

# Delinquent Property Tax

Forfeiture & Foreclosure



**Mary Balkema**  
Kalamazoo County Treasurer

# Outline

- State of Michigan and County Treasurer's must follow the process set forth in the General Property Tax Act
- Process from 1<sup>st</sup> billing of delinquent taxes to foreclosure
- What is done to communicate by law
- Efforts going above and beyond the law
- Foreclosure statistics in Kalamazoo County

# Delinquent Tax Revolving Fund (DTRF)

Each March local treasurers settle and the county treasurer and “buys” their delinquent taxes so the local unit has their full operating budget. The county treasurer then becomes the collection agent for those funds. The DTRF must be prepared each year to buy the delinquent taxes.

Money is advanced to ensure stable operations for:

- ▶ Local Units of Government, County Government
- ▶ State Education Tax Fund (Schools)
- ▶ Libraries, ISD's, Community Colleges
- ▶ Government Authorities (airport, road commission, brownfield authority)

\*Kalamazoo self-funds its DTRF. Some counties borrow the funds each year.

# Foreclosure Process

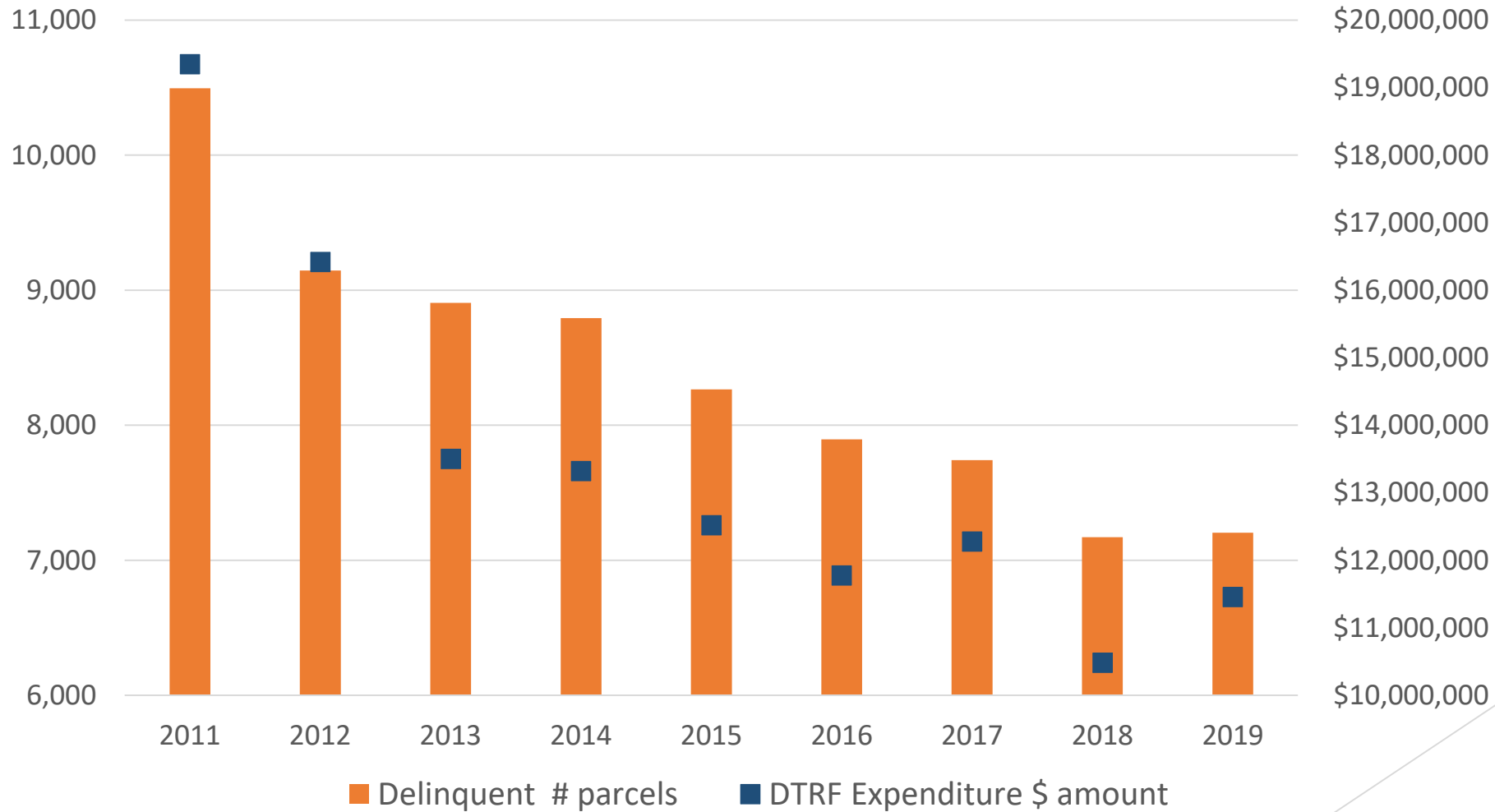
- Process set by Public Act 123 of 1999 (General Property Tax Act)
- Tax foreclosure is all about “due process”
- Title work is completed to identify all interested parties 40 years back in the chain of title
- All interested parties are sent 20+ notices (1<sup>st</sup> class, certified, personal service)
- Posted twice in newspaper
- Treasurer visits each property to talk to owner or post notice
- **#1 Goal is to prevent foreclosures and keep families in their homes**

