



JENNIFER
GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JAY RISING
STATE TREASURER

**Bulletin No. 1
January 8, 2003
Leasehold Improvements,
Freestanding Signs and
Billboards, Poverty Guidelines**

DATE: January 8, 2003

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: Changes to STC Bulletin 8 of 2002 and 15 of 2002 Caused by Public Act (PA) 620 of 2002

Attached is a copy of the first 8 pages of PA 620 of 2002 which was signed by Governor Engler on December 21, 2002 with an effective date of December 23, 2002. (The language of the law that was added by PA 620 of 2002 is underlined on the attached copy of the act.) A copy of the entire act may be accessed on the internet at www.michiganlegislature.org. The bill number is Senate Bill 914.

PA 620 of 2002 amends the General Property Tax Act in several areas. Some of the changes take effect for the 2003 assessment year and some will first take effect for the 2004 assessment year. These changes will be addressed separately in this bulletin by the year in which they first take effect.

A) Changes Starting in Assessment Year 2003

STC Bulletin 8 of 2002 (copy attached) provided directions to assessors regarding the implementation of PA 415 of 2000. The new law, PA 620 of 2002, causes several changes to the procedures previously outlined in STC Bulletin 8 of 2002. In addition to discussing these changes in this bulletin, the language in STC Bulletin 8 of 2002 which no longer applies has been lined out on the attached copy of that bulletin.

1) Leasehold Improvements (LHI) and Freestanding Signs and Billboards

PA 415 of 2000 stated that, STARTING IN ASSESSMENT YEAR 2003, buildings on leased land and certain leasehold improvements shall be assessed on the real property roll, NOT on the personal property roll. While this is still true for buildings on leased land (including taxable improvements at a leased mobile home site located in a licensed park) and for communication towers, this is NO LONGER true for:

- a) leasehold improvements (LHI) and structures assessable under Michigan Compiled Law (MCL) 211.8h,
- b) freestanding outdoor advertising signs and
- c) freestanding billboards.

PA 620 of 2002 amended the General Property Tax Act to state that it is no longer a requirement that LHI, freestanding outdoor advertising signs and freestanding billboards be assessed on the real property roll in 2003. Instead, LHI, freestanding outdoor advertising signs, and freestanding billboards will be assessed on the personal property roll in 2003 and thereafter.

Note: LHI will be assessed on the personal property roll to the extent that the value is not already assessed and to the extent that the LHI add to the true cash value of the real property.

2) **Changes to MCL 211.34c Regarding the Classification of Certain Assets**

PA 415 of 2000 stated that, starting in 2003, buildings on leased land should be classified the same as the land upon which the buildings were located. **THIS IS NO LONGER TRUE** because that language has been struck from the law by PA 620 of 2002.

Instead, PA 620 of 2002 has amended the classification law (MCL 211.34c) to state the following:

- a) Buildings on leased land used for agricultural operations are classified as agricultural real property.
- b) Buildings on leased land used for commercial purposes are classified as commercial real property.
- c) Buildings on leased land used for industrial or utility purposes are classified as industrial real property.
- d) Homes, cottages, and cabins on leased land are classified as residential real property. (Note: This is also true of mobile homes that would be assessable as real property to the owner of the land as provided by MCL 211.2a except that the land on which the mobile homes are located is exempt.)

The classification law (MCL 211.34c) has also been amended to state that **ALL** outdoor advertising signs and billboards shall be classified as **commercial personal property**.

3) **Trade Fixtures**

PA 620 of 2002 provides that, for the purpose of taxation, trade fixtures are personal property. This is not new. The STC has always considered trade fixtures to be personal property. Please see page 6 of STC Bulletin No. 8 of 2002 for an explanation of trade fixtures.

4) Poverty Guidelines Used in the Determination of Poverty Exemptions

PA 620 of 2002 has amended MCL 211.7u by changing the income standards used in the determination of poverty exemptions. This means that the federal poverty income standards found in STC Bulletin 15 of 2002 SHALL NOT be used in the determination of the 2003 poverty exemptions. INSTEAD, the following poverty guidelines SHALL BE USED in the determination of 2003 poverty exemptions:

<u>Size of Family Unit</u>	<u>Poverty Guidelines</u>
1	\$ 8,860
2	\$11,940
3	\$15,020
4	\$18,100
5	\$21,180
6	\$24,260
7	\$27,340
8	\$30,420
For each additional person, add	\$ 3,080

These are the guidelines that were in effect on tax day 12-31-02. Also, please note that these new standards do not have separate figures based on age.

Please see STC Bulletin 5 of 1995 regarding the administration of the Poverty Exemption.

B) Changes Starting in Assessment Year 2004

1) LHI Separately Included on the Assessment Notice

PA 620 of 2002 states that, STARTING IN ASSESSMENT YEAR 2004, the assessment notice mailed to taxpayers prior to the March Board of Review shall include a separate listing of the State Equalized Valuation and Taxable Valuation for any leasehold improvements.

The STC will alter its 2004 model assessment notice form to include this new requirement.

2) LHI Separately Included on the Assessment Roll

PA 620 of 2002 states that, STARTING IN ASSESSMENT YEAR 2004, the assessment roll shall separately state the assessed value and tentative taxable value of any leasehold improvements.

Act No. 620
Public Acts of 2002
Approved by the Governor
December 21, 2002
Filed with the Secretary of State
December 23, 2002
EFFECTIVE DATE: December 23, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator McCotter

ENROLLED SENATE BILL No. 914

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending sections 2, 7u, 8, 14, 24, 24c, 34c, 35, 41, 57a, 58, 62, 63, 64, 66, 67, 70, 73, 73a, 73b, 75, 83, 85, 86, 87, 88, 90, 95, 96, 97, 98, 98a, 99, 101, 102, 103, 105, 113, 121, 122, 127b, 130, 135, 138, 139, and 144 (MCL 211.2, 211.7u, 211.8, 211.14, 211.24, 211.24c, 211.34c, 211.35, 211.41, 211.57a, 211.58, 211.62, 211.63, 211.64, 211.66, 211.67, 211.70, 211.73, 211.73a, 211.73b, 211.75, 211.83, 211.85, 211.86, 211.87, 211.88, 211.90, 211.95, 211.96, 211.97, 211.98, 211.98a, 211.99, 211.101, 211.102, 211.103, 211.105, 211.113, 211.121, 211.122, 211.127b, 211.130, 211.135, 211.138, 211.139, and 211.144), sections 2, 8, 14, and 34c as amended by 2000 PA 415, section 7u as amended by 1994 PA 390, section 24 as amended by 1994 PA 415, and section 24c as amended by 1996 PA 476.

The People of the State of Michigan enact:

Sec. 2. (1) For the purpose of taxation, real property includes all of the following:

(a) All land within this state, all buildings and fixtures on the land, and all appurtenances to the land, except as expressly exempted by law.

(b) All real property owned by this state or purchased or condemned for public highway purposes by any board, officer, commission, or department of this state and sold on land contract, notwithstanding the fact that the deed has not been executed transferring title.

(c) For taxes levied after December 31, 2002, buildings and improvements located upon leased real property, except buildings and improvements exempt under section 9f or improvements assessable under section 8(h), if the value of the buildings or improvements is not otherwise included in the assessment of the real property. However, buildings and improvements located on leased real property shall not be treated as real property unless they would be treated as real property if they were located on real property owned by the taxpayer.

(2) The taxable status of persons and real and personal property for a tax year shall be determined as of each December 31 of the immediately preceding year, which is considered the tax day, any provisions in the charter of any

city or village to the contrary notwithstanding. An assessing officer is not restricted to any particular period in the preparation of the assessment roll but may survey, examine, or review property at any time before or after the tax day.

(3) Notwithstanding a provision to the contrary in any law, if real property is acquired for public purposes by purchase or condemnation, all general property taxes, but not penalties, levied during the 12 months immediately preceding, but not including, the day title passes to the public agency shall be prorated in accordance with this subsection. The seller or condemnee is responsible for the portion of taxes from the levy date or dates to, but not including, the day title passes and the public agency is responsible for the remainder of the taxes. If the date that title will pass cannot be ascertained definitely and an agreement in advance to prorate taxes is desirable, an estimated date for the passage of title may be agreed to. In the absence of an agreement, the public agency shall compute the proration of taxes as of the date title passes. The question of proration of taxes shall not be considered in any condemnation proceeding. As used in this subsection, "levy date" means the day on which general property taxes become due and payable. In addition to the portion of taxes for which the public agency is responsible under the provisions of this subsection, the public agency is also responsible for all general property taxes levied on or after the date title passes and before the property is removed from the tax rolls.

(4) In a real estate transaction between private parties in the absence of an agreement to the contrary, the seller is responsible for that portion of the annual taxes levied during the 12 months immediately preceding, but not including, the day title passes, from the levy date or dates to, but not including, the day title passes and the buyer is responsible for the remainder of the annual taxes. As used in this subsection, "levy date" means the day on which a general property tax becomes due and payable.

Sec. 7u. (1) The homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:

(a) Be an owner of and occupy as a homestead the property for which an exemption is requested.

(b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding year or in the current year. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section shall be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for the granting of exemptions under this section. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

(6) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(7) As used in this section, "homestead" means homestead or qualified agricultural property as those terms are defined in section 7dd.

Sec. 8. For the purposes of taxation, personal property includes all of the following:

(a) All goods, chattels, and effects within this state.

(b) All goods, chattels, and effects belonging to inhabitants of this state, located without this state, except that property actually and permanently invested in business in another state shall not be included.

(c) All interests owned by individuals in real property, the fee title to which is in this state or the United States, except as otherwise provided in this act.

(d) For taxes levied before January 1, 2003, buildings and improvements located upon leased real property, except if the value of the real property is also assessed to the lessee or owner of those buildings and improvements. For taxes levied after December 31, 2002, buildings and improvements located upon leased real property, except buildings and improvements exempt under section 9f or improvements assessable under section 8(h), shall be assessed as real property under section 2 to the owner of the buildings or improvements in the local tax collecting unit in which the buildings or improvements are located if the value of the buildings or improvements is not otherwise included in the assessment of the real property. For taxes levied after December 31, 2001, buildings and improvements exempt under section 9f or improvements assessable under section 8(h) and located on leased real property shall be assessed as personal property.

(e) Tombs or vaults built within any burial grounds and kept for hire or rent, in whole or in part, and the stock of a corporation or association owning the tombs, vaults, or burial grounds.

(f) All other personal property not enumerated in this section and not especially exempted by law.

