

SUBSTITUTE FOR
HOUSE BILL NO. 4298

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 78f and 78i (MCL 211.78f and 211.78i), section
78f as amended by 2003 PA 263 and section 78i as amended by 2006 PA
611, and by adding section 78q.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 78f. (1) Except as otherwise provided in section 79 for
2 certified abandoned property, not later than the February 1
3 immediately succeeding the date that unpaid taxes were returned to
4 the county treasurer for forfeiture, foreclosure, and sale under
5 section 60a(1) or (2) or returned to the county treasurer as
6 delinquent under section 78a, the county treasurer shall send a
7 notice by certified mail, return receipt requested, to the person

1 to whom a tax bill for property returned for delinquent taxes was
2 last sent and, if different, to the person identified as the owner
3 of property returned for delinquent taxes as shown on the current
4 records of the county treasurer and to those persons identified
5 under section 78e(2). The notice required under this subsection
6 shall include all of the following:

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

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

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

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

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

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

22 (g) A statement that unless those unpaid delinquent taxes,
23 interest, penalties, and fees are paid on or before the March 31
24 immediately succeeding the entry in an uncontested case of a
25 judgment foreclosing the property under section 78k, absolute title
26 to the property shall vest in the foreclosing governmental unit.

27 (h) A statement of the person's rights of redemption and

1 notice that the rights of redemption will expire on the March 31
2 immediately succeeding the entry in an uncontested case of a
3 judgment foreclosing the property under section 78k.

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

8 (3) A county treasurer may insert 1 or more additional notices
9 in a ~~newspaper published and~~ **NOTICE PUBLICATION** circulated in the
10 county in which the property is located. ~~, if there is one. If no~~
11 ~~newspaper is published in that county, publication may be made in a~~
12 ~~newspaper published and circulated in an adjoining county.~~ **IF NO**
13 **NOTICE PUBLICATION IS CIRCULATED IN THE COUNTY IN WHICH THE**
14 **PROPERTY IS LOCATED, THE COUNTY TREASURER MAY INSERT 1 OR MORE**
15 **ADDITIONAL NOTICES IN A NOTICE PUBLICATION CIRCULATED IN AN**
16 **ADJOINING COUNTY. ADDITIONALLY, A COUNTY TREASURER MAY POST 1 OR**
17 **MORE ADDITIONAL NOTICES ON A WEBSITE, INCLUDING, BUT NOT LIMITED**
18 **TO, A WEBSITE MAINTAINED BY THE COUNTY TREASURER.**

19 (4) The county treasurer may ~~publish~~ **INSERT IN A NOTICE**
20 **PUBLICATION CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS**
21 **LOCATED, NOTICE OF** the street address, if available, of property
22 subject to forfeiture under section 78g on the immediately
23 succeeding March 1 for delinquent taxes or the street address, if
24 available, of property subject to forfeiture under section 78g on
25 the immediately succeeding March 1 for delinquent taxes and the
26 name of the person to whom a tax bill for property returned for
27 delinquent taxes was last sent and, if different, the name of the

1 person identified as the owner of the property returned for
2 delinquent taxes as shown on the current records of the county
3 treasurer. ~~in a newspaper published and circulated in the county in~~
4 ~~which the property is located, if there is one. If no newspaper is~~
5 ~~published in that county, publication may be made in a newspaper~~
6 ~~published and circulated in an adjoining county.~~ **IF NO NOTICE**
7 **PUBLICATION IS CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS**
8 **LOCATED, THE COUNTY TREASURER MAY INSERT A NOTICE UNDER THIS**
9 **SUBSECTION IN A NOTICE PUBLICATION CIRCULATED IN AN ADJOINING**
10 **COUNTY. ADDITIONALLY, A COUNTY TREASURER MAY POST ON A WEBSITE,**
11 **INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED BY THE COUNTY**
12 **TREASURER.**

13 Sec. 78i. (1) Not later than May 1 immediately succeeding the
14 forfeiture of property to the county treasurer under section 78g,
15 the foreclosing governmental unit shall initiate a search of
16 records identified in subsection (6) to identify the owners of a
17 property interest in the property who are entitled to notice under
18 this section of the show cause hearing under section 78j and the
19 foreclosure hearing under section 78k. The foreclosing governmental
20 unit may enter into a contract with 1 or more authorized
21 representatives to perform a title search or may request from 1 or
22 more authorized representatives another title search product to
23 identify the owners of a property interest in the property as
24 required under this subsection or to perform other functions
25 required for the collection of delinquent taxes under this act.