# Kalamazoo County Treasurer 2019 Property Tax Lifecycle



Taxes that were accessed but uncollected and returned delinquent to the county treasurer

### Kalamazoo County - Delinquent Tax Trends



# Going Over and Above legal requirements

Preventing foreclosure and keeping families in their home is the number one goal of the Kalamazoo County Treasurer's Office.



# Going Over and Above (Continued)

- ▶ Door to door
- ▶ Raise private money to help pay delinquent taxes
- ▶ Work with families experiencing hardship to grant extensions
- ▶ Offer payment plans including auto-pay option
- ▶ Outreach partnering with neighborhood associations
- ▶ All homes visited receive a flyer listing numerous community resources available
- ▶ Promote marketing of Step Forward Michigan.org
- ▶ Community events (Senior & Veterans Expos, Project Connect, Show me the Money, etc)
- ▶ Social media & traditional media outreach
- ▶ Monthly phone calls and postcard payment reminders
- ▶ Assist with Poverty Exemptions with local units to reduce taxable value



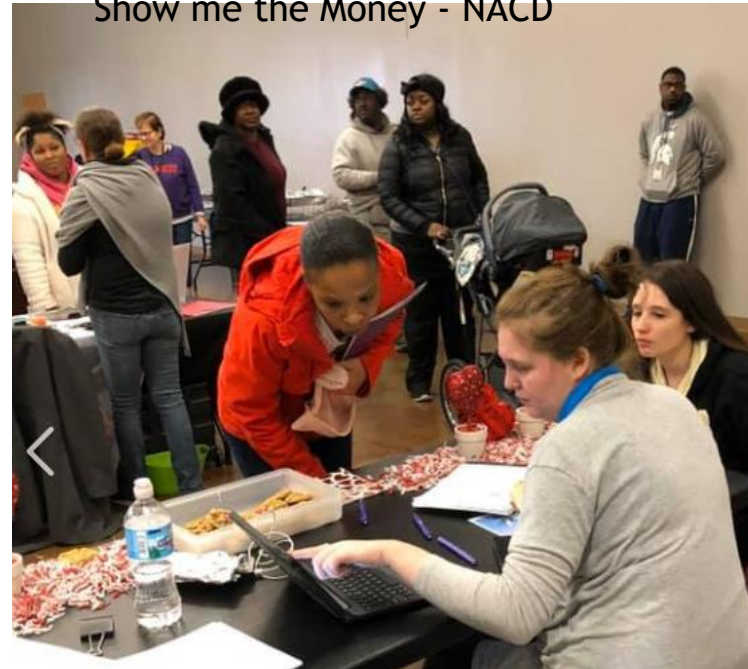
# Canvassing & Attending Neighborhood Events

## Kalamazoo city and county leaders help struggling homeowners ahead of tax deadline

by Sam Knef | Newschannel 3 | Saturday, March 30th 2019



Show me the Money - NACD



# Kalamazoo County Tax Foreclosure Totals

Number of Kalamazoo County tax foreclosures hits 10-year low

Posted May 10, 2019



Pre-2008  
Recession  
Number!

# Sale Gains or Losses

- ▶ MCL 211.78m(8): Separate account for each year
  - ▶ Pay off all tax years, all the costs to sell the parcels
  - ▶ Pay off all litigation, environmental remediation
  - ▶ Allow contingent liabilities for lawsuits/cleanup
- ▶ In accordance with MCL 211.78m(8)(h), the second year after foreclosure, the balance in the land sale proceeds account may be moved to the General Fund (if and when the treasurer declares a surplus) by the Board of Commissioners.
- ▶ The majority of our sales proceeds have been invested in demolition and environmental remediation. An allocation of \$250,000 is transferred to the General Fund and then to the Land Bank Authority from this fund.