

PA 132 of 1999
Certification of Abandoned Property for Accelerated Forfeiture Act

Property that contains a structure that is vacant or dilapidated, is open to entrance or trespass, and has delinquent taxes can be certified as abandoned by the Township. The foreclosure process for delinquent property taxes may be accelerated for foreclosure.

The Local Unit must pass a resolution by October 1st of each year stating the following:

“Whereas, the governing body of (the local unit of government) determines that parcels of abandoned tax delinquent property exist;

Whereas, abandoned tax delinquent property contributes to crime, blight, and decay within the local unit of government;

Whereas, the certification of tax delinquent abandoned property as certified abandoned property will result in the accelerated forfeiture and foreclosure of certified abandoned property under the general property tax act and return abandoned property to productive use more rapidly, thereby reducing crime, blight, and decay within the local unit of government.

Therefore, the local unit of government hereby notifies residents and owners of property within (the local unit of government) that abandoned tax delinquent property will be identified and inspected and may be certified as certified abandoned property under the certification of abandoned property for accelerated forfeiture act and subject to accelerated forfeiture and foreclosure under the general property tax act.”

The Local Unit may then identify property as abandoned and inspect the property before February 1st.

The Local Unit shall post a notice on the property at the time of inspection stating that

if the taxes levied on the property are returned as delinquent, the property will be subject to accelerated forfeiture and foreclosure, and the imposition of the fees set forth in the general property tax act, 1893 PA206, MCL211.1 to 211.157, unless an affidavit claiming the property is not abandoned is filed as provided under section 5.....

A copy of the notice shall also be sent to the owner of the property or the taxpayer of record by first-class mail.

If an affidavit is not filed by the property owner stating the property is not abandoned, the property can be certified as abandoned by the local unit and the taxes may be accelerated for foreclosure if returned as delinquent to the County Treasurer.

PUBLIC ACT 132

Public Act 132 of 1999 is referred to as the "Certification of Abandoned Property for Accelerated Forfeiture Act." The Act defines "abandoned property" as tax-delinquent property containing a structure that is vacant or dilapidated, that is open to entrance or trespass, and that is determined to be abandoned under the act.

1. Declaration of Accelerated Forfeiture

Section 3 authorizes a city, village, or township by October 1 of any tax year to declare by resolution an accelerated forfeiture of abandoned property. A resolution must contain substantially the following information:

- (a) That parcels of abandoned tax-delinquent property exist in the unit of local government.
- (b) That the property contributes to crime, blight, and decay within the unit of local government.
- (c) That certification of abandoned tax-delinquent property as certified abandoned property will result in the accelerated forfeiture and foreclosure of such property and its return to productive uses, thereby reducing crime, blight, and decay within the unit of local government.

2. Inspection

Section 4 (1)(a) requires a unit of local government by February 1 following adoption of a resolution to conduct an inspection of property covered by the resolution to determine whether the property is abandoned.

3. Posted Notice

Section 4 (1)(b) requires a unit of local government to post a notice on the property at the time of inspection indicating that if taxes levied on the property are returned delinquent, the property will be subject to accelerated forfeiture.

4. Mailed Notice

Section 4 (1)(c) requires a unit of local government to send by first class mail a copy of the notice to the owner of the property or to the taxpayer of record.

5. Occupied Property

Section 4 (2) prohibits a unit of local government from certifying a parcel of property as abandoned if the unit of local government determines that the property is occupied by the owner or by a person with a legal interest in the property.

6. Affidavit

Section 5 (1) provides that a person claiming a legal interest in property covered by a resolution may file an affidavit claiming that the property is not abandoned. The affidavit may be filed with the unit of local government before taxes are returned delinquent or with the county treasurer after taxes are returned delinquent.

7. Effect of Affidavit

Section 5 (2) provides that if an affidavit is filed before the date of an administrative show cause hearing, the property will not forfeit on the immediately preceding March 1 (the date on which taxes were returned delinquent) but on the immediately succeeding March 1.