(g) The personal property of gas and coke companies, natural gas companies, electric light companies, waterworks companies, hydraulic companies, and pipe line companies transporting oil or gas as public or common carriers, to be assessed in the local tax collecting unit in which the personal property is located. The mains, pipes, supports, and wires of these companies, including the supports and wire or other line used for communication purposes in the operation of those facilities, and the rights of way and the easements or other interests in real property by virtue of which the mains, pipes, supports, and wires are erected and maintained, shall be assessed as personal property in the local tax collecting unit where laid, placed, or located. Interests in underground rock strata used for gas storage purposes, whether by lease or ownership separate from the surface of real property, shall be separately valued and assessed as personal property in the local tax collecting unit in which it is located to the person who holds the interest. Interests in underground rock strata shall be reported as personal property to the appropriate assessing officer for all property descriptions included in the storage field in the local tax collecting unit and a separate valuation shall be assessed for each school district. The personal property of street railroad, plank road, cable or electric railroad or transportation companies, bridge companies, and all other companies not required to pay a specific tax to this state in lieu of all other taxes, shall, except as otherwise provided in this section, be assessed in the local tax collecting unit in which the property is located, used, or laid, and the track, road, or bridge of a company is considered personal property. None of the property assessable as personal property under this subdivision shall be affected by any assessment or tax levied on the real property through or over which the personal property is laid, placed, or located, nor shall any right of way, easement, or other interest in real property, assessable as personal property under this subdivision, be extinguished or otherwise affected in case the real property subject to assessment is sold in the exercise of the taxing power.

(h) During the tenancy of a lessee, leasehold improvements and structures installed and constructed on real property by the lessee, provided and to the extent the improvements or structures add to the true cash taxable value of the real property notwithstanding that the real property is encumbered by a lease agreement, and the value added by the improvements or structures is not otherwise included in the assessment of the real property or not otherwise assessable under subdivision (j). The cost of leasehold improvements and structures on real property shall not be the sole indicator of value. Leasehold improvements and structures assessed under this subdivision shall be assessed to the lessee.

(i) A leasehold estate received by a sublessor from which the sublessor receives net rentals in excess of net rentals required to be paid by the sublessor except to the extent that the excess rentals are attributable to the installation and construction of improvements and structures assessed under subdivision (h) or (j) or included in the assessment of the real property. For purposes of this act, a leasehold estate is considered to be owned by the lessee receiving additional net rentals. A lessee in possession is required to provide the assessor with the name and address of its lessor. Taxes collected under this act on leasehold estates shall become a lien against the rentals paid by the sublessee to the sublessor.

(j) To the extent not assessed as real property, a leasehold estate of a lessee created by the difference between the income that would be received by the lessor from the lessee on the basis of the present economic income of the property as defined and allowed by section 27(4), minus the actual value to the lessor under the lease. This subdivision does not apply to property if subject to a lease entered into before January 1, 1984 for which the terms of the lease governing the rental rate or the tax liability have not been renegotiated after December 31, 1983. This subdivision does not apply to a nonprofit housing cooperative. As used in this subdivision, "nonprofit cooperative housing corporation" means a nonprofit cooperative housing corporation that is engaged in providing housing services to its stockholders and members and that does not pay dividends or interest upon stock or membership investment but that does distribute all earnings to its stockholders or members.

(k) For taxes levied after December 31, 2002, a trade fixture.

Sec. 14. (1) All goods and chattels located in a local tax collecting unit other than that in which the owner of the goods or chattels resides shall be assessed in the local tax collecting unit in which the goods or chattels are located.

(2) All animals kept throughout the year in a local tax collecting unit other than that in which the owner of the animals resides shall be assessed to the owner or the person in possession of the animals in the local tax collecting unit in which the animals are kept.

(3) The tangible personal property of minors under guardianship shall be assessed to the guardian in the local tax collecting unit in which the guardian resides, and the personal property of any other person under guardianship shall be assessed to the guardian in the local tax collecting unit in which the ward resides.

(4) Tangible personal property belonging to the estate of a deceased person, in the hands of the executors, administrators, or trustees appointed under the last will and testament of the deceased person, or by order of any court of competent jurisdiction, shall be assessed to the executors, administrators, or trustees in the local tax collecting unit and in the school district in which the deceased person resided, until the executors, administrators, or trustees give notice to the appropriate assessing officer that the estate has been distributed. If the deceased person was a nonresident of this state, the property shall be assessed in the local tax collecting unit in which it is located, to the executors, administrators, or trustees or to the person in possession of the property.

(5) Tangible personal property under the control of a trustee or agent, whether a corporation or a natural person, may be assessed to the trustee or agent in the local tax collecting unit in which the trustee or agent resides, except as otherwise provided. Personal property mortgaged or pledged is considered the property of the person in possession of that personal property and may be assessed to that person. Personal property not otherwise taxed under this act that is in the possession of any person, firm, or corporation using that property in connection with a business conducted for profit is considered the property of that person, firm, or corporation for taxation and shall be assessed to that person, firm, or corporation.

(6) For taxes levied before January 1, 2003, a building situated upon real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property, and if the value of the real property is not assessed to the owner of the building, shall be assessed as personal property to the owner or occupant of the building in the local tax collecting unit in which the real property is located. The building is subject to sale for taxes in the same manner as provided for the sale of personal property. It is not necessary to remove a building for the purpose of sale. For taxes levied after December 31, 2002, buildings and improvements, except buildings and improvements exempt under section 9f or improvements assessable under section 8(h), located upon real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property is considered real property for the purposes of taxation and assessment, and shall be assessed as real property under section 2 to the owner or occupant of the building in the local tax collecting unit in which the buildings are located if the value of the building is not otherwise included in the assessment of the real property. For taxes levied after December 31, 2001, buildings and improvements exempt under section 9f that are located upon the real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property shall be assessed as personal property to the owner or occupant of the building in the local tax collecting unit in which the real property is located.

(7) Tangible personal property of nonresidents of this state and all forest products, owned by residents or nonresidents, or estates of deceased persons, shall be assessed in the local tax collecting unit in which the tangible personal property or forest products are located, to the person or corporation in control of the premises, store, mill, dockyard, piling ground, place of storage, or warehouse where the tangible personal property or forest products are located, on December 31. If tangible personal property or forest products are in transit to a local tax collecting unit within this state, the tangible personal property or forest products shall be assessed in that local tax collecting unit. If tangible personal property or forest products are in transit to some place without this state, the tangible personal property or forest products shall be assessed at the local tax collecting unit in this state nearest to the last boom or sorting gap of the stream in or bordering on this state in which the tangible personal property or forest products will naturally be last floated during transit, and if the transit of the tangible personal property or forest products is to be other than through any watercourse in or bordering on this state, then the assessment shall be made in the local tax collecting unit at the point at which the tangible personal property or forest products will naturally leave this state in the ordinary course of transit. The tangible personal property or forest products in transit to any place without this state shall be assessed to the owner or the person or corporation in possession or control of the tangible personal property or forest products. If the transit of the tangible personal property or forest products will pass through the booms or sorting gaps or into the places of storage of any person or corporation operating upon any stream, then the tangible personal property or forest products may be assessed to that person or corporation. A person or corporation assessed for any tangible personal property or forest products belonging to a nonresident of this state is entitled to recover from the owner of the tangible personal property or forest products by a suit in attachment, garnishment, or for money had and received, any amount that the person or corporation assessed is compelled to pay because of the assessment, shall have a lien upon the tangible personal property or forest products as a security against loss or damage

because of being assessed for the tangible personal property or forest products of another, and may retain possession of the tangible personal property or forest products until that lien is satisfied. A person or corporation assessed is not compelled to pay taxes on account of that assessment unless the appropriate assessing officer, at the time of assessment, serves notice in writing on the person or corporation in control of the premises, store, mill, dockyard, piling ground, place of storage, or warehouse that the assessment will be made. An owner or person interested in the tangible personal property or forest products may secure the release of the tangible personal property or forest products from that lien by giving to the person or corporation assessed a bond in an amount double the probable tax to be assessed on the tangible personal property or forest products, but not less than \$200.00, with 2 sufficient sureties, conditioned for the payment of the tax by the owner or person interested and the saving of the person or corporation assessed from payment of the assessment and from costs, damages, and expenses on account of nonpayment, which bond as to amount and sufficiency of sureties shall be approved by the county clerk of the county in which the assessment is made.

Sec. 24. (1) On or before the first Monday in March in each year, the assessor shall make and complete an assessment roll, upon which he or she shall set down all of the following:

(a) The name and address of every person liable to be taxed in the local tax collecting unit with a full description of all the real property liable to be taxed. If the name of the owner or occupant of any tract or parcel of real property is known, the assessor shall enter the name and address of the owner or occupant opposite to the description of the property. If unknown, the real property described upon the roll shall be assessed as "owner unknown". All contiguous subdivisions of any section that are owned by 1 person, firm, corporation, or other legal entity and all unimproved lots in any block that are contiguous and owned by 1 person, firm, corporation, or other legal entity shall be assessed as 1 parcel, unless demand in writing is made by the owner or occupant to have each subdivision of the section or each lot assessed separately. However, failure to assess contiguous parcels as entireties does not invalidate the assessment as made. Each description shall show as near as possible the number of acres contained in it, as determined by the assessor. It is not necessary for the assessment roll to specify the quantity of land comprised in any town, city, or village lot.

(b) The assessor shall estimate, according to his or her best information and judgment, the true cash value and assessed value of every parcel of real property and set the assessed value down opposite the parcel.

(c) The assessor shall calculate the tentative taxable value of every parcel of real property and set that value down opposite the parcel.

(d) The assessor shall determine the percentage of value of every parcel of real property that is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and set that percentage of value down opposite the parcel.

(e) The assessor shall determine the date of the last transfer of ownership of every parcel of real property occurring after December 31, 1994 and set that date down opposite the parcel.

(f) The assessor shall estimate the true cash value of all the personal property of each person, and set the assessed value and tentative taxable value down opposite the name of the person. In determining the property to be assessed and in estimating the value of that property, the assessor is not bound to follow the statements of any person, but shall exercise his or her best judgment. For taxes levied after December 31, 2003, the assessor shall separately state the assessed value and tentative taxable value of any leasehold improvements.

(g) Property assessed to a person other than the owner shall be assessed separately from the owner's property and shall show in what capacity it is assessed to that person, whether as agent, guardian, or otherwise. Two or more persons not being copartners, owning personal property in common, may each be assessed severally for each person's portion. Undivided interests in lands owned by tenants in common, or joint tenants not being copartners, may be assessed to the owners.

(2) The state geologist, or his or her duly authorized deputy, shall determine, according to his or her best information and judgment, the true cash value of the metallic mining properties and mineral rights consisting of metallic resources that are either producing, developed, or have a known commercial mineral value, including surface rights and personal property that may be used in the operation or development of the property assessed, or any stockpile of ore or mineral stored on the surface. For the purpose of encouraging the exploration and development of metallic mineral resources, metallic mineral ore newly discovered or proven in the ground and not part of the property of an operating mine shall be exempt from the taxes collected under this act for a maximum period of 10 years or until the time it becomes part of the property of an operating mine or it in itself becomes an operating mine. Metallic mineral ore newly discovered or proven in the ground and part of the property of an operating mine shall be exempt from taxes collected under this act until it, in combination with previously discovered metallic mineral ore of the operating mine, comes into a 10-year recovery period of the mine as determined by the average normal annual rate of extraction of the mine.

