

PA 123

What happens after April 1st?

Mary Balkema, Kalamazoo County Treasurer
Marty Spaulding, Title Check
Anne Giroux, Marquette County Treasurer

Overview of MCL 211.78m

(1) Not later than the first Tuesday in July, immediately succeeding the entry of judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, this state is granted the right of first refusal to purchase property at the greater of the minimum bid or its fair market value by paying that amount to the foreclosing governmental unit if the foreclosing governmental unit is not this state. If this state elects not to purchase the property under its right of first refusal, a city, village, or township may purchase for a public purpose any property located within that city, village, or township set forth in the judgment and subject to sale under this section by payment to the foreclosing governmental unit of the minimum bid. If a city, village, or township does not purchase that property, the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid. If property is purchased by a city, village, township, or county under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, or county within 30 days. If property purchased by a city, village, township, or county under this subsection is subsequently sold for an amount in excess of the minimum bid and all costs incurred relating to demolition, renovation, improvements, or infrastructure development, the excess amount shall be returned to the delinquent tax property sales proceeds account for the year in which the property was purchased by the city, village, township, or county or, if this state is the foreclosing governmental unit within a county, to the land reutilization fund created under section 78n. Upon the request of the foreclosing governmental unit, a city, village, township, or county that purchased property under this subsection shall provide to the foreclosing governmental unit without cost information regarding any subsequent sale or transfer of the property. This subsection applies to the purchase of property by this state, a city, village, or township, or a county prior to a sale held under subsection (2).

Rights of Refusal:

- State
 - Fair Market Value
- Local
 - Public purpose
 - Minimum bid
 - Subsequent profit
- County
 - Minimum bid

MCL 211.78m, cont.

- (4) If property is purchased by a city, village, township, or county under subsection (3), the foreclosing governmental unit shall convey the property to the purchasing city, village, or township within 30 days.

Sample Language to include in Public Purpose Deed

This conveyance is made pursuant to Section 78m of Public Act 123 of 1999 (MCL §211.78m), as amended, wherein the grantee has obtained the subject lands for a “public purpose” at far less than market value. As consideration for such transfer and reduced price, the grantee covenants that the property will perpetually be used only for a “public purpose”, and that this covenant shall run with the land. If the property is subsequently sold, the grantee shall remit to the Marquette County Treasurer (FGU) the proceeds of such sale, in excess of the minimum bid, less all costs incurred relating to demolition, renovation, improvements, or infrastructure development. Prior notice must be given to, and consent obtained from the Marquette County Treasurer of any sale of the property or change in use at any time in the future, by any party. Such consent shall not waive the covenant regarding “public purpose”. The Grantor retains a right to reverter without compensation to the Grantee or its successors-in-title if the property is sold without such approval or is converted to a non-public purpose.

MCL 211.78m, cont.

(6) On or before December 1 immediately succeeding the date of the sale under subsection (5), a list of all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the clerk of the city, village, or township in which the property is located. The city, village, or township may object in writing to the transfer of 1 or more parcels of property set forth on that list. On or before December 30 immediately succeeding the date of the sale under subsection (5), all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the city, village, or township in which the property is located, except those parcels of property to which the city, village, or township has objected. Property located in both a village and a township may be transferred under this subsection only to a village. The city, village, or township may make the property available under the urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for any other lawful purpose.

- Provide locals a list of unsold parcels by 12/1
- Transfer to the local is automatic **unless they refuse in writing by 12/30**
- No public purpose requirement at this point

MCL 211.78m, cont.

(7) If property not previously sold is not transferred to the city, village, or township in which the property is located under subsection (6), the foreclosing governmental unit shall retain possession of that property. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is this state, title to the property shall vest in the land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765.

- If property does not sell and local refuses, **FGU** owns the property

MCL 211.78m, cont.

(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.

- If property goes through both sales and does not sell, current year taxes are **CANCELED**

MCL 211.78m, cont.

(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.

- Delinquent water/sewer bills
- Special assessments
- Future installments of special assessments

MCL 211.78m, cont.