8. Certification of Abandoned Property

Section 6 provides that a unit of local government which complies with Sections 3 and 4 of the Act may certify property as certified abandoned property if the owner or a person with a legal interest in the property does not respond to the notice.

Act No. 132
Public Acts of 1999
Approved by the Governor
July 22, 1999
Filed with the Secretary of State
July 23, 1999
EFFECTIVE DATE: July 23, 1999

STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Senators Steil, Schuette, Bennett, Johnson, Shugars and Peters

ENROLLED SENATE BILL No. 488

AN ACT to provide for the identification, inspection, and certification of abandoned property; to prescribe certain duties for certain local units of government and county treasurers; to provide for certain administration and collection fees; and to facilitate the return of abandoned tax delinquent property to productive use.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the "certification of abandoned property for accelerated forfeiture act".

Sec. 2. As used in this act:

(a) "Abandoned property" means tax delinquent property containing a structure that is vacant or dilapidated, is open to entrance or trespass, and has been determined to be abandoned under section 4.

(b) "Certified abandoned property" means abandoned property certified by a local unit of government as abandoned under section 6.

(c) "Declaration of accelerated forfeiture of abandoned property" means the resolution adopted by a local unit of government under section 3.

(d) "General property tax act" means the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(e) "Legal interest" means a person holding a title interest in the property or a mortgage holder as it appears on the records of the treasurer of the county in which the abandoned property is located or the records of the assessor of the local unit of government in which the abandoned property is located.

(f) "Local unit of government" means a city, village, or township.

(g) "Tax delinquent property" means property the taxes for which have been returned as delinquent under the general property tax act.

Sec. 3. A local unit of government may make a declaration of accelerated forfeiture of abandoned property by adopting a resolution at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, containing substantially the following language:

"Whereas, the governing body of the local unit of government determines that parcels of abandoned tax delinquent property exist;

Whereas, abandoned tax delinquent property contributes to crime, blight, and decay within the local unit of government;

Whereas, the certification of tax delinquent abandoned property as certified abandoned property will result in the accelerated forfeiture and foreclosure of certified abandoned property under the general property tax act and return abandoned property to productive use more rapidly, thereby reducing crime, blight, and decay within the local unit of government;

Therefore, the local unit of government hereby notifies residents and owners of property within the local unit of government that abandoned tax delinquent property will be identified and inspected and may be certified as certified abandoned property under the certification of abandoned property for accelerated forfeiture act and subject to accelerated forfeiture and foreclosure under the general property tax act."

Sec. 4. (1) If a local unit of government makes a declaration of accelerated forfeiture of abandoned property pursuant to section 3 before October 1 of any tax year, the local unit of government may identify property within the local unit of government as abandoned property if all of the following procedures are complied with:

(a) Before February 1, the local unit of government inspects the property and determines that the property is abandoned property.

(b) At the time of inspection under subdivision (a), the local unit of government posts a notice on the property that if taxes levied on the property are returned as delinquent, the property will be subject to accelerated forfeiture and foreclosure, and the imposition of the fees set forth in the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, unless an affidavit claiming the property is not abandoned is filed as provided under section 5.

(c) The local unit of government shall send a copy of the notice provided under subdivision (b) to the owner of the property or to the taxpayer of record by first-class mail.

(d) Taxes levied on the property are returned as delinquent on March 1 to the treasurer of the county in which the property is located pursuant to the general property tax act.

(2) If the local unit of government determines that the property is occupied by an owner or a person with a legal interest in the property, the local unit of government shall not certify the property as certified abandoned property.

Sec. 5. (1) An owner or a person with a legal interest in the property may file an affidavit claiming the property is not abandoned with the local unit of government before taxes are returned as delinquent or with the county treasurer after taxes are returned as delinquent.

(2) If an affidavit is filed under subsection (1) before the hearing under section 78j of the general property tax act, MCL 211.78j, the property is not forfeited on the immediately preceding March 1 and shall be forfeited on the immediately succeeding March 1 if all delinquent taxes, interest, penalties, and fees have not been paid.