26 (2) After conducting the search of records under subsection
27 (1), the foreclosing governmental unit or its authorized

1 representative shall determine the address reasonably calculated to
2 apprise those owners of a property interest of the show cause
3 hearing under section 78j and the foreclosure hearing under section
4 78k and shall send notice of the show cause hearing under section
5 78j and the foreclosure hearing under section 78k to those owners,
6 and to a person entitled to notice of the return of delinquent
7 taxes under section 78a(4), by certified mail, return receipt
8 requested, not less than 30 days before the show cause hearing. If
9 after conducting the search of records under subsection (1) the
10 foreclosing governmental unit is unable to determine an address
11 reasonably calculated to inform a person with an interest in a
12 forfeited property, or if the foreclosing governmental unit
13 discovers a deficiency in notice under subsection (4), the
14 following shall be considered reasonable steps by the foreclosing
15 governmental unit or its authorized representative to ascertain the
16 address of a person entitled to notice under this section or to
17 ascertain an address necessary to correct the deficiency in notice
18 under subsection (4):

19 (a) For an individual, a search of the records of the probate
20 court for the county in which the property is located.

21 (b) For an individual, a search of the qualified voter file
22 established under section 509o of the Michigan election law, 1954
23 PA 116, MCL 168.509o, which is authorized by this subdivision.

24 (c) For a partnership, a search of partnership records filed
25 with the county clerk.

26 (d) For a business entity other than a partnership, a search
27 of business entity records filed with the department of labor and

1 economic growth.

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

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

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

20 (c) If the occupant appears to lack the ability to understand
21 the advice given, notify the department of human services or
22 provide the occupant with the names and telephone numbers of the
23 agencies that may be able to assist the occupant.

24 (d) If the foreclosing governmental unit or its authorized
25 representative is not able to personally meet with the occupant,
26 the foreclosing governmental unit or its authorized representative
27 shall place the notice in a conspicuous manner on the property and

1 shall also place in a conspicuous manner on the property a notice
2 that explains, in plain English, that the property will be
3 foreclosed unless forfeited unpaid delinquent taxes, interest,
4 penalties, and fees are paid, the time within which forfeited
5 unpaid delinquent taxes, interest, penalties, and fees must be
6 paid, and the names, addresses, and telephone numbers of agencies
7 or other resources that may be available to assist the occupant to
8 avoid loss of the property. If this state is the foreclosing
9 governmental unit within a county, the department of treasury shall
10 perform the personal visit to each parcel of property under this
11 subsection on behalf of this state.

12 (4) If the foreclosing governmental unit or its authorized
13 representative discovers any deficiency in the provision of notice,
14 the foreclosing governmental unit shall take reasonable steps in
15 good faith to correct that deficiency not later than 30 days before
16 the show cause hearing under section 78j, if possible.

17 (5) If the foreclosing governmental unit or its authorized
18 representative is unable to ascertain the address reasonably
19 calculated to apprise the owners of a property interest entitled to
20 notice under this section, or is unable to notify the owner of a
21 property interest under subsection (2), the notice shall be made by
22 publication **AS PROVIDED IN THIS SUBSECTION AND SECTION 78Q**. A
23 notice shall be ~~published~~ **INSERTED** for ~~3-2~~ successive weeks, once
24 each week, in a ~~newspaper published and circulated in the county in~~
25 ~~which the property is located, if there is one. If no paper is~~
26 ~~published in that county, publication shall be made in a newspaper~~
27 ~~published and circulated in an adjoining county~~ **NOTICE PUBLICATION**

1 CIRCULATED IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED. This
 2 ~~publication~~-NOTICE shall be instead of notice under subsection (2).
 3 IF A NOTICE PUBLICATION IS NOT CIRCULATED IN THE COUNTY IN WHICH
 4 THE PROPERTY IS LOCATED, THE FORECLOSING GOVERNMENTAL UNIT SHALL
 5 INSERT THE NOTICE IN A NOTICE PUBLICATION CIRCULATED IN AN
 6 ADJOINING COUNTY. IN ADDITION TO PROVISION OF NOTICE IN A NOTICE
 7 PUBLICATION, THE FORECLOSING GOVERNMENTAL UNIT MAY ALSO POST THE
 8 NOTICE UNDER THIS SUBSECTION FOR NOT LESS THAN 14 DAYS ON A
 9 WEBSITE, INCLUDING, BUT NOT LIMITED TO, A WEBSITE MAINTAINED BY THE
 10 FORECLOSING GOVERNMENTAL UNIT.