June 30 report

- (8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year ____". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. Proceeds in that account shall only be used by the foreclosing governmental unit for the following purposes in the following order of priority:
- (a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.
 - (b) All costs of the sale of property for the year shall be paid.
 - (c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.
 - (d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.
 - (e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.
 - (f) If the foreclosing governmental unit is not this state, any of the following:
 - (i) Any costs for the sale of property or foreclosure proceedings for any subsequent year that are not paid or reimbursed from that subsequent year's delinquent tax property sales proceeds shall be paid from any remaining balance in any prior year's delinquent tax property sales proceeds account.
 - (ii) Any costs for the defense of title actions.
 - (iii) Any costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.
 - (g) If the foreclosing governmental unit is this state, any remaining balance shall be transferred to the land reutilization fund created under section 78n.
 - (h) In 2008 and each year after 2008, if the foreclosing governmental unit is not this state, not later than June 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall submit a written report to its board of commissioners identifying any remaining balance and any contingent costs of title or other legal claims described in subdivisions (a) through (f). All or a portion of any remaining balance, less any contingent costs of title or other legal claims described in subdivisions (a) through (f), may subsequently be transferred into the general fund of the county by the board of commissioners.

Sample of what is given to board:

ANNUAL REPORT OF BALANCE IN LAND SALE PROCEEDS ACCOUNTS	
In accordance with MCL 211.78m (8) (h), this written report is presented to the Board of Commissioners no later than June 30, the second calendar year after foreclosure.	
Net Balance in Land Sale Proceeds Account	
2003 Tax Year	\$58,776
2004 Tax Year	(\$11,138)
2005 Tax Year	\$74,456
2006 Tax Year	(\$25,462)
2007 Tax Year	\$6,135
2008 Tax Year	\$46,707
Contingent Liabilities	
2003 Tax Year	\$0
2004 Tax Year	\$0
2005 Tax Year	\$0
2006 Tax Year	\$0
2007 Tax Year	\$0
2008 Tax Year	\$0
General reserve against potential claims, currently unknown:	(\$100,000)
Subtotal Liabilities	(\$100,000)
Available for transfer to General Fund:	\$49,473
This report is prepared by Anne Giroux, Marquette County Treasurer	
Provided to the Marquette County Board of Commissioners June 18, 2013	

Behind the scenes:

NET PROCEEDS CALCULATIONS

Categories of claims against Land Sale Proceeds and Contingent Liabilities are specified in MCL 211.78 m (8). Simplified,

those categories are:

- (a) pay all taxes, interest and fees to delinquent tax revolving fund
- (b) pay all costs of advertising and running the auction
- (c) pay all costs of the forfeiture and/or foreclosure proceedings for the year, such as, costs of mailing, publication, personal service, and any outside contractors, etc.
- (d) reimburse any shortfalls from previous years
- (e) reimburse any maintenance costs including clean up, demolition, and/or environmental remediation
- (f) if the foreclosing governmental unit is not this state, any of the following:
 - (i) proceeds from subsequent years can be used to reimburse shortfalls from current year
 - (ii) pay any costs for the defense of title actions
 - (iii) pay any other administrative costs of foreclosure, foreclosure and/or property sales and/or management

	2003	2004	2005	2006	2007	2008
Gross Proceeds	\$132,220	\$15,364	\$100,700	\$37,701	44030	105820
Less costs						
(a)	\$72,725	\$26,352	\$25,294	\$63,163	37895.34	59112.89
(b)						
(c)						
(d)						
(e)	\$234		\$210			2125.51
(f)	\$485	\$150	\$741			
Net Proceeds	\$58,776	(\$11,138)	\$74,456	(\$25,462)	\$6,135	\$46,707

MCL 211.78m, cont.

Foreclosure Fund/DTRF Accounting

DTRF

The diagram consists of two grey ovals with black outlines. The left oval is labeled 'DTRF' and is positioned above a list of revenue items. The right oval is labeled 'Tax Reversion Fund' and is positioned above a list of expense items. The lists are aligned horizontally under their respective ovals.

Tax Reversion
Fund

REVENUE

- Auction net proceeds
- 4% Admin
- Interest
- \$175 title work fee
- Publication fee
- Inspection fee

EXPENSES

- Auction costs
 - Cost of providing title work, inspections and publication
 - Treasurer's salary
 - Treasurer's staff salary
-

We (*some of us*) must be getting old ...

My 1989 letterhead ...



