

COMPARISON OF CURRENT AND NEW TAX-REVERSION PROCESSES

On July 22, 1999, Governor Engler signed into law significant changes to the Michigan tax-reversion process. The new process will apply to property taxes levied after December 31, 1998, while the current process will apply to taxes levied before January 1, 1999. Significant dates, during calendar years 1999 through 2002, are as follows:

| | <u>Current Process</u> | <u>New Process</u> |
|------------------|---|-------------------------------------|
| January 4, 1999 | Deadline for notice by county treasurers regarding impending expiration of one-year redemption period for 1995 delinquent taxes | |
| March, 1999 | Start of DNR land sales for 1993 State-foreclosed delinquent taxes | |
| March 1, 1999 | 1998 taxes returned delinquent 4 percent county property tax administration fee and 1 percent per month interest attach | |
| April, 1999 | Conclusion of <i>Dow</i> Hearings for 1992 delinquent taxes | |
| May 4, 1999 | Annual tax lien sale for 1996 delinquent taxes Expiration of one-year redemption period for 1995 delinquent taxes Start of six-month redemption period for 1995 State-foreclosed delinquent taxes | |
| June 30, 1999 | First notice sent by county treasurers for 1998 delinquent taxes | |
| July 1, 1999 | Summer tax levy | Summer tax levy |
| July 3, 1999 | Statutory date for State Treasurer conveyance to DNR of property bid to the State for 1995 delinquent taxes | |
| August, 1999 | Conclusion of DNR land sales for 1993 State-foreclosed delinquent taxes | |
| October 1, 1999 | \$10.00 per parcel fee attaches | Public Act 123 of 1999 takes effect |
| November 1, 1999 | Expiration of six-month redemption period for 1995 State-foreclosed delinquent taxes Preparation for start of <i>Dow</i> hearings for 1995 State-foreclosed delinquent taxes | |

| | <u>Current Process</u> | <u>New Process</u> |
|------------------|--|--|
| December 1, 1999 | Winter tax levy | Winter tax levy |
| January 2, 2000 | Deadline for notice by county treasurers regarding impending expiration of one-year redemption period for 1996 delinquent taxes | Deadline for county "opt out" decision |
| March, 2000 | Start of DNR land sales for 1993 State-foreclosed delinquent taxes | |
| March 1, 2000 | | 1999 taxes returned delinquent |
| | | 4 percent county property tax administration fee and 1 percent per month noncompounded interest attach for 1999 delinquent taxes |
| | | Deadline for review of \$15.00 and \$175.00 per parcel fees by State Treasurer |
| April, 2000 | Conclusion of <i>Dow</i> Hearings for 1993 delinquent taxes | |
| April 3, 2000 | Deadline for third notice sent by county treasurers for 1997 delinquent taxes | |
| May 2, 2000 | Annual tax lien sale for 1997 delinquent taxes (unless sale is cancelled by county treasurer, in which case 1997 taxes are foreclosed under new process) | |
| | Expiration of one-year redemption period for 1996 delinquent taxes | |
| | Start of six-month redemption period for 1996 State-foreclosed delinquent taxes | |
| June 1, 2000 | | Deadline for first notice (first-class mail) sent by county treasurers for 1999 delinquent taxes |
| June 30, 2000 | Second notice sent by county treasurers for 1998 delinquent taxes | |
| July 1, 2000 | Summer tax levy | Summer tax levy |
| July 2, 2000 | Statutory date for State Treasurer conveyance to DNR of property bid to the State for 1996 delinquent taxes | |