(3) An operating mine shall be defined to be an operating mine as of the date of starting of a shaft, stripping of overburden, or rehabilitation, or an abandoned or idle mine closed for not less than 2 years. Ore shall not enjoy more than 10 years' exemption from taxation. This section does not exempt from the taxes collected under this act ore reserves proven as of April 1, 1947. It is the intent of this act that mineral properties shall be valued and assessed in

the future for ad valorem taxes according to the formula used in the valuation of mineral properties before the effective date of this act. It is the intent of this act that no metallic mineral ore shall be exempt more than 10 years because of the application of this act and if at any time it becomes evident that such is the case, the state tax commission shall determine the value of this untaxed ore and place this valuation on the proper tax roll. The state geologist shall report his or her determination of the true cash value of the mineral properties to the state tax commission on or before February 10 of each year. The state tax commission shall assess the mineral properties containing 20% or more of natural iron per ton of ore in conformity and uniformity with all other property within the assessing district. The state tax commission shall assess all other metallic mineral properties at the value certified by the state geologist. The state tax commission, as early as is practicable before February 20, shall certify the assessment of the property to the assessor of the township or city in which the property is situated, who shall for the mineral properties and mineral rights that are owned separate from the surface rights on the property assess each to the owner at the valuation certified to him or her. However, an adjustment to the value certified by the state tax commission may be made by the assessor of the township or city to reflect any general adjustment of assessed valuation from the immediately preceding year not included in the state tax commission computation. The assessor shall determine the true cash value of the surface rights and assess the value of the surface rights to the owner. The assessment upon the metallic mining properties and mineral rights may be altered from year to year regardless of whether any previous assessment has been reviewed by the state tax commission. The assessor or the owner of any interest in the property assessed may appeal the assessment and valuation of the property as determined by the board of review to the state tax commission which shall review the assessment and valuation as provided in section 152.

Sec. 24c. (1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first-class mail of an increase in the tentative state equalized valuation or the tentative taxable value for the year. The notice shall specify each parcel of property, the tentative taxable value for the current year and, beginning in 1996, the taxable value for the immediately preceding year. The notice shall also specify the time and place of the meeting of the board of review. Beginning in 1996, the notice shall also specify the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year.

(2) The notice shall include, in addition to the information required by subsection (1), all of the following:

(a) The state equalized valuation for the immediately preceding year.

(b) The tentative state equalized valuation for the current year.

(c) The net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year.

(d) The classification of the property as defined by section 34c.

(e) The inflation rate for the immediately preceding year as defined in section 34d.

(f) A statement provided by the state tax commission explaining the relationship between state equalized valuation and taxable value. Beginning in 1996, if the assessor believes that a transfer of ownership has occurred in the immediately preceding year, the statement shall state that the ownership was transferred and that the taxable value of that property is the same as the state equalized valuation of that property.

(3) When required by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, the assessment notice shall include or be accompanied by information or forms prescribed by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(4) The assessment notice shall be addressed to the owner according to the records of the assessor and mailed not less than 10 days before the meeting of the board of review. The failure to send or receive an assessment notice does not invalidate an assessment roll or an assessment on that property.

(5) The tentative state equalized valuation shall be calculated by multiplying the assessment by the tentative equalized valuation multiplier. If the assessor has made assessment adjustments that would have changed the tentative multiplier, the assessor may recalculate the multiplier for use in the notice.

(6) The state tax commission shall prepare a model assessment notice form that shall be made available to local units of government.

(7) Beginning in 1995, the assessment notice under subsection (1) shall include the following statement:

"If you purchased your homestead after May 1 last year, to claim the homestead exemption, if you have not already done so, you are required to file an affidavit before May 1."

(8) For taxes levied after December 31, 2003, the assessment notice under subsection (1) shall separately state the state equalized valuation and taxable value for any leasehold improvements.

Sec. 34c. (1) Not later than the first Monday in March in each year, the assessor shall classify every item of assessable property according to the definitions contained in this section. Following the March board of review, the assessor shall tabulate the total number of items and the valuations as approved by the board of review for each

classification and for the totals of real and personal property in the local tax collecting unit. The assessor shall transmit to the county equalization department and to the state tax commission the tabulation of assessed valuations and other statistical information the state tax commission considers necessary to meet the requirements of this act and 1911 PA 44, MCL 209.1 to 209.8.

(2) The classifications of assessable real property are described as follows:

(a) Agricultural real property includes parcels used partially or wholly for agricultural operations, with or without buildings, and parcels assessed to the department of natural resources and valued by the state tax commission. For taxes levied after December 31, 2002, agricultural real property includes buildings on leased land used for agricultural operations. As used in this subdivision, "agricultural operations" means the following:

(i) Farming in all its branches, including cultivating soil.

(ii) Growing and harvesting any agricultural, horticultural, or floricultural commodity.

(iii) Dairying.

(iv) Raising livestock, bees, fish, fur-bearing animals, or poultry.

(v) Turf and tree farming.

(vi) Performing any practices on a farm incident to, or in conjunction with, farming operations. A commercial storage, processing, distribution, marketing, or shipping operation is not part of agricultural operations.

(b) Commercial real property includes the following:

(i) Platted or unplatted parcels used for commercial purposes, whether wholesale, retail, or service, with or without buildings.

(ii) Parcels used by fraternal societies.

(iii) Parcels used as golf courses, boat clubs, ski areas, or apartment buildings with more than 4 units.

(iv) For taxes levied after December 31, 2002, buildings on leased land used for commercial purposes.

(c) Developmental real property includes parcels containing more than 5 acres without buildings, or more than 15 acres with a market value in excess of its value in use. Developmental real property may include farm land or open space land adjacent to a population center, or farm land subject to several competing valuation influences.

(d) Industrial real property includes the following:

(i) Platted or unplatted parcels used for manufacturing and processing purposes, with or without buildings.

(ii) Parcels used for utilities sites for generating plants, pumping stations, switches, substations, compressing stations, warehouses, rights-of-way, flowage land, and storage areas.

(iii) Parcels used for removal or processing of gravel, stone, or mineral ores, whether valued by the local assessor or by the state geologist.

(iv) For taxes levied after December 31, 2002, buildings on leased land used for industrial purposes.

(v) For taxes levied after December 31, 2002, buildings on leased land for utility purposes.

(e) Residential real property includes the following:

(i) Platted or unplatted parcels, with or without buildings, and condominium apartments located within or outside a village or city, which are used for, or probably will be used for, residential purposes.

(ii) Parcels that are used for, or probably will be used for, recreational purposes, such as lake lots and hunting lands, located in an area used predominantly for recreational purposes.

(iii) For taxes levied after December 31, 2002, a home, cottage, or cabin on leased land, and a mobile home that would be assessable as real property under section 2a except that the land on which it is located is not assessable because the land is exempt.

(f) Timber-cutover real property includes parcels that are stocked with forest products of merchantable type and size, cutover forest land with little or no merchantable products, and marsh lands or other barren land. However, when a typical purchase of this type of land is for residential or recreational uses, the classification shall be changed to residential.

(3) The classifications of assessable personal property are described as follows:

(a) Agricultural personal property includes any agricultural equipment and produce not exempt by law.

(b) Commercial personal property includes the following:

(i) All equipment, furniture, and fixtures on commercial parcels, and inventories not exempt by law.

(ii) All outdoor advertising signs and billboards.

(iii) Well drilling rigs and other equipment attached to a transporting vehicle but not designed for operation while the vehicle is moving on the highway.

(iv) Unlicensed commercial vehicles or commercial vehicles licensed as special mobile equipment or by temporary permits.

(c) Industrial personal property includes the following:

(i) All machinery and equipment, furniture and fixtures, and dies on industrial parcels, and inventories not exempt by law.

(ii) Personal property of mining companies valued by the state geologist.

(d) For taxes levied before January 1, 2003, residential personal property includes a home, cottage, or cabin on leased land, and a mobile home that would be assessable as real property under section 2a except that the land on which it is located is not assessable because the land is exempt.

(e) Utility personal property includes the following:

(i) Electric transmission and distribution systems, substation equipment, spare parts, gas distribution systems, and water transmission and distribution systems.

(ii) Oil wells and allied equipment such as tanks, gathering lines, field pump units, and buildings.

(iii) Inventories not exempt by law.

(iv) Gas wells with allied equipment and gathering lines.

(v) Oil or gas field equipment stored in the open or in warehouses such as drilling rigs, motors, pipes, and parts.

(vi) Gas storage equipment.

(vii) Transmission lines of gas or oil transporting companies.

(4) For taxes levied before January 1, 2003, buildings on leased land of any classification are improvements where the owner of the improvement is not the owner of the land or fee, the value of the land is not assessed to the owner of the building, and the improvement has been assessed as personal property pursuant to section 14(6).

(5) If the total usage of a parcel includes more than 1 classification, the assessor shall determine the classification that most significantly influences the total valuation of the parcel.

(6) An owner of any assessable property who disputes the classification of that parcel shall notify the assessor and may protest the assigned classification to the March board of review. An owner or assessor may appeal the decision of the March board of review by filing a petition with the state tax commission not later than June 30 in that tax year. The state tax commission shall arbitrate the petition based on the written petition and the written recommendations of the assessor and the state tax commission staff. An appeal may not be taken from the decision of the state tax commission regarding classification complaint petitions and the state tax commission's determination is final and binding for the year of the petition.

(7) The department of treasury may appeal the classification of any assessable property to the residential and small claims division of the Michigan tax tribunal not later than December 31 in the tax year for which the classification is appealed.

(8) This section shall not be construed to encourage the assessment of property at other than the uniform percentage of true cash value prescribed by this act.

Sec. 35. On or before the first day of September in each year, the state treasurer shall make and record in his or her office a statement showing the taxes to be raised for state purposes that year, referring to the law on which each tax is based, and the total amount of the taxes. The state tax he or she shall apportion among the several counties in proportion to the valuation of the taxable property in each county as determined by the last preceding state board of equalization, and shall before the October session of the board of supervisors in each year make out and transmit to the clerk of each county a statement of the amount of the taxes apportioned to that county. The state treasurer shall also, in a separate item of the statement, set forth the amount of indebtedness of the county to the state remaining unpaid at the time the statement is made, as shown by the statement of the account between the county and this state made by the state treasurer on the first day of July after the apportionment, which amount shall be apportioned by the board of supervisors of the proper county at the same time as state taxes contained in the apportionment of the state treasurer, and shall be levied in the same manner as and become a portion of the county taxes for the same year, unless the indebtedness is paid to the state before October first. The portion of the taxes, if any, that should be assessed to a particular township, shall be apportioned to and assessed upon the township, ward, or city.