MARTY SPAULDING
Abstracts, research & inspection
8 North Main Street
Three Rivers, MI. 49093

(616) 278-1601
Pager : (616) 680-0951

Post-foreclosure considerations

- Dealing with requests for “late” redemptions
 - Marshalling your assets – What did you get ?
 - Occupants and personal property
 - Contamination
 - “Public purpose” management
 - FOIA and requests for “*surplus proceeds*” lists
 - Auction bundling and sale “procedures” allowed by statute.
-

Late redemptions.

MCL 211.78 (GPTA) is NOT the only “law of the land”.



Patching the potholes before we hit them

- Don't be a “marshmallow”
- Setting precedent
- Federal constitutional protections:
 - The Equal Protection clause
(a/k/a: the “Me too” syndrome).

The 14th Amendment and “Equal Protection”

- “No State shall make **or enforce** any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the **equal protection of the laws.**”



What did you get ?

- Tax roll export.
 - Adding GIS “centroids” and sharing info.
 - The property visit. Going it alone ?
 - Determining if occupied. Talking to the Neighbors
 - Entering property.
 - UST and contamination.
 - The I R S
 - DISCLOSURE.
 - Personal property scenarios
-

What is this "GIS" stuff?

- Global Information system (GIS)
- Your Council of Governments (COG)
- **Centroid** vs Shapefile
 - Column 1: Latitude 45.00000
 - Column 2: Longitude -84.00000
 - Column 3: Reference number
 - Save as a COMMA SEPERATED VALUES (.csv) file
- Converting centroids to "POI" files.
 - www.gpsbabel.org : File conversion utility
 - www.garmin.com : POI loader

• Observation from a distance

- - Vehicles, doors and windows, the mailbox, phone books and shoppers, yard care
- - Lights, fans, movement
- - Talk to the neighbors. (Gladys Kravitz LIVES !)

• Approaching the property

- - "Red" utility indicators, water spigots
- - Pets and sounds
- - License plates and dated items

• Entering the property

- - Opening locks. DIY or the locksmith.
- - Watching your back. Bring a buddy.
- - Mold. Pigeons. Garbage. Rodents. BEES. Unsafe buildings.
- - Document with photographs.

SECURING : To post ... or not to post ?



WARNING

THIS PROPERTY HAS BEEN FORECLOSED ON BY THE
OFFICE OF THE MARQUETTE COUNTY TREASURER

FOR UNPAID REAL ESTATE TAXES PURSUANT TO THE GENERAL
PROPERTY TAX ACT, MICHIGAN COMPILED LAWS 211.78 ET SEQ

NO TRESPASSING

UNDER PENALTY OF ARREST & PROSECUTION

YOU ARE NOT AUTHORIZED TO ENTER
THIS PROPERTY FOR INSPECTION WITH-
OUT PRIOR PERMISSION

FOR INFORMATION, CALL 906-225-8425 OR
1-800-259-7470 OR VISIT www.tax-sale.info

“Window dressing”

- Warning signs ?
- Curtains open or closed ?
- Auctions signs ?
- Clean it ? Or sell it “as is” ?

The lights **ARE** on, and someone **IS** home. To evict ? Or ignore ? Rent ?

- What to do with tenants – to evict or not to evict.
- The question of liability.
- Consent. Implied consent.
- Termination of “tenancy”.



COUNTY OF MARQUETTE
OFFICE OF THE TREASURER
234 W. BARAGA AVENUE
MARQUETTE, MICHIGAN 49855
906/225-8425
fax 906/225-8432

ANNE GIROUX
County Treasurer

June 14, 2013

David/Darrell Steele
162 Excelsior
Ishpeming, MI 49849

RE: Property Number 52-51-572-007-00

Dear Mr. Steele,

The above property located at 177 Excelsior that was previously under your ownership has been foreclosed, effective April 1, 2013, by the Marquette County Treasurer for unpaid 2010 and/or prior real property taxes.

The property is now under the ownership of the Marquette County Treasurer, and as such, we have secured the property. This notice is to let you know that you have 30 days to remove your personal belongings from the property. Please contact my office at 906-225-8425 if you would like to obtain a key to gain access to the property or if you have any questions.

Sincerely,

Anne Giroux

Terminating tenancy : The Notice to Quit

STATE OF MICHIGAN
NOTICE TO QUIT
TERMINATION OF TENANCY
Landlord-Tenant

To _____

1. Your landlord or landlord agent _____ is terminating your tenancy and wants to evict you from:
Address or describe it (please include full street for mailing address):
because your tenancy has expired, other _____

2. You must move by _____ or your landlord/landlord agent will take you to court to evict you.

3. If you are evicted/landlord takes you to court to evict you, you will have the responsibility to present reasons why you believe you should not be evicted.