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

17 (a) Land title records in the office of the county register of
 18 deeds.

19 (b) Tax records in the office of the county treasurer.

20 (c) Tax records in the office of the local assessor.

21 (d) Tax records in the office of the local treasurer.

22 (7) The notice required under subsections (2) and (3) shall
 23 include all of the following:

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

26 (b) A statement that the person notified may lose his or her
 27 interest in the property as a result of the foreclosure proceeding

1 under section 78k.

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

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

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

7 (f) The date and time of the show cause hearing under section
8 78j.

9 (g) The date and time of the hearing on the petition for
10 foreclosure under section 78k, and a statement that unless the
11 forfeited unpaid delinquent taxes, interest, penalties, and fees
12 are paid on or before the March 31 immediately succeeding the entry
13 of a judgment foreclosing the property under section 78k, or in a
14 contested case within 21 days of the entry of a judgment
15 foreclosing the property under section 78k, the title to the
16 property shall vest absolutely in the foreclosing governmental unit
17 and that all existing interests in oil or gas in that property
18 shall be extinguished except the following:

19 (i) The interests of a lessee or an assignee of an interest of
20 a lessee under an oil or gas lease in effect as to that property or
21 any part of that property if the lease was recorded in the office
22 of the register of deeds in the county in which the property is
23 located before the date of filing the petition for foreclosure
24 under section 78h.

25 (ii) Interests preserved as provided in section 1(3) of 1963 PA
26 42, MCL 554.291.

27 (h) An explanation of the person's rights of redemption and

1 notice that the rights of redemption will expire on the March 31
2 immediately succeeding the entry of a judgment foreclosing the
3 property under section 78k, or in a contested case 21 days after
4 the entry of a judgment foreclosing the property under section 78k.

5 (8) The published notice required under subsection (5) shall
6 include all of the following:

7 (a) A legal description or parcel number of each property.

8 (b) The street address of each property, if available.

9 (c) The name of any person or entity entitled to notice under
10 this section who has not been notified under subsection (2) or (3).

11 (d) The date and time of the show cause hearing under section
12 78j.

13 (e) The date and time of the hearing on the petition for
14 foreclosure under section 78k.

15 (f) A statement that unless all forfeited unpaid delinquent
16 taxes, interest, penalties, and fees are paid on or before the
17 March 31 immediately succeeding the entry of a judgment foreclosing
18 the property under section 78k, or in a contested case within 21
19 days of the entry of a judgment foreclosing the property under
20 section 78k, the title to the property shall vest absolutely in the
21 foreclosing governmental unit and that all existing interests in
22 oil or gas in that property shall be extinguished except the
23 following:

24 (i) The interests of a lessee or an assignee of an interest of
25 a lessee under an oil or gas lease in effect as to that property or
26 any part of that property if the lease was recorded in the office
27 of the register of deeds in the county in which the property is

1 located before the date of filing the petition for foreclosure
2 under section 78h.

3 (ii) Interests preserved as provided in section 1(3) of 1963 PA
4 42, MCL 554.291.

5 (g) A statement that a person with an interest in the property
6 may lose his or her interest in the property as a result of the
7 foreclosure proceeding under section 78k and that all existing
8 interests in oil or gas in that property shall be extinguished
9 except the following:

10 (i) The interests of a lessee or an assignee of an interest of
11 a lessee under an oil or gas lease in effect as to that property or
12 any part of that property if the lease was recorded in the office
13 of the register of deeds in the county in which the property is
14 located before the date of filing the petition for foreclosure
15 under section 78h.

16 (ii) Interests preserved as provided in section 1(3) of 1963 PA
17 42, MCL 554.291.

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

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

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

1 (10) The failure of the foreclosing governmental unit to
2 comply with any provision of this section shall not invalidate any
3 proceeding under this act if the owner of a property interest or a
4 person to whom a tax deed was issued is accorded the minimum due
5 process required under the state constitution of 1963 and the
6 constitution of the United States.