Sec. 41. Before the supervisor or assessing officer delivers the roll to the township treasurer or city collector, he or she shall carefully foot the several columns of valuation and taxes, and make a detailed statement, which he or she shall give the clerk of his or her township or city, and the clerk shall immediately charge the amount of taxes to the township treasurer or city collector. The clerk of each city and incorporated village shall report to the clerk of their respective counties all taxes levied in their respective cities or villages, and not included in the general tax levy, on or before the first day of October in each year. The county clerk shall, within 30 days after the close of the annual session of the board of supervisors in October in each year, forward to the state treasurer, to be filed in his or her office, a statement

showing the aggregate valuation of all property as assessed in each assessing precinct within the county during the current year. The state treasurer shall include in the statement a detail of all taxes to be raised in the county for that year and the amount of taxes not included in the general tax levy, reported to him or her by the several city and village clerks as provided in this section.

Sec. 57a. (1) It is the duty of the state treasurer to prescribe uniform practices, forms, and methods that shall be used by the several county treasurers of this state in carrying out this act. All proceedings under the authority of this act shall be conducted in conformity with the uniform practices prescribed by the state treasurer. On the neglect or failure on the part of any county treasurer to abide by the uniform practices and use the uniform forms prescribed, the state treasurer may give notice in writing to the county clerk and to the county board of commissioners, or in lieu of the board of commissioners, the board of county auditors in counties having a county board of auditors, which notice shall state the facts constituting the alleged neglect or failure. If the alleged neglect or failure is not corrected within 10 days after giving the notice, the state treasurer shall have complete power and authority, by himself or herself or his or her deputy or authorized agents, to enter the office of the county treasurer and complete the work in the office in conformity with the uniform practices, the expenses of that work to be charged back to the county, which expense shall be paid from the general fund of the county.

(2) The state treasurer shall, within 30 days after the final adjournment of the legislature in every year, furnish the county treasurers with instructions relative to changes made in the tax laws of this state with respect to the duties of the township treasurers and county treasurers in connection with the collection of taxes. The several county treasurers shall, within 7 days after the receipt of those instructions, forward a copy of the instructions to each township treasurer in his or her respective county. The instructions shall contain all changes made since the filing of the previous instructions. In case of the furnishing of the first instructions to county treasurers under the provisions of this section, all changes of tax collection procedure as well as instructions with respect to tax collection procedures shall be furnished.

Sec. 58. After the return of lands for unpaid taxes, the county treasurer is authorized to receive, under like provisions as in section 53, the amounts of the several taxes or any of them due, and the board of commissioners in each county may authorize notice to be given to all delinquent taxpayers so far as known. Neither taxes nor special assessments that are delinquent may be paid under protest to the county treasurer. The county treasurer shall issue duplicate receipts for all the taxes received by him or her, which shall be accounted for by the county clerk, or by the board of auditors in counties having a board of auditors, 1 of the duplicate receipts shall be delivered to the person paying the taxes, and 1 filed in the office of the county treasurer, which receipt shall be available to the county clerk or board of county auditors in counties having a board of auditors for abstracting and accounting purposes. All receipts issued under the provisions of this section shall be consecutively numbered by the printer and by the printer delivered to the county clerk who shall account for the receipts. At the time the printer delivers the receipts to the county clerk, the printer shall notify the state treasurer of the delivery, specifying the quantity and numbers of the receipts. Except when the final installment of the tax is paid, the county treasurer shall not issue a receipt for a payment of less than \$1.00 and any tax or installment then sought to be paid in an amount less than \$1.00 shall not be discharged or considered paid unless the sum of \$1.00 is paid, and the difference between the amount of the tax paid and \$1.00 shall be considered to be a part payment of the cost of issuing the receipts and shall be credited to the general fund of the county. In the case of payments by the same taxpayer as many descriptions shall be included in 1 receipt as will be sufficient to make a payment of \$1.00. When payment of the taxes on any parcel or description of land or on any undivided share of land is made to any county treasurer, the treasurer shall place or cause to be placed upon the face of the receipt or redemption certificate, the following certificate: "I hereby certify that application was made to pay all taxes and special assessments due and payable at this office on the description shown in this receipt except for the years and items as follows:

(Signed)..... .Treas."

Every receipt shall be deemed to include the foregoing certificate, and unless otherwise noted on the certificate, shall be construed as an application to pay all taxes and special assessments assessed against the property described on the certificate and then due and payable at the office of the treasurer issuing the receipt. Future installments of special assessments shall not be considered as being then due and payable.

Sec. 62. If a petition is filed, the county clerk shall present the petition to the circuit court of the county in which the delinquent tax property is situated, and the circuit court shall enter an order as prescribed in this section. The county clerk shall countersign the order, record the order in the proper books of his or her office, and transmit a true copy of the order to the state treasurer. The order shall be substantially in the following form:

STATE OF MICHIGAN,)
) ss.
County of)

The circuit court for the county of

In the matter of the petition of, state treasurer of the state of Michigan, for and in behalf of this state, for the sale of certain property for taxes assessed on that property: On reading and filing the petition of the state treasurer of the state of Michigan requesting a judgment in favor of the state of Michigan against each parcel of land described in the petition, for the amounts specified in the petition that are, claimed to be due for taxes, interest, and charges on each parcel of property, and that the property be sold for the amounts claimed by the state of Michigan. It is ordered that the petition will be brought on for hearing and decree at the term of this court, to be held at, in the county of, state of Michigan, on the day of 20..., at the opening of the court on that day, and that all persons interested in that property or any part of that property desiring to contest the lien claimed on that property by the state of Michigan for the taxes, interest, and charges claimed, or any part of the taxes, interest, and charges claimed, shall appear in this court, and file with the clerk of this court their objections to the lien, on or before the first day of the term of this court, and that in default the lien will be granted and judgment entered as requested in petition. And it is further ordered that in pursuance of the judgment the property described in the petition for which a judgment of sale is made, will be sold for the taxes, interest, and charges on the property as determined by the judgment, on the first Tuesday in May after the judgment is entered, beginning at 10 o'clock a.m. The sale shall be held at the office of the county treasurer, or at another convenient place selected by the county treasurer at the county seat of the county of, state of Michigan. The sale shall be a public sale, and each parcel described in the judgment shall be separately sold for the total taxes, interest, and charges. The sale shall be made to the person paying the full amount charged against a parcel, and accepting a conveyance of the smallest undivided fee simple interest. If no person will pay the taxes and charges and take a conveyance of less than the entire fee simple interest, then the whole parcel shall be offered and sold. If any parcel cannot be sold for taxes, interest, and charges, the parcel shall be passed over and reoffered for sale. If the parcel cannot be sold for the taxes, interest, and charges, the county treasurer shall bid off the parcel in the name of the state.

Witness the Hon., circuit judge, and the seal of the (circuit) court ofcounty, this day of 20.... .

.....
Circuit Judge.

Countersigned,

.....
Register.

Sec. 63. (1) The state treasurer shall designate a newspaper in which an order and petition are to be published on or before September 1 in each year. If the publisher of the designated newspaper fails to accept the designation within 15 days after the designation is made or refuses or neglects to publish and print the order and petition, or, for any other cause, the publication becomes impracticable, the state treasurer shall designate some other newspaper before the time limited for commencing publication.

(2) In counties in which 1 or more regularly established newspapers have been printed, published, and circulated more than 1 year before the designation, 1 of those newspapers shall be designated for the publication required under subsection (1).

(3) The state treasurer shall also cause to be carried in not more than 10 newspapers in each county a notice advising the public of the tax sale advertising. The newspapers shall be designated by the state treasurer, and the notice shall be carried once in each of the newspapers designated on a date selected by the state treasurer. The notice shall contain the name of the newspaper in the county designated to print the order and petition and description of property advertised.

Sec. 64. (1) If a newspaper is not published in a county in which delinquent tax property is located, or if a newspaper cannot be secured to publish an order and petition in that county, the state treasurer shall cause the order and petition containing the list of property delinquent for taxes to be printed in proper form for general distribution, and shall provide the county treasurer with enough copies to provide each voter at the last general election in the county with 1 copy.

(2) The county treasurer shall distribute the order and petition in such a manner that copies shall become public in every local tax collecting unit in the county, and shall post or cause to be posted 3 copies in 3 public places in each local tax collecting unit.

(3) The county treasurer shall file an affidavit of the posting and distribution of the order and petition in the usual form in the office of the county treasurer and of the state treasurer.

Sec. 66. (1) The state treasurer shall cause a copy of the order and a copy of the petition to be published once each week for 3 consecutive weeks before the time fixed for the hearing on the petition, in a newspaper published in the county in which the petition is filed selected by the state treasurer.

(2) The order and petition shall be published in the same newspaper, the order immediately preceding the petition. The petition shall state the years for which delinquent taxes are due and the total amount of taxes, interest, and charges due for each parcel.

(3) The cost of publishing the order and petition shall be paid by this state.

(4) The proprietor of the newspaper in which the order and petition are published shall furnish the proper county treasurer with not more than 400 copies of each publication, 10 copies to each local tax collecting unit, and 2 copies to the state treasurer.

(5) The state treasurer and county treasurer shall carefully examine the notices published and determine if they are correct.

(6) The term 3 consecutive weeks means 3 publications in 3 successive weeks and the dates of the publications shall be specified by the state treasurer.

(7) A person familiar with the facts may make an affidavit as to the publication required.

(8) The state treasurer shall not pay for the publication unless satisfied that the publication has been made according to law.

(9) The publication of the order and petition is equivalent to a personal service of notice of the filing of the petition on all persons who are interested in the property specified in the petition, of all proceedings on the petition, and on the sale of the property under the judgment, and gives the court jurisdiction to hear the petition, determine all questions arising on the petition, and to enter a judgment ordering the sale of the property for the payment of all taxes, interest, and charges on the property.

(10) The circuit court has jurisdiction to hear, try, and determine the matters alleged in the petition, even though the amount involved in the petition is less than \$100.00.

(11) The prosecuting attorney shall prosecute all proceedings under this section on the part of this state. If the prosecuting attorney does not prosecute a proceeding under this section, the court shall appoint another competent person to take charge of and prosecute the proceeding, who shall be paid by the county. The county board of commissioners may employ a competent person to prosecute or to assist in the prosecution of proceedings under this section.

(12) An affidavit attesting to the publication of the order and petition required under this section shall be filed in both the office of the county clerk and state treasurer before any final order is entered. Proof of the filing of an affidavit of publication in the office of the state treasurer may be made by affidavit of the state treasurer or his or her deputy.

(13) A person with an interest in the property or any portion of the property included or referred to in the petition who desires to contest the validity of any tax shall file written objections with the clerk of the county in which the property is advertised for sale and serve a copy of the objections on the prosecuting attorney of the county, the state treasurer, and the county, local tax collecting unit, and school district in which the property is located, and shall file proof of service on or before the day fixed in the notice for the hearing of the petition. A person shall not make any objections not specified in written objections filed under this section. A hearing upon objections filed under this subsection shall not be held until service is made and proof of service is filed.

(14) If on the day fixed in the notice for the hearing on the petition or on the day following that day, the court determines that any person has been prevented from filing objections to any tax without any fault on his or her part, the court may grant additional time for that purpose, not to exceed 5 days. The court shall give precedence to the hearing of a petition over all other business, shall examine, consider, and determine the matters stated in the petition and any objections made in a summary manner without other pleadings, and to enter a final judgment on the petition.

