



Michigan Association OF County Treasurers

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County treasurers studying impact of supreme court ruling on tax foreclosure and public services

Charlotte, MI – Tax foreclosure is a tragedy, and the way county treasurers handle tax foreclosure and deliver public services may change as the result of a Michigan Supreme Court ruling on Friday, July 17.

The court’s decision affects the rights of people formerly holding an interest in tax-foreclosed properties to remaining proceeds after sale of the properties.

The decision may affect the ability of counties to perform tax foreclosure functions for the state. Specifically, in a 6-1 decision in *Rafaeli LLC v. Oakland County* ([MSC Docket No. 156849](#)), the high court stated that when the government forecloses on property to satisfy an unpaid tax debt, Michigan's Taking Clause requires the government return any remaining proceeds from the sale, in excess of the delinquent taxes, interest, penalties and fees, as compensation to the previous owner.

The Michigan Association of County Treasurers is reviewing the decision issued last Friday by the Michigan Supreme Court in the Rafaeli case with each other and with legal counsel.

“County treasurers will continue to do what we have done on the state’s behalf for 20 years now: prevent foreclosure, educate owners and tenants, and adhere to the law fairly and consistently,” Jenny Beemer-Fritzinger, MACT President and Clare County Treasurer said. “We are studying the court’s decision in order to implement future requirements needed to conform with the court’s order.”

“We hate foreclosing property,” Beemer-Fritzinger explained. “Our goal is always to prevent tax foreclosure whenever possible.”

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