4. If you believe you have a good reason why you should not be evicted, you may have a hearing at the court.

File _____ Date _____

Signature of owner or landlord _____ City/County _____ Telephone _____

*NOTE: Except for a Tenancy created under the authority of MCL 560.27(1)(j) or a 24-hour notice given under the authority of MCL 560.27(1)(k), this notice given under the authority of MCL 560.27(1)(a) through (i) is not enforceable unless it is accompanied by a copy of the following:

HOW TO GET LEGAL HELP:

1. Call your local court.

2. If you do not have an attorney but have questions, you may seek assistance through the State Bar of Michigan Lawyer Referral Service at 1-800-866-8722 or through various legal aid services. Lawyer referral services usually located in the yellow pages of your telephone directory or you can find a local lawyer at the Michigan State Bar website at www.michiganbar.org.

3. If you do not have an attorney and cannot pay for legal help, you may qualify for assistance through a local legal aid office. Legal aid offices are listed in the yellow pages of your telephone directory or you can find a local legal aid office at www.michiganbar.org. If you do not have internet access or a home, you can access this internet at your local library.

LS-10-10-01

00-000-1001 NOTICE TO QUIT, TERMINATION OF TENANCY, Landlord-Tenant MICHIGAN STATE BAR

Notice to Quit :

- Is filed in District Court
- Is a notice that you are ***“terminating their tenancy”*** and consider them trespassers.
- Is the first step toward eviction.
- Can be sent to “occupant”.

Personal property and tax reversion

What you foreclosed on:

- The land and its surface
- Buildings of permanent affixation
- Fixtures (attached)
- UNSEVERED mineral, oil and gas rights

What you did NOT foreclose on:

- Automobiles, equipment, tools
- Furniture and appliances
- Campers, tents, TRAILERS
- Valuables, intangibles. Money. Gold.



- **Can it be removed without the use of tools ?**
 - Can it be removed without damage to the property ?

UST and Contamination

- www.mcgi.state.mi.us/environmentalmapper
- UST locations: Open, closed, leaking 1970's - present
- Contaminated "Part 201" and "Part 213" sites:
 - - Part 201 – General groundwater contamination
 - - Part 213 – Leaking underground storage tanks (LUST)
- Baseline Environmental Assessment – 45 days
- Due care ownership
- FEDERAL Superfund/ CERCLA designation
- "Involuntary acquisition" as a shield.

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

Michigan.gov Home DEQ Online Services Permits Programs Site Map Contacts Help

DEQ Department of Environmental Quality
Environmental Mapper

MICHIGAN.GOV
Michigan's Official Web Site

Quick Zoom Search Tools Layers

Zoom In Zoom Out Pan Zoom Extents Navigation Info **Identify** Clear Map

Search And Select Tools
Please select a tool to make it active.

Tool Type: (required)

Choose Contamination Site Type (S) To Select
Choose the layer(s) you would like to search for when selecting.

Select By County / TRS
Make a selection below to search a county within the state of Michigan. Town/Range/Section is optional.

County: (required)

Example: Ingham

Town / Range: (optional)

Identify Results for 44.52093146, -85.99009579

Storage Tanks Former 201 Sites LRUR Sites Senat

Total Storage Tank features returned: 2

Facility Name	Facility Id	Address	City	Zip code	County
Crystal Mountain Resort	00018746	2500 Crystal Mountain Dr	Thompsonville	49683	Benzie

44.56816, -86.04812

0 1 2mi

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

Facility Information:

Facility ID:00018746
Crystal Mountain Resort
12500 Crystal Mountain Dr. Thompsonville, MI 49683
Phone#: (616) 378-2000

Owner Information:

Crystal Mountain Resort
12500 Crystal Mountain Dr. Thompsonville, MI 49683
Phone#: 231-378-2000