(15) The taxes specified in the petition are presumed to be legal and a judgment for those taxes shall be made unless the taxes are shown to be improper. Evidence shall be taken in open court. All oral testimony shall, at the request of any person interested, be written down and filed. The court may make any order necessary to facilitate the proceedings. The court shall decide all questions as to the admissibility of evidence, and that decision is final and not subject to review or appeal.

(16) If the property of 2 or more persons has been assessed together, the court may, if practicable, separate the assessments and apportion to each parcel the just proportion of the taxes, interest, and charges. If any tax is found illegal, that part shall be set aside and the remaining tax is valid. The total amount of taxes, interest, and charges fixed by the court shall be entered by the register of the court opposite each parcel of property in the column of the record under the heading "amount of judgment against property." If the court makes any order setting aside the taxes on any parcel of property, or any part of the taxes, or any special order relating to any parcel of property, or taxes on any parcel of property, a brief entry of that order shall be entered opposite that property or tax. The special order shall be

signed by the judge of the court, either by his or her full name or initials, and that entry has the same effect as if made and entered as a part of a final judgment.

(17) At least 10 days before the time fixed for the sale of the property, the court shall enter a final judgment in favor of this state for the payment of all valid taxes, interest, and charges, shall determine the total amount chargeable against each parcel of property, and shall order that unless payment is made, the property, or as much of the property as is necessary to satisfy the amount fixed by the judgment, shall severally be sold as the law directs. A judgment is considered in favor of this state against each parcel of property for each tax included in the judgment. The court may decree costs against a person contesting any tax that is equitable, if the tax, or any part of the tax that remains unpaid, is determined to be valid.

(18) In the absence from the file of a proper affidavit of publication as required by this section, secondary evidence of the publication and the filing of the affidavit is admissible if, according to the calendar entry of the clerk of the court, an affidavit of publication was filed. The affidavit of publication filed in the office of the state treasurer is admissible as secondary evidence.

Sec. 67. (1) A final judgment shall be entered in the record for recording judgments of the circuit court of the county in which the property is located. The judgment shall have the usual caption for judgments and shall be substantially in the following form:

“State of Michigan,)
The circuit court for the)
county of)

At a session of this court held at the court house in the of on the day of 20....

Present: Hon., Circuit Judge

In the matter of the petition of, state treasurer of the state of Michigan, for and in behalf of this state, for the sale of certain property for taxes assessed on that property:

The petition and the matters stated in the petition, and the objections filed to the taxes claimed in the petition (if any objections are filed) came on to be heard, and proof of the publication of the order of hearing, and of the petition having been made and filed, and after hearing all interested parties: It is ordered that the amount of taxes, interest, collection fee, and charges set down in the tax record, which is incorporated as part of the petition, are valid, and judgment is entered in favor of the state of Michigan against each parcel of property for payment of the amount set down in the tax record opposite that parcel. It is further ordered that unless that amount is paid prior to sale, that property, or that interest in the property necessary to satisfy the judgment against the property, shall be severally sold as the law directs, on the day of May, A.D. 20..., beginning at 10 o'clock a.m. It is further ordered that title to each parcel of property ordered in this judgment to be offered for sale, that is bid off to the state, shall become absolute in the state of Michigan on the expiration of the period of redemption from that sale, and all taxes, special assessments that are charged against or are liens upon that property, and other liens and encumbrances against that property of whatever kind or nature, shall be canceled as of that date, unless any parcel of property is redeemed as provided in section 74 of the general property tax act, 1893 PA 206, MCL 211.74, or unless an appeal is taken as provided in the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. It is further ordered that the special orders made by this court, and entered on the tax records, are made a part of this judgment, with the same effect as if entered in this judgment.

(Countersigned)

.....
Circuit Judge

.....
Clerk of Courts.”

(2) Unless sooner redeemed, upon the expiration of the period of redemption provided in section 74, absolute title to the property bid off to this state vests in this state as provided in the judgment.

(3) If costs are adjudged against any person contesting a tax, the judgment shall state the costs and execution awarded. The judgment shall be signed by the judge and countersigned by the clerk.

(4) Immediately after the entry of the judgment, the county clerk shall make a certified copy of the judgment, and annex the judgment to the tax record. The county clerk shall then deliver the tax record to the county treasurer, in whose office the tax record shall remain.

(5) If the hearing on the petition is not held on the day fixed in the notice, the hearing shall be continued from day to day during the term without the entry of any order of continuance, until disposed of.

(6) If it is determined to be impracticable to hear and determine the objections to all of the taxes specified in the petition within the time fixed for that purpose, then the court shall, within the time stated in this section, enter a final judgment as to all taxes to which no objections have been filed, and also those to which objections have been filed, which

the court has then heard and determined to be valid. The judgment shall be signed and recorded as provided in this section. The court shall proceed with the consideration of the remaining taxes set forth in the petition, and objections to those taxes, and as soon as practicable dispose of the remaining taxes by 1 or more judgments in a form as the court determines, which shall be entered in the record of the court. The judgment shall describe the property and specify the total amount of taxes, interest, and charges on each parcel of property. After the judgment is entered, the county clerk shall immediately deliver to the county treasurer a certified copy of the judgment, to be kept and used as provided in this section. A copy of the judgment shall be annexed to the tax record and is part of the tax record.

(7) If a decree is not entered on a petition as to the taxes named in the petition, or any part of the taxes named in the petition, the state treasurer shall, as soon as practicable, file a new petition for sale, and proceedings on that new petition shall be conducted and judgment entered and sale made as provided in this section.

(8) If judgment is entered in favor of the validity of any disputed tax, and the person contesting the validity of that tax desires to appeal to the court of appeals, that person may do so on paying the amount of the judgment to the county treasurer within 10 days after the date the judgment is entered. The county treasurer shall retain the amount of the judgment until the decision of the court of appeals, and shall pay the amount of the judgment to the party appealing the judgment if the tax appealed is held invalid. If the tax appealed is held valid, then the amount of the judgment shall be credited to the proper fund. Payment of the amount of the judgment discharges the tax lien on the property. If the court rules against the validity of any tax, either the county treasurer or the state treasurer may appeal to the court of appeals on behalf of this state, but there shall be no sale for the tax held invalid until the decision appealed is reversed or modified by the supreme court.

(9) Proceedings in which the validity of any tax is in dispute shall, if no other provision is made in this section, follow the ordinary practice of the court, and the court may allow amendments as in ordinary cases.

(10) Notice shall be given of all appeals to the court of appeals, and an appeal shall be claimed, entered, and bond for costs given, within 20 days after the judgment is entered. Any party appealing from a judgment, except the state treasurer and any political subdivision of this state, shall file a bond for costs in the usual form, the amount of the bond and sureties on the bond to be approved by the court that entered the judgment. The judge shall, at the request of either party and on due notice, settle in proper form a case containing as much of the record and proceedings as necessary to the understanding of the judgment by the court of appeals, and if an appeal is taken, the case shall be transmitted to the court of appeals. An appeal of the tax on any parcel does not delay or affect the proceedings for the sale of any property on which there is no appeal.

(11) If the court in its judgment determines an assessment to be void because of an erroneous or indefinite description of the parcel of property, the court shall, in that judgment, direct the state treasurer to reject that tax and cause that tax to be reassessed on a correct description of the parcel of property. The judgment shall also set forth the correct description of that property.

Sec. 70. (1) On the first Tuesday of May, beginning at 10:00 a.m., the county treasurer shall commence the sale of the property mentioned in the judgment upon which the amounts charged have not been paid. The county treasurer shall continue the sale from day to day, Sundays and other legal holidays excepted, until as much of each parcel is sold as is sufficient to pay the amounts charged.

(2) The county treasurer may deputize 1 or more persons in his or her office to conduct the sale for him or her and in his or her behalf. An appointment shall be filed by the county treasurer with the county clerk in the court proceedings relating to the tax sale.

(3) Each parcel described in the judgment shall be sold separately for the total taxes, interest, and charges. The property shall be sold to the person paying the full amount charged against that parcel, and accepting a conveyance of the smallest undivided fee simple interest in that parcel. No greater interest in any parcel shall be sold than is sufficient to pay the amount of the tax, interest, and charges for which the property is sold.

(4) If no person will pay the tax, interest, and charges and take a conveyance of less than the entire fee simple interest in a parcel, then the whole parcel shall be offered and sold.

(5) The sale shall be held at the county seat, at the office of or at a convenient place selected by the county treasurer. Property sold is subject to the taxes assessed after taxes included in the judgment and for the year for which the sale is made.

(6) The county treasurer may, in his or her discretion, require immediate payment of any person to whom any parcel of property is sold. In all cases where payment is not made in 24 hours after the sale, the county treasurer shall declare the bid canceled and sell the land again. Any person who fails to pay to the county treasurer the amount of his or her bid, shall forfeit to the state 5 times the amount of that bid, and costs of collection, which may be recovered in the name of the people of the state of Michigan in an action in any court of competent jurisdiction. The county treasurer and prosecuting attorney of the county shall prosecute for all delinquencies and penalties without unnecessary delay. Any subsequent bid of a person who fails to pay a previous bid at that sale may be disregarded by the treasurer.

(7) If a parcel of property cannot be sold for taxes, interest, and charges, that parcel shall be passed over and shall be reoffered before the close of the sale. If the property cannot be sold for the taxes, interest, and charges, the county treasurer or his or her deputy or deputies shall bid off the property in the name of the state for the state, county, and township, in proportion to the taxes, interest, and charges due each. Taxes, interest, and charges on property bid off to the state shall remain a lien on that property, and any person may purchase that property as provided in this act.

(8) The county treasurer shall enter or cause to be entered in the proper columns of the tax record the interest in property sold, the name and post office address of each purchaser opposite each parcel sold, and the word "state" opposite each parcel bid off in the name of the state. Certificates shall be given to each purchaser of the property and the interest bid off by him or her, showing the year's tax for which he or she has purchased, the amount of that tax, and of all charges paid by him or her at the time of purchase. The certificate shall state that he or she will be entitled to a deed after the period of redemption provided for in section 74 has expired, and that if the sale is not confirmed the money will be returned.

(9) As soon as possible after the conclusion of any sale, and within 25 days after the day named in the notice for the commencement of the sale, the county treasurer shall make and file with the clerk of the court a report of the sale, referring to the tax record for the particulars. Upon petition by the county treasurer, the court may extend the time within which the report is required to be filed, not to exceed 50 days from the date of the commencement of the sale.

(10) All sales shall stand confirmed, subject to the right of redemption provided for in section 74, unless objections to the sale are filed within 8 days after the time limited for filing the report described in subsection (9), without the entry of an order or further notice. Procedures for setting aside a sale are the same, so far as applicable, as in a sale in equity on the foreclosure of mortgages. No sale shall be set aside for inadequacy of price, except upon payment of the amount bid, with interest and costs. No sale shall be set aside after confirmation, unless the taxes were paid or the property was exempt from taxation and, in that case, the owner of the property may move the court at any time within 1 year after he or she has notice of the sale to set the sale aside.

