

HOUSE BILL No. 4984

October 13, 2015, Introduced by Rep. Barrett and referred to the Committee on Tax Policy.

A bill to amend 2003 PA 260, entitled
"Tax reverted clean title act,"
by amending section 5 (MCL 211.1025), as amended by 2012 PA 222.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) Except as otherwise provided in section 5a, there
2 is levied upon every owner of eligible tax reverted property a
3 specific tax to be known as the eligible tax reverted property
4 specific tax.

5 (2) The amount of the eligible tax reverted property specific
6 tax in each year is the amount of tax that would have been
7 collected on that parcel under the general property tax act, 1893
8 PA 206, MCL 211.1 to 211.155, if that parcel was not exempt under
9 section 3. An owner of eligible tax reverted property that is a
10 principal residence may claim an exemption for that portion of the
11 specific tax attributable to the tax levied by a local school

1 district for school operating purposes to the extent provided under
2 section 1211 of the revised school code, 1976 PA 451, MCL 380.1211,
3 if an owner of that eligible tax reverted property claims or has
4 claimed an exemption for the property as provided in section 7cc of
5 the general property tax act, 1893 PA 206, MCL 211.7cc.

6 (3) ~~Except as otherwise provided in section 6, the~~ **THE**
7 eligible tax reverted property specific tax shall be **ASSESSED,**
8 collected, **AND** disbursed ~~, and assessed~~ in accordance with this
9 act.

10 (4) The eligible tax reverted property specific tax is an
11 annual tax, payable at the same times, in the same installments,
12 and to the same officer or officers as taxes imposed under the
13 general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and
14 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
15 are payable. **THE ELIGIBLE TAX REVERTED PROPERTY SPECIFIC TAX IS**
16 **SUBJECT TO THE SAME COLLECTION FEE AND INTEREST AS TAXES IMPOSED**
17 **UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO**
18 **211.155.** Except as otherwise provided in this section, the officer
19 or officers shall disburse the eligible tax reverted property
20 specific tax payments received by the officer or officers each year
21 as follows:

22 (a) Fifty percent of the eligible tax reverted property
23 specific tax to and among this state and cities, townships,
24 villages, school districts, counties, or other taxing units, at the
25 same times and in the same proportions as required by law for the
26 disbursement of taxes collected under the general property tax act,
27 1893 PA 206, MCL 211.1 to 211.155.

1 (b) Fifty percent of the eligible tax reverted property
2 specific tax to the authority that sold or otherwise conveyed the
3 property under the land bank fast track act, 2003 PA 258, MCL
4 124.751 to 124.774, which sale or conveyance caused the property to
5 be eligible tax reverted property. The eligible tax reverted
6 property specific tax disbursed under this subdivision shall only
7 be used by the authority for 1 or more of the following:

8 (i) For the purposes authorized under the land bank fast track
9 act, 2003 PA 258, MCL 124.751 to 124.774, including, but not
10 limited to, costs to clear, quiet, or defend title to property held
11 by the authority.

12 (ii) To repay a loan made to the authority under section 2f of
13 1855 PA 105, MCL 21.142f.

14 (5) For intermediate school districts receiving state aid
15 under sections 56, 62, and 81 of the state school aid act of 1979,
16 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount of
17 eligible tax reverted property specific tax that would otherwise be
18 disbursed to an intermediate school district, all or a portion, to
19 be determined on the basis of the tax rates being utilized to
20 compute the amount of state aid, shall be paid to the state
21 treasury to the credit of the state school aid fund established by
22 section 11 of article IX of the state constitution of 1963.

23 (6) The amount of eligible tax reverted property specific tax
24 described in subsection (2) that would otherwise be disbursed to a
25 local school district for school operating purposes shall be paid
26 instead to the state treasury and credited to the state school aid
27 fund established by section 11 of article IX of the state

1 constitution of 1963.

2 (7) The officer or officers shall send a copy of the amount of
3 disbursement made to each unit under this section to the commission
4 on a form provided by the commission.

5 (8) Eligible tax reverted property located in a renaissance
6 zone under the Michigan renaissance zone act, 1996 PA 376, MCL
7 125.2681 to 125.2696, is exempt from the eligible tax reverted
8 property specific tax levied under this act to the extent and for
9 the duration provided ~~pursuant to~~ **UNDER** the Michigan renaissance
10 zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that
11 portion of the eligible tax reverted property specific tax
12 attributable to a tax described in section 7ff(2) of the general
13 property tax act, 1893 PA 206, MCL 211.7ff. The eligible tax
14 reverted property specific tax calculated under this subsection
15 shall be disbursed proportionately to the taxing unit or units that
16 levied the tax described in section 7ff(2) of the general property
17 tax act, 1893 PA 206, MCL 211.7ff.

18 **(9) THE ELIGIBLE TAX REVERTED PROPERTY SPECIFIC TAX LEVIED**
19 **UNDER THIS SECTION BECOMES A LIEN ON THE ELIGIBLE TAX REVERTED**
20 **PROPERTY ASSESSED ON THE SAME DATE THAT A TAX BECOMES A LIEN ON**
21 **REAL PROPERTY UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**
22 **211.1 TO 211.155. A LIEN FOR THE ELIGIBLE TAX REVERTED PROPERTY**
23 **SPECIFIC TAX INCLUDES ANY APPLICABLE COLLECTION FEE OR INTEREST. A**
24 **LIEN UNDER THIS SUBSECTION CONTINUES UNTIL PAID.**

25 **(10) IF THE COUNTY TREASURER CONSENTS, ANY UNPAID ELIGIBLE TAX**
26 **REVERTED PROPERTY SPECIFIC TAX AND ANY APPLICABLE COLLECTION FEE OR**
27 **INTEREST SHALL BE RETURNED AS DELINQUENT TO THE COUNTY TREASURER AT**

1 THE SAME TIME TAXES ARE RETURNED AS DELINQUENT UNDER THE GENERAL
2 PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.155. EXCEPT AS
3 OTHERWISE PROVIDED IN THIS SUBSECTION, ELIGIBLE TAX REVERTED
4 PROPERTY SUBJECT TO AN ELIGIBLE TAX REVERTED PROPERTY SPECIFIC TAX
5 RETURNED AS DELINQUENT IS SUBJECT TO FORFEITURE, FORECLOSURE, AND
6 SALE AT THE SAME TIME AND IN THE SAME MANNER AS PROPERTY SUBJECT TO
7 DELINQUENT TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206,
8 MCL 211.1 TO 211.155. IF AN ELIGIBLE TAX REVERTED PROPERTY SPECIFIC
9 TAX OR ANY APPLICABLE COLLECTION FEE OR INTEREST FOR AN ELIGIBLE
10 TAX REVERTED PROPERTY HAS NOT BEEN PAID FOR 2 OR MORE YEARS ON THE
11 DATE THE ELIGIBLE TAX REVERTED PROPERTY IS RETURNED AS DELINQUENT
12 UNDER THIS SUBSECTION, THE ELIGIBLE TAX REVERTED PROPERTY SHALL BE
13 FORFEITED TO THE COUNTY TREASURER UPON ITS RETURN AND IS SUBJECT TO
14 FORECLOSURE AND SALE AT THE SAME TIME AND IN THE SAME MANNER AS
15 OTHER PROPERTY FORFEITED UNDER THE GENERAL PROPERTY TAX ACT, 1893
16 PA 206, MCL 211.1 TO 211.155.