Sec. 6. If a local unit of government complies with the procedures set forth in sections 3 and 4 and an owner or a person with a legal interest in the property has not responded to the notice provided under section 4, the local unit of government may certify the property as certified abandoned property.

Enacting section 1. This 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. 489.
- (c) House Bill No. 4489.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Ray E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.

Notice to Post on Property by Feb. 1st and to mail to last known address of Property Owner

*County of Midland
State of Michigan
Township of Jerome*

Taxpayer of Record	Heather Noelle Ellis
Address of Taxpayer	344 E Carmel Drive Sanford MI 48657
Property ID Number	080-230-500-011-00
Property Address	2526 N Marvin Dr, Sanford MI

Legal Description:
T15N R1W LOT 1 EVERLEY SUB.

NOTICE OF INSPECTION AND CERTIFICATION OF ABANDONMENT

Pursuant to the provisions of the General Property Tax Act as amended by Act 132 of 1999 of the Public Acts of 1999, the Township Jerome, County of Midland, State of Michigan, has inspected this property and determined that this property is abandoned property.

NOTICE OF ACCELERATION OF FORFEITURE AND FORECLOSURE

You are hereby notified that if the 2010 taxes levied on this property are returned as delinquent on March 1, 2011 to the treasurer of the county, **this property will be immediately subject to accelerated forfeiture and foreclosure and the imposition of the fees** set forth in the general property tax act, 1893 PA 206, MCL 211.1 to 211.57, unless an affidavit claiming the property is not abandoned if filed as provided under MCL 211.965.

A copy of this notice was posted on this property on: _____ (Date of posting)

A copy of this notice was also sent by first-class mail to the taxpayer of record. _____
(Date of mailing)

If you believe this notice has been posted in error or have questions regarding this notice please call your township assessor.

Township Resolution – Must be passed by local unit of

Government each year by October 1st.

Lincoln Township

RESOLUTION

CERTIFIED ABANDONED PROPERTY

Public Act 132 of 1999 (Certification of Abandoned Property for Accelerated Forfeiture Act) Which includes the following:

Whereas, the governing body of Lincoln Township determines that parcels of abandoned tax delinquent property exists;

Whereas, abandoned tax delinquent property contributes to crime, blight, and decay within the Township of Lincoln;

Whereas, the certification of tax delinquent abandoned property as Certified Abandoned Property will result in the accelerated forfeiture and foreclosure of certified property under the General Property Tax Act and return abandoned property to productive use more rapidly, thereby reducing crime, blight, and decay within the Township of Lincoln;

Therefore, the Lincoln Township body of government hereby notifies residents and owners of property within Lincoln Township that abandoned tax delinquent property will be identified and inspected and may be certified as Certified Abandoned Property under the certification of the Foreclosure under the General Property Tax Act.

AYES: _____

NAYS: _____

Adopted: _____

Lincoln Township Supervisor

Lincoln Township Clerk

*** The certification of abandon properties.** This is predominantly a land bank county topic and is a seldom used technique. It requires the CT to be watching not *the current forfeiture file* but the **delinquent* one a year earlier*. Not a whole lot of us have that kind of spare time. It is a tool for very specific, very problematic properties that the CT is paying attention to ... such as major industrial parcels, ones where there have been major fires or contamination issues etc. where the local unit has a strong desire to take control or the land bank has extra money to spend and see this parcel as a priority. And most local units don't want to touch that kind of stuff to start with. It's a pro-active tool we are trying to use with reactive local units. To be honest, I'm not sure I remember ANYONE using this tool yet, and that includes the counties with large, full time land bank staffs. So the tool is there, but it has a lot of demands on time and focus to use it. Initiation begins with the local unit.

