in the years the property was exempt against the most
27 recently established taxable value of the property. For purposes

1 of this subsection, special assessments do not include special
2 assessments or special assessment installments deferred under
3 section 67a.

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

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

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

17 (5) The department shall give preference to notification and
18 scheduling of hearings for property identified as certified spe-
19 cial residential property under section 55a.

20 Sec. 140. (1) A writ of assistance or other process for the
21 possession of property the title to which was obtained by or
22 through a tax sale, except if title is obtained under section
23 131, shall not be issued until 6 months after the sheriff of the
24 county ~~where~~ IN WHICH the property is located files a return of
25 service with the county treasurer of that county showing service
26 of the notice prescribed in subsection (2). The return shall
27 indicate that the sheriff made personal or substituted service of

1 the notice on ~~the following persons~~ A PERSON who ~~were~~ WAS, as
2 of the date the notice was delivered to the sheriff for service,
3 ANY OF THE FOLLOWING:

4 (a) The last grantee or grantees in the regular chain of
5 title of the property, or of an interest in the property, accord-
6 ing to the records of the county register of deeds.

7 (b) The person or persons in actual open possession of the
8 land.

9 (c) The grantee or grantees under the tax deed issued by the
10 state treasurer for the latest year's taxes according to the
11 records of the county register of deeds.

12 (d) The mortgagee or mortgagees named in all undischarged
13 recorded mortgages, or assignees of record.

14 (e) The holder of record of all undischarged recorded
15 liens.

16 (2) The notice served shall be in substantially the follow-
17 ing form:

18 "To the owner or owners of any and all interests in or liens
19 upon the property described:

20 Take notice: Sale was lawfully made of the following
21 described property for unpaid taxes on that property, and that
22 the undersigned has title to the property under tax deed or deeds
23 issued for the property. You are entitled to a reconveyance of
24 this property within 6 months after return of service of this
25 notice, upon payment to the treasurer of the county in which the
26 property is located, of all sums paid for the tax sale purchase,
27 together with 50% in addition, and the fees of the sheriff for

1 the service or cost of publication of this notice. The service
2 or publication costs shall be the same as for personal service of
3 a summons on commencing a civil action, without ~~other~~ addi-
4 tional cost or charge EXCEPT AS OTHERWISE PROVIDED BY LAW. If
5 payment as described in this notice is not made, the undersigned
6 will institute proceedings for possession of the property.

7 Description amount paid taxes
8 for 1.....

9 (Signed).....

10 Place of business....."

11 (3) If the grantee or grantees, or the person or persons
12 holding the interest in the ~~land~~ PROPERTY as described in sub-
13 section (1) are residents of a county of this state other than
14 the county in which the ~~land~~ PROPERTY is situated, the notice
15 shall be served on that person by the sheriff of the county in
16 which that person or persons reside or may be found. If a person
17 entitled to notice under subsection (1) is not a resident of this
18 state, the sheriff, if the post office address of the person can
19 be ascertained, shall send to the nonresident person a copy of
20 the notice by certified mail, and attach the receipt indicating
21 postal delivery of the notice to the return and file the return
22 with the county treasurer's office. If service on the nonresi-
23 dent is not made by mail, the sheriff shall cause a copy of the
24 notice to be served personally on the nonresident, and when the
25 notice is personally served outside of this state, proof of serv-
26 ice shall be made by affidavit of the person making service,
27 which affidavit shall be made before a notary public or other

1 officer authorized to administer oaths. The affidavit, ~~when~~ IF
2 made outside of this state, shall have attached a certificate of
3 the clerk of the court of record, certifying to the official
4 character of the officer or notary, and the genuineness of the
5 signature of the officer or notary to the jurat of the affidavit,
6 and the sheriff shall return this proof of personal service with
7 the return to the county treasurer's office.

8 (4) If a person entitled to notice as prescribed in subsec-
9 tion (1) is dead, or if a person's estate is under control of a
10 trustee or guardian, the notice may be served upon the executor
11 or administrator of the decedent's estate, or upon the decedent's
12 heirs if there is not an executor or administrator, or upon the
13 trustee or guardian of an incompetent person, with the same
14 effect as if served upon the grantee, mortgagee, or assignee.

15 (5) If the sheriff of the county ~~where~~ IN WHICH the prop-
16 erty is located is unable, after careful inquiry, to ascertain
17 the whereabouts or the post office address of the persons on whom
18 notice may be served as prescribed in this section, service of
19 the notice shall be made by publication. The notice shall be
20 published for 4 successive weeks, once each week, in a newspaper
21 published and circulated in the county ~~where~~ IN WHICH the prop-
22 erty is located, if there is one. If no paper is published in
23 that county, publication shall be made in a newspaper published
24 and circulated in an adjoining county, and proof of publication,
25 by affidavit of the printer or publisher of the newspaper, shall
26 be filed with the county treasurer. This publication shall be
27 instead of personal service upon the person or persons whose

1 whereabouts or post office address cannot be ascertained as set
2 forth in subsection (3).

3 (6) Service may be made on a resident of this state by leav-
4 ing the notice at that person's usual place of residence with a
5 member of that person's family of mature age. Service may be
6 made on a nonresident of this state by serving the notice on the
7 nonresident personally while in this state, and the return shall
8 be made by the sheriff of the county in which service was made.

9 (7) A corporation formed under the laws of this state shall
10 be regarded, for the purposes of this act, as a resident of the
11 county in this state in which the corporation maintains its prin-
12 cipal or registered office for the transaction of business in
13 this state, as indicated by the corporation's articles of
14 incorporation. Service on a corporation may be made on the pres-
15 ident, secretary, treasurer, or resident agent of the corpora-
16 tion, or by leaving the notice at the principal or registered
17 office of the corporation with a person in charge of the office.
18 If the sheriff of the county in which the principal or registered
19 office of the corporation is located indicates on the return that
20 upon careful inquiry the sheriff was unable to find the office or
21 a president, secretary, treasurer, or resident agent of the cor-
22 poration in that county, service of the notice may be made on the
23 corporation by publication as set forth in subsection (5). This
24 section applies to a corporation whether or not the corporation's
25 term of existence has expired. A foreign corporation doing busi-
26 ness in this state with a registered agent in this state to
27 accept service of process as required by law is regarded, for the

1 purposes of this act, as a resident of the county in which its
2 registered office is located. Service on a foreign corporation
3 may be made on the resident agent or by certified mail addressed
4 to the corporation at its home office.

5 (8) Service as prescribed in this section may be made by a
6 sheriff, undersheriff, or deputy sheriff. The sheriff shall, in
7 the return of service, state the time when the notice was deliv-
8 ered to the sheriff for service, and the return shall be prima
9 facie evidence of the facts stated in the return.

10 (9) IN DETERMINING THE ADDRESS FOR EACH PERSON TO WHOM
11 NOTICE IS SENT UNDER THIS SECTION, THE SHERIFF SHALL REFER TO THE
12 COMPUTERIZED CENTRAL FILE MAINTAINED BY THE SECRETARY OF STATE
13 PURSUANT TO SECTION 221 OF THE MICHIGAN VEHICLE CODE, 1949 PA
14 300, MCL 257.221, AND SECTION 80315 OF THE NATURAL RESOURCES AND
15 ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.80315. THE
16 SHERIFF SHALL INCLUDE ALL EXPENSES INCURRED AS A RESULT OF THE
17 REFERRAL REQUIRED UNDER THIS SUBSECTION TO THE COMPUTERIZED CEN-
18 TRAL FILE MAINTAINED BY THE SECRETARY OF STATE IN DETERMINING THE
19 COSTS OF SERVICE.