(11) As soon as practicable after sales are confirmed and within 30 days from the date of confirmation, the county treasurer shall make full report of the sale to the state treasurer, in a form prescribed by the state treasurer, giving a description of the property sold, the amounts for which the property was sold, and the names and addresses of the purchasers. The state treasurer shall, after the period of redemption provided in section 74 has expired, execute deeds to the purchasers in a form prescribed by him or her.

(12) All property bid off in the name of the state shall continue liable to be taxed in the same manner as if it was not the property of the state.

(13) If property included in the judgment is not sold as advertised, the state treasurer shall cause a sale to be made at some other time as he or she may fix for that purpose. Notice of that sale shall be published at least 4 weeks prior to the sale. The notice shall contain a description of the property and the amount of taxes, interest, and charges, as provided in the judgment. The sale and all other proceedings shall be the same as if made on the first day of the initial sale. The county treasurer shall receive only that amount receivable at the state treasury. All money received at any tax sales that belong to the state shall be paid into the state treasury. The expenses of advertising and sale exclusive of the county's share shall be paid from the state treasury on the warrant of the state treasurer, and the remainder shall be credited to the general fund.

Sec. 73. (1) No sale of property or deed issued by the state treasurer under this act shall be set aside or annulled by any court of this state after the purchaser or his or her heirs or assigns have been in actual and undisputed possession of the property sold for a period of 5 years from the date of the purchase or deed.

(2) If a sale made under this act is set aside by any court less than 5 years from the date of the sale or deed, the court shall determine the value of improvements made by the purchaser, if he or she has been in possession of the property, and enter a judgment in that amount in favor of the purchaser, and issue execution to collect that amount from the claimant before putting him or her in possession.

(3) If a sale made under this act is set aside by any court or is canceled by the state treasurer as provided in this act, the state treasurer shall refund to the purchaser the amount paid at the time of the sale, with interest at the rate of 6% per annum from the time of the purchase to the time when the sale was set aside or canceled.

(4) No refund of purchase money and interest shall be made more than 5 years from the date of expiration of the redemption period in the case of a tax certificate, or more than 5 years from the date the purchaser or his or her heirs or assigns, was entitled to a tax deed, if a tax deed was issued. The state treasurer shall charge back to the county all taxes, interest, and charges for all years for which the taxes are invalid or the description erroneous. For all years for which no invalidity has been found the state treasurer shall proceed to enforce the collection of the taxes for all years refunded as provided in this act, as in the case of taxes for which sale has not been made.

Sec. 73a. (1) The right to recover possession of property to a refund of the amount paid, or to secure a tax deed, by a person claiming through or under a deed executed by the state treasurer or by an officer authorized to issue tax deeds under a former tax law of the territory of the state of Michigan or by virtue of a certificate of purchase issued under

this act or by a former tax law, is forever barred by the actual, open, and continuous possession of a person claiming that property adversely to the tax deed or certificate of purchase, for the period of 5 years after the purchaser of the tax title or his or her heirs or assigns are entitled to a deed or by a failure of the tax title purchaser or his or her heirs or assigns to make a bona fide attempt to give notice required under this act, or by a former tax law, for a reconveyance of the property within 5 years.

(2) In case of a failure to give the required notice for reconveyance within the period of 5 years from the date the purchaser or his or her heirs or assigns become entitled to a tax deed to be issued by the state treasurer, the person claiming title under the tax deed or certificate of purchase is barred from asserting that title or claiming a lien on the land by reason of a tax purchase and the purchaser or his or her heirs or assigns are not entitled to a refund of the amount paid as a condition of the purchase of the tax title by reason of any defect, irregularity, invalidity, or any cause whatever affecting the taxes or the sale of the property for a tax lien.

(3) The failure of a tax title purchaser or his or her heirs or assigns to present a certificate of purchase or due proof of loss to the state treasurer or his or her deputy, as prescribed in section 72, or to the officer empowered by a former law to issue tax deeds, within 5 years from the purchase of the tax title, bars the tax title purchaser or his or her heirs or assigns from securing a tax deed.

(4) In the case of failure to present a certificate of purchase to the state treasurer or his or her deputy or to an officer empowered by a former tax law to issue tax deeds, a person owning an interest in the property sold for taxes, upon the payment of 50 cents to the state treasurer or his or her deputy, shall be entitled to a certificate of cancellation under the hand and seal of the state treasurer or his or her deputy, setting forth a description of the certificate of purchase and that, according to the records of the state treasurer, a tax deed has not been issued for a certificate of purchase, and that the time for presentation of the certificate of purchase or due proof of loss of the certificate has expired, and neither the certificate of purchase nor due proof of loss of the certificate was presented within the time required. The certificate of cancellation may be recorded in the office of the register of deeds of the county in which the property is situated. When recorded, the certificate prima facie evidence of the facts certified and has the same effect as evidence and notice of title as the recording of deeds and other conveyances. The register of deeds is entitled, for the recording of the certificate of cancellation, to the same fees as for recording of deeds.

(5) If within the period of 5 years the tax title purchaser or his or her heirs or assigns have made a bona fide attempt to give the required notice for the reconveyance of the premises, neither the legality or sufficiency of the sale or notice, nor the bona fides of the purchaser in this attempt to give the statutory notice, shall be questioned, raised, or adjudicated except in or by a suit in equity.

(6) A person who has been properly served with notice and who has failed to redeem from a sale in accordance with this act, within the period specified, is not entitled to question or deny in any manner the sufficiency of notice upon the ground that some other person entitled to notice was not also served.

(7) Nothing in this section shall be construed, by implication or otherwise, to revive or give effect to a tax deed or certificate of purchase barred or voided by operations of law or otherwise.

Sec. 73b. (1) A purchaser's certificate of tax sale issued under this act or any prior act, including any law of the territory of Michigan prior to September 28, 1907, which, or due proof of loss of which, has not been presented to the state treasurer or his or her deputy, as prescribed in section 72, within 90 days after the effective date of this section, is barred and shall cease to be a cloud upon the title to the property affected.

(2) An action based upon a tax deed executed by an officer of the state of Michigan before September 28, 1942 shall not be maintained in any court to recover property in this state or to establish, maintain, or recover an interest in property against a person in possession who, or whose predecessors in interest, paid or caused to be paid the taxes regularly assessed against the property for at least 5 consecutive years preceding the date when the action is brought and who claim the property under a connected chain of title from the person who was the last grantee in the regular chain of title of the property at the time the tax deed was executed.

(3) In the case of unoccupied, unimproved, and unenclosed property a person shall be considered to be in possession of the property for the purposes of subsection (2) if that person or his or her predecessors in interest paid or caused to be paid all taxes regularly assessed against the property for a period of at least 5 consecutive years before the action is brought against him or her.

(4) Nothing in this section shall be construed, by implication or otherwise, to revive or give any effect to any certificate or deed barred or voided by operation of law or otherwise.

Sec. 75. If a court annuls a certificate executed by the county treasurer or any deed issued by the state treasurer, the clerk of the court, on the payment by any party interested of \$1.00, shall deliver to that person a certified copy of the judgment or order. The certified copy of the judgment or order may be recorded in the office of the register of deeds of the county in which the property is located. On recording the certificate, the register of deeds shall enter in the margin of the record of the tax deed affected a brief statement of the judgment or order, and shall also send notice of the judgment or order to the office of the state treasurer.

Sec. 83. (1) If a certificate of sale for delinquent taxes is lost, the purchaser, his or her legal representative, or his or her assigns may file a verified affidavit of the loss and that the purchaser was, at the time of the loss, the bona fide and legal holder and owner of the certificate.

(2) If an affidavit is filed under subsection (1), the state treasurer or his or her designated representative shall execute a deed to the property described in the certificate, if the certificate has not been redeemed, in the same manner as though the certificate had been presented and surrendered.

(3) The state treasurer or his or her designated representative shall execute a second deed to property conveyed if the original deed and record of the original deed is lost or destroyed. A second deed shall declare upon its face that it is a second deed, and shall recite the loss or destruction of the former deed and its date, if possible. A second deed shall inure to the benefit of the grantee in the first deed or his or her heirs or assigns, as the case may be, and shall have the same force and effect as the first deed. Before execution of a second deed, the party applying for the second deed shall pay to the state treasurer the sum of \$1.00, which shall be credited to the general fund of this state.

Sec. 85. The sale of any of the bids of the state for which the time of redemption has not expired shall not prejudice the right to enforce the collection of any tax prior or subsequent to the year or years for which the property was sold. For the taxes and charges remaining unpaid for prior or subsequent year or years, the state treasurer shall offer that property in regular succession at the next annual tax sale, giving notice as required by law, unless previously redeemed or otherwise discharged.

Sec. 86. In the prosecution of an action of ejectment by any person holding an adverse claim to any property bid off to the state as provided in this act, the state treasurer may be defendant. In all cases in the prosecution or defense of an action of ejectment or trespass by any person holding or claiming property under any deed or other conveyance of property bid off or purchased for delinquent or unpaid taxes, the party reclaiming under the purchase for unpaid taxes may show his or her title to the property, whether title was derived under 1 or more purchases or sales for taxes or otherwise, and may give in evidence any and all deeds of conveyance or other legal evidence of purchase, which he or she may have received on sales for taxes, and may claim title under any or all of them. The state or county shall not be required to refund any taxes or money by reason of defect in the taxes or sales prior to the particular tax or deed decreed valid.

Sec. 87. (1) The accounts between this state and each county and local tax collecting unit in this state shall be adjusted on the basis of crediting and paying to each county and local tax collecting unit the taxes collected by and for each county and local tax collecting unit with interest on those taxes.

(2) The state treasurer shall, on January 1, April 1, July 1, and October 1 in each year, make a statement of account between this state and each county and deliver the statement of account to the county treasurer of each county together with a warrant payable to the county treasurer for all money in the state treasury collected for the county, a local tax collecting unit, school district, or highway in that county, or any other purposes for that county, local tax collecting unit, school district, or highway. The state treasurer shall send notice of the warrant to the county clerk.

(3) At the time designated in subsection (2), the county treasurer shall pay to this state all money collected and due from that county to this state, as shown by the statement of account prepared by the state treasurer. On January 15, and on the fifteenth day of each month thereafter, the county treasurer shall pay to this state all money coming into his or her hands from the collection of the state tax, and shall transmit a sworn statement of the amount of taxes received from the collector in each assessing district in that county. The collector in each assessing district in the county shall pay to the county treasurer of its respective county all money collected not later than January 10, and not later than the tenth day of each month thereafter until the regular quarterly settlement for the quarter ending March 31 is made each year. The county treasurer or collector of each assessing district in the county shall also pay to the state treasurer for the use of this state $\frac{1}{2}$ of 1% for each month or fraction of a month as interest on all money in his or her possession belonging to this state and not remitted on the fifteenth of the month. The state treasurer shall include all sums due as interest in his or her quarterly statement to the county treasurer. The sum due as interest shall be paid by the county the same as the taxes are paid and collected by the county from the treasurer or the sureties on his or her bond.