| | <u>Current Process</u> | <u>New Process</u> |
|-------------------|--|--|
| August, 2000 | Conclusion of DNR land sales for 1994 State-foreclosed delinquent taxes | |
| September 1, 2000 | | Deadline for second notice (first-class mail) sent by county treasurers for 1999 delinquent taxes |
| October 1, 2000 | \$10.00 per parcel fee attaches for 1998 delinquent taxes | \$15.00 per parcel fee attaches for 1999 delinquent taxes |
| November 1, 2000 | | Forfeiture list prepared by county treasurers for 1999 delinquent taxes |
| November 6, 2000 | Expiration of six-month redemption period for 1996 State-foreclosed delinquent taxes | |
| | Preparation for start of <i>Dow</i> hearings for 1996 delinquent taxes | |
| December 1, 2000 | Winter tax levy | Winter tax levy |
| | | Deadline for determination by county treasurers of property addresses, names of owners, mortgagees, and land contract holders |
| January 1, 2001 | If 2000 tax lien sale was held: Deadline for notice by county treasurers regarding impending expiration of one-year redemption period for 1997 delinquent taxes | |
| February 1, 2001 | | Deadline for third notice (certified mail) sent by county treasurers for 1999 delinquent taxes |
| March, 2001 | Start of DNR land sales for 1995 State-foreclosed delinquent taxes | |
| March 1, 2001 | | 2000 taxes returned delinquent 4 percent county property tax administration fee and 1 percent per month noncompounded interest attach Subject to a right of redemption, property forfeits for 1999 delinquent taxes \$175.00 per parcel fee and additional 0.5 percent per month interest attach for 1999 de- |

| March 1, 2001 (continued) | <u>Current Process</u> | <u>New Process</u> |
|------------------------------|--|---|
| | | linquent taxes, (additional interest is retro-active to March 1, 2000) |
| | | Deadline for review of \$15.00 and \$175.00 per parcel fees by State Treasurer |
| | | Personal visit required by foreclosing governmental unit (county treasurer or State) to forfeited property after forfeiture occurs |
| April, 2001 | Conclusion of <i>Dow</i> Hearings for 1994 (and possibly 1995) delinquent taxes | |
| April 2, 2001 | Deadline for third notice sent by county treasurers for 1998 delinquent taxes | |
| April 15, 2001 | | Deadline for county treasurers to record forfeiture certificate with register of deeds for 1999 delinquent taxes |
| May 1, 2001 | Annual tax lien sale for 1998 delinquent taxes (unless sale is cancelled by county treasurer, in which case 1998 taxes are foreclosed under new process) | Deadline for foreclosing governmental unit to begin title work for 1999 delinquent taxes |
| | If 2000 tax lien sale was held: | |
| | Expiration of one-year redemption period for 1997 delinquent taxes | |
| | Start of six-month redemption period for 1997 State-foreclosed delinquent taxes | |
| June 1, 2001 | | Deadline for first notice (first-class mail) sent by county treasurers for 2000 delinquent taxes |
| June 15, 2001 | | Deadline for foreclosing governmental unit to file foreclosure petition with circuit court requesting judicial hearing date for 1999 delinquent taxes |
| July 1, 2001 | Summer tax levy | Summer tax levy |
| | If 2000 tax lien sale was held: | |
| | Statutory date for State Treasurer conveyance to DNR of property bid to the State for 1997 delinquent taxes | |

| | <u>Current Process</u> | <u>New Process</u> |
|-------------------|--|---|
| August, 2001 | Conclusion of DNR land sales for 1996 State-foreclosed delinquent taxes | |
| September 1, 2001 | | Deadline for second notice (first-class mail) sent by county treasurers for 2000 delinquent taxes |
| October 1, 2001 | | \$15.00 per parcel fee attaches for 2000 delinquent taxes |
| November 1, 2001 | | Forfeiture list prepared by county treasurers for 2000 delinquent taxes |
| November 6, 2001 | If 2000 tax lien sale was held: Expiration of six-month redemption period for 1997 delinquent taxes Preparation for start of <i>Dow</i> hearings for 1997 delinquent taxes | |
| December 1, 2001 | Winter tax levy | Winter tax levy |
| January 7, 2002 | If 2001 tax lien sale was held: Deadline for notice by county treasurers regarding impending expiration of one-year redemption period for 1998 delinquent taxes | |
| February 25, 2002 | | Deadline for foreclosing governmental unit to hold administrative show cause hearing |
| March, 2002 | Start of DNR land sales for 1996 State-foreclosed delinquent taxes | |
| March 1, 2002 | | 2001 taxes returned delinquent 4 percent county property tax administration fee and 1 percent per month noncompounded interest attach for 2001 delinquent taxes Subject to a right of redemption, property forfeits for 2000 delinquent taxes \$175.00 per parcel fee attach and additional 0.5 percent month interest attach for 1999 delinquent taxes, (additional interest is retroactive to March 1, 2001) |