Statutory reference: MCL 211.79; 211.961/2/3/4

Website reference:

[http://www.legislature.mi.gov/\(S\(3i0agm452fmt53vlrz0aaxek\)\)/mileg.aspx?page=getObject&objectName=mcl-211-79](http://www.legislature.mi.gov/(S(3i0agm452fmt53vlrz0aaxek))/mileg.aspx?page=getObject&objectName=mcl-211-79)

[http://www.legislature.mi.gov/\(S\(nrvqm5541y24xjzuo3ekf0\)\)/mileg.aspx?page=getobject&objectname=mcl-211-961&query=on&highlight=accelerated%20AND%20forfeiture](http://www.legislature.mi.gov/(S(nrvqm5541y24xjzuo3ekf0))/mileg.aspx?page=getobject&objectname=mcl-211-961&query=on&highlight=accelerated%20AND%20forfeiture)

[http://www.legislature.mi.gov/\(S\(nrvqm5541y24xjzuo3ekf0\)\)/mileg.aspx?page=getobject&objectname=mcl-211-962&query=on&highlight=accelerated%20AND%20forfeiture](http://www.legislature.mi.gov/(S(nrvqm5541y24xjzuo3ekf0))/mileg.aspx?page=getobject&objectname=mcl-211-962&query=on&highlight=accelerated%20AND%20forfeiture)

[http://www.legislature.mi.gov/\(S\(nrvqm5541y24xjzuo3ekf0\)\)/mileg.aspx?page=getobject&objectname=mcl-211-963&query=on&highlight=accelerated%20AND%20forfeiture](http://www.legislature.mi.gov/(S(nrvqm5541y24xjzuo3ekf0))/mileg.aspx?page=getobject&objectname=mcl-211-963&query=on&highlight=accelerated%20AND%20forfeiture)

[http://www.legislature.mi.gov/\(S\(nrvqm5541y24xjzuo3ekf0\)\)/mileg.aspx?page=getobject&objectname=mcl-211-964&query=on&highlight=accelerated%20AND%20forfeiture](http://www.legislature.mi.gov/(S(nrvqm5541y24xjzuo3ekf0))/mileg.aspx?page=getobject&objectname=mcl-211-964&query=on&highlight=accelerated%20AND%20forfeiture)

*** The big one that got away.** How to deal with that cherry (or rotten cherries) parcel that you find a defect in the notice work on after hearings have taken place. Land Bank expedited quiet title as a solution to letting property sit dormant for TWO years til it re-reverts. Obtaining quit-claim deeds in lieu of re-reverting.

Statutory reference: MCL 124.759

Website reference:

[http://www.legislature.mi.gov/\(S\(3i0agm452fmt53vlrz0aaxek\)\)/mileg.aspx?page=getobject&objectname=mcl-124-759&query=on&highlight=land%20AND%20bank](http://www.legislature.mi.gov/(S(3i0agm452fmt53vlrz0aaxek))/mileg.aspx?page=getobject&objectname=mcl-124-759&query=on&highlight=land%20AND%20bank)

*** Evictions** : I will outline the typical timeline for processing an eviction with the variations that can cause delays if the occupant evades service or contests the eviction. In most situations, it is unlikely that a CT can effectuate an eviction before round 1 of auctions unless the occupant voluntarily moves out. So a lot of the essence here is using the Notice to Quit as a tool to encourage people to move voluntarily. The notice to quit should also be accompanied by a letter telling occupants to not pay rent to former owners, etc ...

Statutory reference: MCL 600.5714;

Website reference:

[http://www.legislature.mi.gov/\(S\(nrvqm5541y24xjzuo3ekf0\)\)/mileg.aspx?page=getobject&objectname=mcl-600-5714&query=on&highlight=termination%20AND%20of%20AND%20tenancy](http://www.legislature.mi.gov/(S(nrvqm5541y24xjzuo3ekf0))/mileg.aspx?page=getobject&objectname=mcl-600-5714&query=on&highlight=termination%20AND%20of%20AND%20tenancy)

*** Assessing what you inherited.**

- What should be done on the first trip to the property after March 31st, and what to do afterward.
- Should I go inside ? Change the locks ?
- Reviewing the DEQs list of Part 201, 211 and 213 listed contamination parcels.
- Parcels that *should* be listed but are not. *The effective date of the DEQ data.*
- Reporting foreclosed sites with suspected contamination. *The CYA option.*
- Environmental Access Easements.
- Acquiring property "involuntarily" to avoid being run over by the liability bus. SuperFund sites.
- Negotiating with condominium and property owner associations so that you can hold property with third party assessment and lien rights.
- Inheriting utility and other municipal liens. AG opinion.
- Mobile homes and attachment.
- Due process on personal property with and without UCC security interests.