(4) The county treasurer of each county shall, on or before the fifteenth day of each month, make out a detailed statement of account for the preceding calendar month between the county and the local tax collecting units in that county. The statement shall show the different funds to which the several debits and credits belong. The county treasurer shall deliver the statement to the treasurer of the local tax collecting unit and pay the amount shown by the statement to the local tax collecting unit. The county treasurer shall notify the clerk of the local tax collecting unit of the total amount paid and provide a description of the property upon which the taxes were paid. The county clerk shall charge that amount to the county treasurer, and the clerks of the local tax collecting units shall charge that amount to the treasurers of the local tax collecting units on the books of their respective offices.

(5) Treasurers for the local tax collecting units are not required to make a settlement with the county treasurer for the items of state and county taxes included in the annual charge back list until the annual settlement with the county treasurer.

(6) The county board of commissioners by majority vote may authorize the county treasurer to pay directly to the school districts all money shown on the statement to be due to the school districts within the county. In that case the county superintendent is not required to compute and report delinquent school taxes handled by the county.

Sec. 88. The state treasurer shall, on the first Monday in each month, transmit to the treasurer of each county a list of the property in that county upon which the taxes have been paid to the state treasurer and also a list of all property bid off to the state that has been sold during the preceding month. Upon receiving the lists the county treasurer shall make the proper entries showing the payment or sale. Where a sale has been made by the state treasurer, the county treasurer shall note that fact upon the tax record.

Sec. 90. All compensation of officers in the assessment and collection of taxes in townships and in the return of delinquent taxes to the county treasurer, except fees collected by township treasurers on their tax rolls, shall be paid by the township. All compensation of county officers and expenses incurred by them under the provisions of this act shall be paid by the county. The compensation of all state officers and expenses incurred by them shall be paid by this state. Expenses incurred by the state officers shall be audited by the state treasurer and paid out of the general fund.

Sec. 95. (1) If the state treasurer or county treasurer discovers before the sale of any property for delinquent taxes that for any reason the property should not be sold, the state treasurer or county treasurer shall cause the property to be withheld from sale.

(2) If the error originated with the local tax collecting unit or county officers, the amount of the taxes shall be charged against the county from which the taxes were returned as delinquent.

(3) If the error was made by an officer of a local tax collecting unit, the amount of the taxes shall be charged by the county treasurer to the local tax collecting unit.

(4) If there has been a change in the boundaries of the county in which the property is situated after the return of the taxes, the taxes shall be charged to the county in which the property was located when the taxes were returned as delinquent.

Sec. 96. (1) The county treasurer shall, on or before June 30 of each year, prepare a statement setting forth all rejected taxes, the reasons for the rejection, and a description of the property upon which the taxes were assessed.

(2) After due examination, if the rejection is approved, the state treasurer shall submit the rejected taxes, through the county treasurer, to the county board of commissioners at the next annual fall session.

(3) If taxes are rejected or charged back by the state treasurer or the county treasurer, unless the property was not subject to taxation at the time the taxes were assessed, the taxes on the property have been paid, or there had been a double assessment of the taxes on the property, the county board of commissioners shall cause the taxes to be reassessed upon the same property, collected with the taxes of the current year, and treated in the same manner as taxes of the current year. Taxes that are rejected or charged back are not subject to penalties other than the penalties that apply to taxes assessed in the current year. If the taxes cannot be properly reassessed upon the same property, the county board of commissioners shall cause the taxes to be reassessed upon the taxable property of the proper local tax collecting unit.

Sec. 97. The county board of commissioners shall furnish to the state treasurer a list of all taxes that have been rejected or charged back to their county upon property that has been detached from the county after the taxes were assessed. The state treasurer shall credit to that county the amount charged back, and charge that amount to the county in which the property is situated if the taxes have not been paid or reassessed.

Sec. 98. (1) If property returned to the state treasurer under this act is sold for the nonpayment of taxes and the state treasurer discovers any of the following, the state treasurer shall suspend the sale or forfeiture of that property:

(a) The property was not subject to taxation on the date of the assessment of the taxes for which it was sold.

(b) The taxes had been paid to the proper officer within the time limited by law for payment or redemption.

(c) The sale violated a provision of this act.

(d) A certificate, including the certificate provided for in section 135, tax history, or statement to the effect that all taxes charged against the property has been paid, is given by the proper officer within the time limited by law for payment or redemption.

(e) The description of the property used in the assessment was so indefinite or erroneous as to result in the tax lien being void.

(2) The state treasurer shall withhold a conveyance of property the sale of which is suspended pursuant to subsection (1) and shall, on demand, refund the purchase price to the purchaser with interest at 6% per annum.

(3) If a sale is suspended pursuant to subsection (1)(d), the person on whose behalf the certificate, tax history, or statement was given shall, when presenting the certificate to the state treasurer, pay to the state treasurer all taxes and charges due to this state upon the property at the time the certificate was issued. A refund of the purchase price and interest shall not be made more than 5 years after the expiration of the redemption period.

(4) If the discovery of any of the conditions set forth in subsection (1) is not made until after a conveyance of the property is executed and delivered, a certificate of error may be issued in proper form for recording and the deed, if not recorded, shall be surrendered when the purchase price is refunded. If the deed has been recorded, the purchase price shall be refunded on a recorded release from the holder of the tax deed. Conveyance of the property shall not be withheld or a certificate of error issued more than 5 years after the date of the sale unless 1 or more of the following conditions exist:

(a) The property was not subject to taxation at the time of the assessment of the taxes for which it was sold.

(b) The taxes had been paid to the proper officer within the time limited by law for the payment or redemption.

(5) Refund of the purchase price and interest shall not be made more than 5 years after the purchaser or his or her heirs or assigns was entitled to a tax deed.

(6) If a conveyance of property is withheld or a certificate of error issued under this section, the state treasurer shall cancel the sale. If a conveyance is withheld or certificate of error issued for the reasons set forth in subsection (1)(a), (b), and (e), the state treasurer shall reject the taxes and special assessments for the nonpayment of which the property was sold. The rejected taxes and special assessments shall be reassessed pursuant to section 96. If a conveyance is withheld or certificate of error issued for the reasons set forth in subsection (1)(c) or (d), the state treasurer may proceed to enforce the collection of the taxes under this act.

Sec. 98a. (1) If taxes are paid to the officer authorized under this act to receive payment, and the entry of that payment is not made upon the tax roll, a person applying for a certificate of error or a cancellation of the sale for delinquent taxes, and rejection of the taxes, shall present to the state treasurer the certificate of the county treasurer that the taxes were paid on the day of (giving date), as it appears on the copy of the receipt for payment of the taxes on file in the county treasurer's office.

(2) A certified copy of the receipt shall be forwarded to the state treasurer with the certificate.

(3) The county treasurer shall make a certified copy of receipts presented to him or her and file those receipts in his or her office, and shall return the original receipt to the person entitled to the original receipt.

(4) The county treasurer shall immediately notify the person or officer receiving payment of the production of the receipt and require payment to the county treasurer of the amount not discharged by entry upon the tax roll at the time of payment. If the person who received payment does not pay that amount within 30 days of the receipt of the notice, the county treasurer shall bring suit against that person and against his or her bond for the recovery of that amount. On receipt of the amount paid, the county treasurer shall pay that amount to the proper officer of the local tax collecting unit or fund entitled to that amount, and shall notify the county board of commissioners at the annual session in October of the amounts collected and paid.

Sec. 99. (1) A tax assessed upon property or a sale of property for a delinquent tax shall not be held invalid by any court of this state on account of any of the following:

(a) An irregularity in any assessment.

(b) An assessment or tax roll not having been made or a proceeding held within the time required by law.

(c) The property having been assessed without the name of the owner, or in the name of any person other than the owner.

(d) Any other irregularity, informality, or omission, or lack of any matter of form or substance in any proceeding that does not prejudice the property rights of the person whose property is taxed.

(2) All proceedings in assessing and levying taxes and in the sale of property for delinquent taxes shall be presumed by all the courts of this state to be legal, unless affirmatively shown to be illegal.

(3) All records, statements, and certificates provided for in this act are prima facie evidence of the facts set forth in the record, statement, or certificate.

(4) The absence of any record of any proceeding, the omission of any mention in any record of any vote or proceeding, or the mention of any matter in any statement or certificate that should appear in the statement or certificate under any law of this state does not affect the validity of any proceeding, tax, or title, if the fact that the vote or proceeding was had or the tax was authorized is shown by any other record, statement, or certificate entered as evidence under this act or any other law of this state.

(5) A tax or sale of property for any tax shall not be rendered or held invalid if a record, statement, certificate, affidavit, paper, or return cannot be found in the proper office. Unless the contrary is affirmatively shown, the presumption is that the record was made, and the certificate, statement, affidavit, paper, or return was duly made and filed.

(6) If any statement, certificate, or record is required to be made or signed by a school district board or the governing body of a local tax collecting unit, that statement, certificate, or record may be made and signed by the members of the school district board or the governing body of a local tax collecting unit, or a majority of the school district board or the governing body of a local tax collecting unit, and it is not necessary that other members be present when each signs the certificate, statement, affidavit, paper, or return.

(7) This section shall not be construed to authorize any showing impeaching the validity of any deed executed by the state treasurer under this act, and that deed is absolute and conclusive as provided in this act.

Sec. 101. If property is sold for delinquent taxes and the purchaser or his or her assigns dies before a deed is executed on the sale, the deed may be executed by the state treasurer to and in the name of the deceased person, if the deceased person would be entitled to a deed if still alive, and the deed vests title to the property in the heirs or devisees of the deceased person, in the same manner and liable to the claims of creditors and other persons as if the deed had been executed to the deceased person immediately prior to his or her death. The executor or administrator may assign the certificate of purchase and the deed may issue to the assignee of the certificate.

Sec. 102. (1) The county treasurer shall, at the same time he or she makes his or her return of delinquent property to the state treasurer, make a similar return to the department of natural resources of all homestead and part paid state property, the fee of which is in this state, the taxes upon which have not been collected, with a statement of the amount of the taxes.

(2) The department of natural resources shall provide suitable books, and enter in those books the description of every parcel of property returned and the taxes on that property.

(3) The person holding an interest in any parcel of property returned shall, on or before the first day of July following the return, pay to the state treasurer the taxes assessed on that property, with interest at the rate of 1% per month or fraction of a month from the immediately preceding March 1. If the taxes are not paid, the certificate of purchase of that parcel shall become void and that parcel shall be subject to sale and redemption in the same time and manner as property forfeited for nonpayment of interest. A patent shall not be made of that property until all taxes levied on that property are paid.

Sec. 103. The department of natural resources shall, on or before the first day of May and November in each year, make out and furnish to the state treasurer a statement containing a description of the property upon which the taxes have been paid, and the amount of the payments. At the same time, the department of natural resources shall transmit to each county treasurer a copy of the statement so far as the same relates to his or her county. The state treasurer shall credit to each county its proper part of those taxes, and the county treasurer shall credit each township with its share of that amount.