| March 1, 2002 (continued) | <u>Current Process</u> | <u>New Process</u> |
|------------------------------|--|--|
| | | Deadline for review of \$15.00 and \$175.00 per parcel fees by State Treasurer |
| | | Deadline for judicial foreclosure hearing for 1999 delinquent taxes |
| March 10, 2002 | | Deadline for circuit court entry foreclosure judgment in uncontested cases for 1999 delinquent taxes (deadline in contested cases is ten days after conclusion of hearing) |
| April, 2002 | If 2000 tax lien sale was held: Conclusion of <i>Dow</i> Hearings for 1996 delinquent taxes | |
| April 1, 2002 | | Deadline (uncontested cases) for filing appeal with court of appeal for 1999 delinquent taxes |
| April 15, 2002 | | Deadline for county treasurers to record forfeiture certificate with register of deeds for 2000 delinquent taxes |
| May 1, 2002 | | Deadline for foreclosing governmental unit (county treasurer or State) to begin title work for 2000 delinquent taxes |
| May 7, 2002 | If 2001 tax lien sale was held: Expiration of one-year redemption period for 1998 delinquent taxes Start of six-month redemption period for 1998 State-foreclosed delinquent taxes | |
| June 1, 2002 | | Deadline for first notice (first-class mail) sent by county treasurers for 2001 delinquent taxes |
| June 15, 2002 | | Deadline for foreclosing governmental unit to file foreclosure petition with circuit court requesting judicial hearing date for 2000 delinquent taxes |
| July 1, 2002 | Summer tax levy | Summer tax levy |
| July 16, 2002 | If 2000 tax lien sale was held: | Starting date for foreclosing government unit to conduct first land sale of property |

| July 16, 2002 (continued) | <u>Current Process</u> | <u>New Process</u> |
|------------------------------|--|---|
| | Statutory date for State Treasurer conveyance to DNR of property bid to the State for 1998 delinquent taxes | forfeited for 1999 delinquent taxes (July sale is optional) |
| July 30, 2002 | | Deadline for completion of July sale |
| August, 2002 | Conclusion of DNR land sales for 1996 State-foreclosed delinquent taxes | |
| September 1, 2002 | | Deadline for second notice (first-class mail) sent by county treasurers for 2001 delinquent taxes |
| September 17, 2002 | | Starting date for foreclosing government unit to conduct second land sale of property forfeited for 1999 delinquent taxes |
| October 1, 2002 | | \$15.00 per parcel fee attaches for 2001 delinquent taxes |
| | | Deadline for completion of September sale of property forfeited for 1999 delinquent taxes |
| November 1, 2002 | | Forfeiture list prepared by county treasurers for 2001 delinquent taxes |
| November 4, 2002 | <p>If 2001 tax lien sale was held:</p> <p>Expiration of six-month redemption period for 1998 State-foreclosed delinquent taxes</p> <p>Preparation for start of <i>Dow</i> hearings for 1998 delinquent taxes</p> | |
| November 19, 2002 | | Starting date for foreclosing government unit to conduct third land sale, if necessary, of property forfeited for 1999 delinquent taxes |
| December 1, 2002 | Winter tax levy | Winter tax levy |
| | | Deadline for foreclosing government unit to transmit list of unsold properties to city, village, or township clerk |

Current Process

December 3, 2002

December 30, 2002

December 31, 2002

New Process

Deadline for completion of December sale of property forfeited for 1999 delinquent taxes

Unsold property is transferred by foreclosing government unit to city, village, or township unless city, village, or township filed a written objection to a given parcel

Termination of State Treasurer's authorization to review and/or adjust the \$15.00 and \$175.00 per parcel fees

Historical Document