

PUBLIC ACT'S 255 AND 256 OF 2020:

Modifies the General Property Tax Act in response to the Michigan Supreme Court's decision in *Rafaeli v Oakland County*. In *Rafaeli*, the Court determined that parties with an interest in tax foreclosed real property retain a right under the Michigan Constitution to proceeds realized at auction which exceed the taxes, interest, penalties, fees and other costs owed on that property.

*Rafaeli* marked a drastic change in Michigan law with respect to real property tax foreclosed and rendered unconstitutional portions of the General Property Tax Act which previously allowed Foreclosing Governmental Units to retain remaining proceeds. The Amendments essentially comprise four significant changes to the General Property Tax Act:

1. A CLAIM PROCESS – a newly created MCL 211.78t establishes a process by which former interest holders can claim “remaining proceeds” realized from the sale of foreclosed property.
2. APPLICATION OF PROCEEDS – changes to MCL 211.78m modify the way the County treasurer applies foreclosure proceeds and clarify what costs can be recovered.
3. NOTICE AND REPORTING – changes to various statutory notices to include reference to the newly enacted Section 78t and interest parties’ right under that section.
4. RIGHT OF FIRST REFUSAL – changes to the requirements and procedures surrounding local units’ right of first refusal.