Sec. 105. (1) If a new county is organized after the time for making the assessment roll and before the return of the treasurer of the local tax collecting unit, the new organization does not affect the assessment, collection, or return of taxes for that year on any property attached to the new county.

(2) The division of a local tax collecting unit after the time for making the assessment roll and before the return of the treasurer of the local tax collecting unit does not affect the assessment, collection, and return of taxes set forth on that assessment roll. The taxes shall be assessed, collected, and returned as though there had been no division of the local tax collecting unit.

(3) If property is detached from any county after the taxes on property in that county are returned to the state treasurer, and any of those taxes are rejected or set aside, the county from which the taxes were detached shall receive credit, and the county to which they are attached shall be charged.

Sec. 113. (1) A person shall not remove any building or fixture, sand, gravel, or minerals, or cut or remove any logs, wood, timber, or any other part of property sold for delinquent taxes while this state owns that property or holds a tax lien on that property by virtue of the sale or the nonpayment of any other delinquent taxes.

(2) If a person removes a building or fixture, sand, gravel, or minerals, or cuts or removes logs, wood, timber, or any other part of property in violation of subsection (1), the state treasurer or his or her designated representative shall issue a warrant in the name of the people of this state directed to the sheriff of the county in which the property is situated. The warrant shall set forth a description of the property and the amount of the unpaid taxes, interest, and charges, and command the sheriff to seize the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property wherever found in any county in this state and to sell the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property or a sufficient quantity of the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property to satisfy the taxes, interest, and charges and the cost of the seizure and sale.

(3) The sheriff shall receive the warrant and execute the warrant as directed in the warrant, as if a levy and sale on execution, and make a return on the warrant to the state treasurer, within 60 days after the receipt of the warrant, and pay all money collected to the state treasurer.

(4) The state treasurer may furnish the state trespass agent with lists or plats of property bid off to this state and on which the taxes remain unpaid. The state trespass agent shall examine the property and promptly report to the state treasurer all violations of this section.

(5) The sheriff and county treasurer of each county shall report any trespass or other acts prohibited by this section to the state treasurer immediately after either has knowledge of the trespass or prohibited act, and any officer of a local tax collecting unit with knowledge of a trespass or prohibited act shall report the facts to the sheriff or county treasurer.

(6) A person with a fee interest or a land contract vendee may enter into a contract and agreement with the state treasurer or the county treasurer, whereby the person may remove any buildings or fixtures, sand, gravel, or minerals, or cut or remove any logs, wood, timber, or any other part of the property. If that person posts satisfactory bonds securing to this state absolute protection against loss to this state, a county, or other political subdivision of this state.

(7) This state or any board or department of this state having jurisdiction of property sold or forfeited to this state may obtain an injunction to restrain waste on any of that property, to prevent the removal or tearing down of any building or the removal of a fixture, the removal of any sand, gravel, or minerals, or the cutting or removal of any logs, wood, timber, or any other part of that property, whether or not that act constitutes waste.

(8) The circuit court of the county in which the property or any part of the property is located has jurisdiction to grant injunctive relief upon the filing of a bill or petition for relief whether or not other relief is sought.

Sec. 121. The state treasurer shall, from time to time as necessary, cause to be printed at the expense of this state a sufficient number of copies of this act and other laws relating to the taxation of property, as necessary for a full understanding of all the duties of assessing officers or other state, county, or local tax collecting unit officers. The state treasurer shall include proper side notes, an index, and forms of proceedings, as necessary. The state treasurer shall furnish 1 copy to each supervisor, assessor, clerk for a local tax collecting unit, and county clerk, and 3 copies to each county treasurer. Each copy shall be marked "state property." The state treasurer shall transmit to each county treasurer, at the expense of the county, a sufficient number of copies for each county, and each county treasurer shall immediately furnish to the clerk of each local tax collecting unit in that county 5 copies to be distributed to the officers of the local tax collecting unit entitled to a copy. The state treasurer shall examine and audit all properly certified claims for services rendered and expenses incurred under this section.

Sec. 122. The state treasurer shall prescribe or approve all forms, blanks, and record books required under this act. The county clerks and treasurers shall use the blanks prescribed or approved by the state treasurer and no others.

Sec. 127b. (1) Property located within the corporate limits of any city or village, and acquired by this state by the automatic operation of former section 127 prior to June 15, 1933, and not conveyed to this state by the state treasurer, after absolute title to that property has been determined to be in this state by final judgment of a court of competent jurisdiction, and after that judgment is no longer subject to modification or reversal shall be conveyed by the director of the department of natural resources to that city or village.

(2) All property conveyed under this section or any part of that property or interest in that property may be sold by the city or village as provided by law or charter. The proceeds of any sale shall be applied as provided in section 131.

Sec. 130. (1) All taxes charged against the property in the office of the state treasurer if the property is deeded to this state shall be canceled. No part of the taxes due to the township or county shall be charged to this state, but this state and the county and township respectively shall bear the share of loss on the taxes that properly belongs to each.

(2) The state treasurer shall make a list of all property deeded to this state in each county on or before the first day of March in each year and transmit the list to the county treasurer. The county treasurer shall serve, or cause to be served, upon the supervisor of the township in which the property is located a copy of the list of property in the township as furnished to the treasurer by the state treasurer.

(3) The supervisor shall produce the list to the board of review while in session for the purpose of reviewing the assessment roll. The supervisor shall omit and cancel from his or her assessment roll all property deeded to this state, as shown by the list. The board of review shall, when in session, compare the assessment roll of the township with the list furnished by the county treasurer, and correct all mistakes.

(4) The property deeded to this state shall not be liable to any assessment for any purpose until the property is sold by this state, and notice of the sale given to the county treasurer by the department of natural resources.

Sec. 135. (1) If any deed, land contract, plat of any townsite or village, addition to any townsite, village, or city plat, or any other instrument for the conveyance of title to any property, is presented to the register of deeds of any county

in this state for recording or filing, the register of deeds shall require all of the following from the person presenting the instrument for filing:

(a) A certificate from the state treasurer, or from the county treasurer of the county, stating whether there are any tax liens or titles held by this state, or by any individual, against the property sought to be conveyed by the instrument.

(b) A certificate that all taxes due on that property have been paid for the 5 years preceding the date of the instrument.

(c) A certificate from the city, village, or township treasurer in which the property is located, whether there are any tax titles or certificates of tax sale held by the city, village, or township, or by any individual, against the property to be conveyed.

(d) A certificate that all tax titles, tax certificates, or special assessments sold on that property to the city, village, or township have been redeemed for the 5 years preceding the date of the instrument.

(2) If the certificate or certificates required under subsection (1) are not provided, the person presenting the instrument for recording shall not record the instrument until the necessary certificate is presented.

(3) If any instrument is presented for certification on or after March 1 and before the local treasurer of the local tax collecting unit in which the property is located has made his or her return of current delinquent taxes, the county treasurer shall include with his or her certification a notation that the current delinquent return was not available for examination. The register of deeds shall not refuse to record the instrument because of a lack of complete certification.

(4) Taxes canceled by court decree made pursuant to section 67 shall be considered to have been paid within the meaning of this section, provided title to the property against which those taxes were assessed is not in this state on the date of the certificate.

(5) The register of deeds shall note the fact upon the deed that the required certificate or certificates have or have not been presented to him or her when the instrument is presented for recording. If the person presenting the instrument refuses to procure a certificate or certificates, the register of deeds shall endorse that fact upon the instrument, over his or her official signature, and shall refuse to receive and record the instrument.

(6) This section does not apply to any of the following:

(a) The filing of any town or village plat for the purpose of incorporation, insofar as the property included in that plat is included in a plat already filed in the office of the register of deeds, or insofar as the description of the property in that plat is not changed by the plat.

(b) The filing of any copy of the town, village, or city plat if the original plat filed in the office of the register of deeds has been lost or destroyed.

(c) To any sheriff's or commissioner's deed executed for the sale of property under any proceeding in law, or by virtue of any judgment of any of the courts of this state.

(d) To any deed of trust by any assignee, executor, or corporation executed pursuant to any law of this state.

(e) To any quitclaim deed or other conveyance containing no covenants of warranty.

(f) To any patent executed by the president of the United States or the governor of this state.

(g) To any tax deed made by the state treasurer.

(h) To any deed executed by any railroad company conveying its right-of-way, provided the deed is accompanied by a certificate of the state treasurer showing that all specific taxes due from the railroad company have been paid, including taxes levied in the year in which the deed is executed.

(7) A violation of this section by any register of deeds is a misdemeanor, punishable by a fine of not more than \$100.00, and he or she is liable to the grantee of any instrument recorded for the amount of damages sustained.

Sec. 138. (1) All property that has been returned to the state treasurer as delinquent for taxes under the provisions of any general tax law in force prior to the passage of former 1891 PA 200, and upon which the taxes are unpaid and which have not been sold for those taxes, and all property returned that has been sold for delinquent taxes, and upon which the sale has been or may be set aside by any court of competent jurisdiction or canceled as provided by law, is subject to disposition, sale, and redemption for the enforcement and collection of the tax liens in the method and manner provided in this act.

(2) This section contained does not apply to the sale of any property previously sold, if the sale was set aside or canceled for any reason affecting the validity of the taxes for which the property was sold.

(3) The court may enter decree of sale for the taxes for any year prior to 1891, for the amount of the taxes found valid, without including the charge for interest as provided by law.

(4) If tender of the amount assessed against any property for taxes of 1890 or any prior year is made to the state treasurer, together with the collection fee and the charge for expenses as provided by law, at any time before the first day of the month preceding the month in which sale is ordered to be made, the state treasurer shall issue a receipt and cancel any state bid under which the property is held for that year, and this state and the county and township shall bear the loss of accrued interest in proportion to their interests in the property.

Sec. 139. (1) The state treasurer may cause an examination to be made of the proceedings under which any property bid off to this state, and which has not been deeded by the state treasurer, were sold for delinquent taxes and bid of to this state under the provisions of any general tax law.

(2) If the state treasurer finds that the sales or the decrees under which the sales were made were in contravention of any provision of the laws in force at the time the decrees were entered or sales made, the state treasurer may cancel the sales and proceed at any time to enforce the collection of the taxes under this act.

Sec. 144. (1) The state treasurer shall be made a party defendant to all actions or proceedings instituted to set aside any sale for delinquent taxes on property that has been sold at annual tax sales, or to set aside any taxes returned to him or her and for which sale has not been made.

(2) A copy of the petition shall be served upon the state treasurer, the prosecuting attorney of the county, and the city, village, township, and school district, for the taxes of which the property was sold or returned delinquent at the time of commencing the action, which service is in lieu of the service of other process. Hearing upon the petition shall not be held until service has been made and proof of service filed.

(3) The state treasurer may cause the attorney general to represent him or her in those proceedings. In any suit or proceedings instituted under this section, no costs shall be assessed against any party to the action.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

.....
Governor.