Tank ID	Tank Status	Capacity (in gallons)	Installation Date	Substance Stored	Tank Release Detection	Piping Release Detection	Piping Material	Piping Type	Construction Material	Impressed Device
2	8 fn pwfe qgn Rspvro	2211	503602:93 23;11;11 BN	Rjftfm			Hawbojfo Tufm	Tvdupo Op WlawiBul Ubol	Btqibmf Dpbufeipal CbsfTuffa	Op
3	8 fn pwfe qgn Rspvro	2211	503602:93 23;11;11 BN	Hlbtprgf			Hawbojfo Tufm	Tvdupo Op WlawiBul Ubol	Btqibmf Dpbufeipal CbsfTuffa	Op
4	8 fn pwfe qgn Rspvro	661	503602:93 23;11;11 BN	Hlbtprgf			Hawbojfo Tufm	Tvdupo Op WlawiBul Ubol	Btqibmf Dpbufeipal CbsfTuffa	Op
5	8 fn pwfe qgn Rspvro	661	503602:97 23;11;11 BN	Hlbtprgf			Hawbojfo Tufm	Tvdupo Op WlawiBul Ubol	Btqibmf Dpbufeipal CbsfTuffa	Op
6	8 fn pwfe qgn Rspvro	3111		Hlbtprgf			CbsfTuffm	Tvdupo Op WlawiBul Ubol	Btqibmf Dpbufeipal CbsfTuffa	Op

Release Information

Leak ID	LUST Site Name	Discovery Date	Substance Released	Release Status	Closed Date	Evaluation	Land Use Restrictions
D.253.1.11	Desubml Pouhazjftt	1901202:11		Dprufe	1:01602:11	TsqfB Pwhmkuqpo	OPOR
D.1431.1.9	Desubml Npvoubp Eltpru	1603303:19	RjftfmVolepxo	Dprufe	1801003112	U_fesl Pwhmkuqpo	OPOR

Michigan Treasurers and the IRS

IRS and “Judicial” vs. “Non-judicial” sale

http://www.irs.gov/irb/2007-36_IRB/ar17.html

“Judicial” sale requires filing in Federal District Court with the IRS as defendant.

ANY VOLUNTEERS ?



Internal Revenue Bulletin 2007-36

September 6, 2007

Vol. 3244

Changes in the Allocation Method of the Judicial Sale and Treatment of Voluntary and Involuntary Sales

2007-36 IRB

REG-100000-07-00000

REG-100000-07-00000

REG-100000-07-00000

REG-100000-07-00000

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REG-100000-07-00000

REG-100000-07-00000

REG-100000-07-00000

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The small print ...

- Section 7425(b) provides for the discharge of a junior federal tax lien by a nonjudicial sale, **if proper notice is provided to the IRS**. Treas. Reg. §301.7425-2(a). Notice of a nonjudicial sale is required if notice of the federal tax lien has been properly filed more than 30 days before the nonjudicial sale. Section 7425(b)(1). **A party holding a nonjudicial sale must provide written notification to the IRS at least 25 days prior to the scheduled sale of the property or the federal tax lien remains on the property after the sale.** Section 7425(c)(1). When the notice is properly sent, and the federal tax lien discharged, **the IRS may redeem the property within 120 days from the date of sale** or any longer period allowed under state law. Section 7425(d). If the notice is not properly sent, the nonjudicial sale is made subject to and without disturbing the federal tax lien. Section 7425(b); Treas. Reg. §301.7425-2(a); *Tompkins v. United States*, 946 F.2d 817, 820 (11th Cir. 1991); *Simon v. United States*, 756 F.2d 696, 697-98 (9th Cir. 1985).

Public Purpose. MCL 211.78m(1)

- State has first option at FMV – is opting for auction purchases instead.
- *“If this state elects not to purchase the property under its right of first refusal, a city, village, or township may purchase for a **public purpose** any property located within that city, village, or township set forth in the judgment and subject to sale under this section by payment to the foreclosing governmental unit of the minimum bid.”*
- “Public Purpose” is defined as
- Offering a list to local units is voluntary.
- Abuses and “cherry picking”.

Requests for “surplus proceeds” lists.

- * A product of the “infomercial”.
- * Michigan does not recognize the concept of “surplus proceeds”.
- * Usually presented (or inferred) as a FOIA request

FOIA: What to do ?