7 (11) As used in this section, "authorized representative"
8 includes all of the following:

9 (a) A title insurance company or agent licensed to conduct
10 business in this state.

11 (b) An attorney licensed to practice law in this state.

12 (c) A person accredited in land title search procedures by a
13 nationally recognized organization in the field of land title
14 searching.

15 (d) A person with demonstrated experience searching land title
16 records, as determined by the foreclosing governmental unit.

17 (12) The provisions of this section relating to notice of the
18 show cause hearing under section 78j and the foreclosure hearing
19 under section 78k are exclusive and exhaustive. Other requirements
20 relating to notice or proof of service under other law, rule, or
21 legal requirement are not applicable to notice and proof of service
22 under this section.

23 **SEC. 78Q. (1) FOR INSERTION OF A NOTICE IN A NOTICE**
24 **PUBLICATION UNDER SECTIONS 78A TO 78o, THIS SECTION AND SECTIONS**
25 **78A TO 78o APPLY, NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY.**

26 **(2) A REQUIREMENT FOR INSERTION OF A NOTICE PUBLICATION UNDER**
27 **SECTIONS 78A TO 78o IS SATISFIED BY INCLUDING THE NOTICE IN A**

1 SEPARATE INSERT WITHIN THE NOTICE PUBLICATION. A FORECLOSING
2 GOVERNMENTAL UNIT MAY EXERCISE ITS DISCRETION IN SELECTING THE
3 NOTICE PUBLICATION IN WHICH THE NOTICE SHALL BE INSERTED BASED ON
4 THE NOTICE PUBLICATION'S COST AND CIRCULATION.

5 (3) AS USED IN THIS SECTION AND SECTIONS 78A TO 78O:

6 (A) "INTERNET" MEANS THAT TERM AS DEFINED IN 47 USC 230.

7 (B) "NOTICE PUBLICATION" INCLUDES A NEWSPAPER, AS THAT TERM IS
8 DEFINED UNDER SECTION 1 OF 1963 PA 247, MCL 691.1051, A LEGAL
9 NEWSPAPER, OR OTHER PRINT PUBLICATION FOR THE DISSEMINATION OF
10 NEWS, EDITORIAL CONTENT, AND OTHER INFORMATION OF A PUBLIC
11 CHARACTER OR NATURE, INCLUDING, BUT NOT LIMITED TO, A PRINT
12 PUBLICATION TO WHICH ALL OF THE FOLLOWING APPLY:

13 (i) THE PRINT PUBLICATION IS PUBLISHED AND DISTRIBUTED IN NOT
14 LESS THAN WEEKLY INTERVALS.

15 (ii) NOT LESS THAN 50% OF THE WORDS IN THE PRINT PUBLICATION
16 ARE IN THE ENGLISH LANGUAGE.

17 (iii) THE PRINT PUBLICATION HAS A BONA FIDE LIST OF SUBSCRIBERS
18 IN 1 OR MORE COUNTIES IN THIS STATE OR IS AVAILABLE TO THE PUBLIC
19 AT NEWSSTANDS OR OTHER RETAIL LOCATIONS IN 1 OR MORE COUNTIES IN
20 THIS STATE, OR BOTH.

21 (iv) THE PRINT PUBLICATION ACCEPTS AND PUBLISHES OFFICIAL AND
22 OTHER NOTICES.

23 (v) THE PRINT PUBLICATION ANNUALLY AVERAGES NOT LESS THAN 25%
24 NEWS AND EDITORIAL CONTENT PER ISSUE. AS USED IN THIS SUBPARAGRAPH,
25 "NEWS AND EDITORIAL CONTENT" MEANS ANY PRINTED MATTER OTHER THAN
26 ADVERTISING.

27 (vi) THE PRINT PUBLICATION HAS BEEN PUBLISHED OR DISTRIBUTED

1 FOR NOT LESS THAN 1 YEAR.

2 (C) "WEBSITE" MEANS A COLLECTION OF PAGES OF THE INTERNET,
3 USUALLY IN HTML FORMAT, WITH CLICKABLE OR HYPERTEXT LINKS TO ENABLE
4 NAVIGATION FROM 1 PAGE OR SECTION TO ANOTHER, THAT OFTEN USES
5 ASSOCIATED GRAPHICS FILES TO PROVIDE ILLUSTRATION AND MAY CONTAIN
6 OTHER CLICKABLE OR HYPERTEXT LINKS.