MCL 211.78m (excerpts)

(14) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit **is a facility as defined** under section 20101(1)(o) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, prior to the sale or transfer of the property under this section, the property is subject to all of the following:

(a) Upon reasonable written notice from the department of environmental quality, the foreclosing governmental unit shall provide access to the department of environmental quality, its employees, contractors, and any other person expressly authorized by the department of environmental quality to conduct response activities at the foreclosed property. Reasonable written notice under this subdivision may include, but is not limited to, notice by electronic mail or facsimile, if the foreclosing governmental unit consents to notice by electronic mail or facsimile prior to the provision of notice by the department of environmental quality.

(b) **If requested by the department of environmental quality** to protect public health, safety, and welfare or the environment, **the foreclosing governmental unit shall grant an easement** for access to conduct response activities on the foreclosed property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20519.

(c) If requested by the department of environmental quality to protect public health, safety, and welfare or the environment, **the foreclosing governmental unit shall place and record deed restrictions** on the foreclosed property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20519.

(d) The department of environmental quality may place an environmental lien on the foreclosed property as authorized under section 20138 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20138.

(15) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101(1)(o) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, prior to the sale or transfer of the property under this section, the department of environmental quality shall request and the foreclosing governmental unit shall transfer the property to the state land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765, if all of the following apply:

(a) The department of environmental quality determines that conditions at a foreclosed property are an acute threat to the public health, safety, and welfare, to the environment, or to other property.

(b) The department of environmental quality proposes to undertake or is undertaking state-funded response activities at the property.

(c) The department of environmental quality determines that the sale, retention, or transfer of the property other than under this subsection would interfere with response activities by the department of environmental quality.

MCL 211.78k(5)

(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, interests of a lessee or an assignee of an interest of a lessee under a recorded oil or gas lease, interests in oil or gas in that property that are owned by a person other than the owner of the surface that have been preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291, or restrictions or other governmental interests imposed pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

Statutory reference: MCL 211.78m; 211.78k(5)(e)

Website reference:

<http://www.mcgi.state.mi.us/environmentalmapper/>

<http://www.epa.gov/compliance/resources/faqs/cleanup/superfund/laws-faqs.html#a5>

<http://www.epa.gov/compliance/resources/policies/cleanup/superfund/lendr-aquis-mem.pdf>

<http://www.ag.state.mi.us/opinion/datafiles/2010s/op10337.htm>

*** Selling the junk.**

- Bundling in 2011. Past problems; Buyers that want to "push the envelope" and bid on bundles. New methods of bundling terms.
- What to do with the "leftovers". Local unit options. Dealing with what the local units reject. Cancellation of taxes and liens.
- The false economy of selling something for \$25 "just to get rid of it"
- Municipal charges and liens after you own it or an auction purchaser does.

(12) For property transferred to this state under subsection (1), a city, village, or township under subsection (6) or retained by a foreclosing governmental unit under subsection (7), **all taxes due on the property as of the December 31 following the transfer or retention of the property are canceled effective on that December 31.**

(13) For property sold under this section, transferred to this state under subsection (1), a city, village, or township under subsection (6), or retained by a foreclosing governmental unit under subsection (7), **all liens for costs of demolition, safety repairs, debris removal, or sewer or water charges due on the property as of the December 31 immediately succeeding the sale, transfer, or retention of the property are canceled effective on that December 31.** This subsection does not apply to liens recorded by the department of environmental quality under this act or the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

Statutory reference: MCL 211.78