- What can be obtained under FOIA:
 - - Information **IN YOUR OFFICE**
 - - Information in the **FORM REQUESTED**
 - - Information that does not require **CUSTOM COMPILATION**
- What is exempt:
 - - Information **NOT** in your office
 - - Information in forms other than requested
 - - Information requiring custom compilation

Bundling. MCL 211.78m(2)

- **“The foreclosing governmental unit may sell parcels individually or may offer 2 or more parcels for sale as a group.”**
 - **Reasons to bundle:**
 - - Keeping improvements together/uncertain boundaries
 - - Adjacency or insufficiency. Zoning compliance.
 - - Other intended purposes.
 - - Demo or rehab groupings
-

“Procedures of Sale” MCL 211.78m(2)

- “The foreclosing governmental unit may adopt **procedures** governing the conduct of the sale, and may cancel the sale prior to the issuance of a deed under this subsection, if authorized under the procedures.”

Advertising Ideas

TAX SALE

AUCTION

Kalamazoo Expo Center

August 22, 11:30am

More Advertising Ideas



Mary Balke



Mary Balkema - Kalamazoo County Treasurer

TAX AUCTION

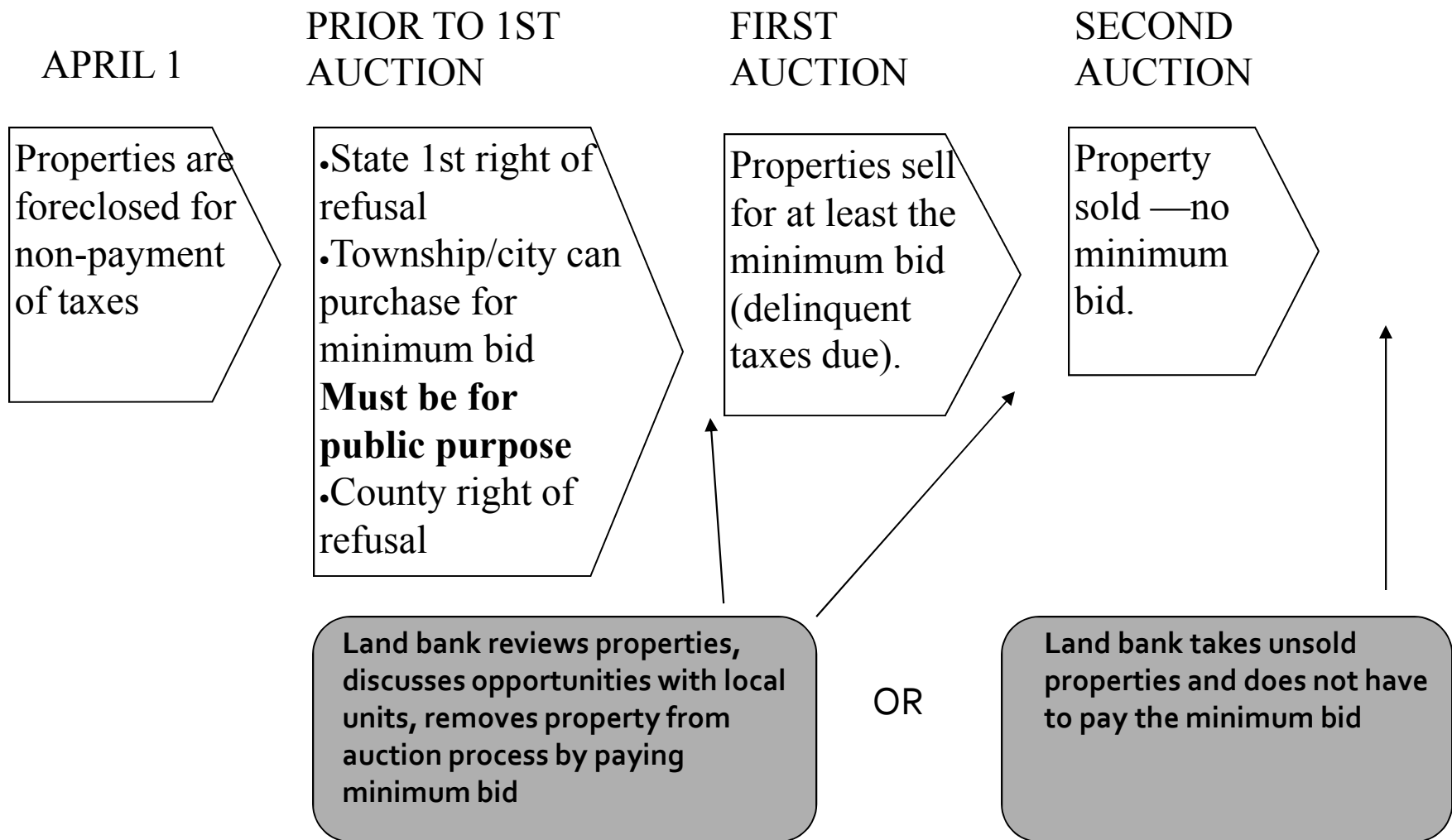
www.tax-sale.info

Kalamazoo Expo Center

JULY 31

12 pm

Land Banks



Although not required, this letter is provided to the local units to let them know which properties were foreclosed on, as well as open dialogue regarding land bank involvement. In *most* cases, the local unit drives the decision making of the land bank in regards to which properties it takes.



COUNTY OF MARQUETTE
OFFICE OF THE TREASURER
234 W. BARAGA AVENUE
MARQUETTE, MICHIGAN 49855
906/225-8425
fax 906/225-8432

ANNE GIROUX
County Treasurer

April 17, 2013

Bill Vajda, City Manager
City of Marquette
300 W. Baraga Ave.
Marquette, MI 49855

Dear Bill,

Attached is a listing of parcels located in the City of Marquette that were foreclosed on April 2, 2013 for non-payment of 2010 real property taxes.

I am still awaiting a response from the State regarding its interest in exercising its "first right of refusal" to acquire these properties, however it would be rare for the State to do so. Per Public Act 123 of 1999 (MCL 211.78m), a city, village, or township may purchase for a public purpose foreclosed properties for the minimum bid amount. The minimum bid amount is listed on the attachment under the heading "Total Due," and represents the taxes, penalties, and fees that are due at this time. Please notify me by May 31, 2013, if the City intends to purchase this parcel for public purpose. Please also contact me to discuss possible acquisition by the County Land Bank Authority of these parcels.

If you have any questions, please feel free to call.

Sincerely,

Anne Giroux

Enclosure

Land Banks, cont.

Land bank takes property prior to sale/auction

- Land Bank pays minimum bid
- Land Bank pays current year taxes



WHY WOULD YOU?

- Property has minimal value; someone has offered to pay minimum bid (side lots)
- Property needs to be demolished; don't want to risk someone buying at auction
- Property has high value
- Land bank wants to move quickly

Land bank takes unsold properties after sale/auction

- Land Bank does not pay minimum bid
- Current year taxes are canceled



- Land Bank can't afford the minimum bid
- Treasurer bundles all or most
- Land bank is indifferent whether it acquires or not; let auction determine the result



Marquette's Story

The mission of the Marquette County Land Bank Authority is to work collaboratively with local governmental units and community organizations, in finding the best way to return tax-foreclosed properties to the tax roll.

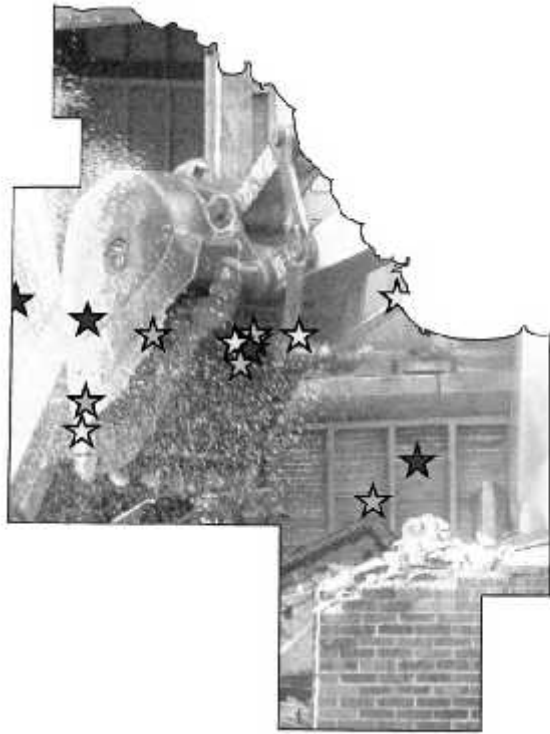
- Created May, 2009
- 3 member board
- No staff (staffed by County Treasurer)
- 2011 Rural Land Bank of the Year
- Received \$486,385 grant from 2012 Blight Elimination Program

Marquette County Data

- Population: 67,077
- Square Miles: 1,873
- Median Household Income: \$43,599

Why was a Land Bank created in Marquette County?

- To prevent tax foreclosed properties from reverting over and over again
- To prevent nuisance, blighted structures from ending up in the wrong hands
- To allow for side lot transfers to interested parties
- To provide the necessary tools to deal with problem properties



Year	Number of parcels foreclosed by County Treasurer
2007	9
2008	20
2009	21
2010	26
2011	44
2012	42
2013	16

Year	Number of parcels acquired	Blighted structures demolished	Side lot transfers to adjoining property owners	Sales to private ownership	Transfers to local units of government	Retained by Land Bank/ Available for sale
2009	7	3	2	2	2	1
2010	18	6	6	11	0	1
2011	19	8	5	8	2	5
2012	10	4	3	3	0	3

**MARQUETTE COUNTY LAND BANK AUTHORITY
2012 ACTUAL RESULTS**

	YTD
REVENUE	
SALE OF PROPERTY	\$91,695
FROM FORECLOSURE FUND	\$25,000
INTEREST—LAND CONTRACT	\$614
TAX CAPTURE	\$4,217
TOTAL REVENUE	\$121,525
EXPENSES	
PAID FORECLOSURE FUND FOR TAXES DUE	\$18,783
INSURANCE	\$748
LEGAL SERVICES	\$5,097
MISC. EXPENSE	\$2,893
2012 TAXES PAID	\$4,523
PROF/CONT SERVICES	
Ishpeming Twp - School	\$12,300
Ishpeming City	\$1,452
Forsyth Twp—Sawyer	\$32,036
Champion Twp	\$4,635
Michigamme Twp	\$468
Republic Twp.	\$8,295
Ely Twp.	\$2,500
DUE TO BROWNFIELD	\$9,666
TOTAL EXPENSES	\$103,395
NET	\$18,131
2011 FUND BALANCE	\$84,066
2012 FUND BALANCE	\$102,196

**HISTORY OF FUND
BALANCE**

2009	\$ 609
2010	\$ 62,432
2011	\$ 84,066
2012	\$102,196

- Almost half of total budget expended on demolition and abatement activities
- 16% of budget set aside in fund equity and available for future projects
- Only 8% of budget spent on administrative expenditures, 5% of which relate to legal expenditures
- No additional staff hired; all support provided by County Treasurer, and assistance from County Planning Dept.



Making it Work: *Partnerships*

Working with municipalities to eliminate blight



CITY INVESTMENT: \$7,435
LBA INVESTMENT: \$3,020

CITY OF ISHPEMING

The City has been quite progressive in terms of enforcing its blight ordinance, including demolition as a regular budget item, and working with the LBA to eliminate blight. The LBA acquired the foreclosed properties shown here, paid the delinquent taxes, and paid for asbestos abatement, while the City's Dept. of public works demolished the structures. One was sold to the neighbors; one is currently available for sale.



CITY INVESTMENT: \$15,600
LBA INVESTMENT: \$4,120

Fire training opportunities



ELY TOWNSHIP



REPUBLIC TOWNSHIP



CITY OF NEGAUNEE

Key Partner:

Marquette County Habitat for Humanity

423 and 425 W. Spring Street, Marquette. Through a partnership with Habitat for Humanity and by utilizing the tax increment financing tools available through the newly created Marquette County Brownfield Redevelopment Authority, the Land Bank was able to demolish the two blighted structures and sell the property to Habitat, where a new duplex residential unit has been built which has provided two families with new homes.



Key Partner: Marquette County Brownfield Redevelopment Authority



By using the tax increment financing tools available through the newly created Marquette County Brownfield Redevelopment Authority, the former West Ishpeming school, which had been vacant for over 20 years, was demolished in 2010. Future development at the site will pay back the cost of demolition over approximately 22 years. The Marquette County Planning Department assisted the LBA in coming up with a conceptual drawing/plan for development at the site. The LBA sold one 50 foot lot and one 25 foot lot to the adjoining property owners. Sanitary sewer service has been extended through the site, the cost being split between the LBA and Ishpeming Township. Sites are available for sale to the general public and to Habitat for Humanity. Habitat has built its first three homes at the site in 2013 and will be building a fourth home in 2014.



Questions?

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