

2021 Annual Report of the County Treasurer



Treasurer of Jackson County

Karen A. Coffman

March 2022

County of Jackson

Office of the County Treasurer

2021 Annual Report

March 2022

Honorable Commissioners

Jackson County Board of Commissioners

The Office of the County Treasurer was established by the Michigan State Constitution (Article VII, Section 4). The four-year term of office is filled by partisan election. The duties and powers of the County Treasurer are provided, first and foremost by state law and by authorization of the County Board of Commissioners.

State statutes, under the guidance of the Bureau of Local Government Services Audit Division and the State Treasury Department, dictate the functions of the Treasurer's Office.

The two main roles of the County Treasurer are as the custodian of all county funds and the collection of delinquent taxes. Additionally, the County Treasurer fulfills many other responsibilities.

The County receives money from many sources. The principle source of revenue is an ad valorem property tax. Other income is received from state and federal grants, interest income, inheritance taxes and various service and license fees. Many of the County's departments collect money in the course of their business. This money is deposited with the Treasurer, who serves as the county's banker. Besides revenue items, the Treasurer is responsible for all monies coming into the County including statutory responsibility for Medical Care Facility and County Road Funds.

The Office is responsible for accounting of all revenue, investments, and monies in financial institutions; sales and distribution of dog licenses to local units of government and the public; collection of the inheritance tax for the State of Michigan; re-conveyance of property; certification of deeds and plat maps and other documents pertaining to tax histories and litigation; also conducts the annual auction of tax foreclosed properties according to Public Act 123 of 1999.

The County Treasurer, by virtue of the Office, is a member of the County Elections Commission, Apportionment Committee, County Plat Board, and County Tax Allocation Board. The Jackson County Treasurer is also the Administrative Agent for the Delinquent Tax Revolving Fund and Tax Administration Funds.

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We are pleased to submit the annual report of the County Treasurer's Office for 2021. It is our intent, by presenting this annual report to provide statistics and numbers as a result of the services we provide as well as report the monetary impact of these services to the general fund.

Foreclosure Prevention

The Jackson County Treasurers office has continued its scope of foreclosure prevention this past year through a three pronged approach.

Federal and State Funding Available – CARES Act & American Rescue Plan Act (ARPA)

As the Michigan State Housing Development Authority program, Step Forward Michigan, began to close in 2020 and 2021, there was a significant influx of COVID related monies, both from Federal and State, which became available, otherwise known as the CARES Act. Although most of these monies were not specifically targeting assistance with delinquent property taxes, these monies assisted taxpayers with funds for other vital services that had an indirect impact on property tax collections. In fact, it was reported in the Wall Street Journal in April that the stimulus checks from the Federal government drove a record rise in household income to a record 21.1% in March.

Late in 2021, the Michigan State Housing Development Authority announced a new program called MIHAF – Michigan Homeowner Assistance Fund which is similar to Step Forward Michigan, to assist homeowners with property taxes. It is expected that this new program will open in the first quarter of 2022.

Community Partners, Collaboration, and Resources

With the announcement of this comprehensive, statewide program aimed to help homeowners who are at high risk of foreclosure, **Community Action Agency** in Jackson continues to be a valuable partner in the implementation and outreach for our community. We were able to refer citizens to Community Action Agency and their staff provided assistance to homeowners in filling out the application for the Step Forward program. Community Action Agencies across the state received unprecedented Federal and State monies from the CARES Act during 2021. The distribution of these funds assisted wide spread numbers of people affected by COVID related issues.

For the eighth year we have continued our partnership with **Legal Services of South Central Michigan**. The purpose of this partnership was to assist low and moderate income owners and occupants who were in jeopardy of losing their homes due to tax foreclosure or were in jeopardy due to predatory mortgage practices associated with or triggered by the nonpayment of property taxes. Other legal issues that could be addressed were rescue scams, predatory loans, hardship or poverty exemptions, homestead, probate or competency issues.

Hardship Deferrals

Each year we have two hearings, one in January and one in February, for citizens who are concerned about their ability to pay the delinquent taxes before the deadline. A total of **187 hardships** were granted allowing these taxpayers more time to pay the delinquent balance owed on a total of **276 parcels** and preventing foreclosure for that year.

As an additional prevention method, we added an additional personal service visit for each delinquent taxpayer with a house on the property. The law requires that we must do at least one visit to make contact with the taxpayer and or interested parties to notify of the delinquent taxes and possible pending foreclosure. We visited **1,092 properties** on the first round of required personal service

visits. The second round of personal visits we visited **483 properties**. By adding this additional visit, we believe it is one more opportunity to prevent foreclosure.

Outreach, Communication & Education

The Jackson County Treasurer's office continues to improve outreach, communication and education to the public and the local units of government. Specific activities and initiatives included:

- In collaboration with **Legal Services of South Central Michigan**, we held a virtual "Tax Foreclosure – Ask the Pros" program with the Jackson District Library on Tuesday, **February 24, 2021** at 2:00 p.m.
- Providing printed publications on topics such as the forfeiture and foreclosure timelines; information about property taxes and steps to take to avoid tax foreclosure; information on mortgage foreclosure and steps to take to avoid losing your home; information about mortgage foreclosure scams and what to be aware of to prevent becoming a victim, and dog licensing.
- We changed the format of our delinquent tax statement to make it easier to read and added new language regarding the changes to the foreclosure process and claims of surplus proceeds.
- We began sending out delinquent tax statements EACH and EVERY month. This has increased taxpayers paying their balances more timely.
- The COVID pandemic significantly limited any and all in person outreach efforts during 2020 and 2021.

GOALS for 2022

- Completely rework our internal March settlement process of obtaining tax data from all the local units moving to electronic submission of information
- Add a QR code to the delinquent tax statements and to dog license renewals forms
- Continue to assess and research how our office can expand our utilization of On Base digital platform for records archival in office
- Continue to utilize technology upgrades and improvements aimed at improving efficiency, saving taxpayer resources and increase productivity including Zoom
- Continue to provide educational training for Jackson County employees and local units of government on topics such as cash handling, fraud prevention and related financial or banking issues
- Work in partnership with Community Action Agency and local financial institutions to create resources for financial education classes with the intent to improve financial literacy in our community
- Work in partnership with Community Action Agency and Habitat for Humanity to create resources and opportunities to prevent tax foreclosure

- Work with Animal Shelter Director and Animal Control staff to increase issuance and sales of dog licenses in the County
- Work with County IT to explore and implement G2G (Government to Government) program for County credit card processing for more County departments
- Prepare and issue a Request for Proposal for Banking Services for the County's depository accounts and banking needs
- Maintain contact and communications with district state representatives and senators to inform and apprise them of the local impact of state legislation

Efforts to conduct business and the level of service delivery during 2021 were extremely affected by the COVID 19 pandemic. As a result of the pandemic, we realized the opportunity to adapt and make changes in our office. Specifically, we made an internal change to post all online payments live in real time. As a result of this change, we realized efficiencies in processing of these online payments. Not only did this change reduce the amount of staff time to process, it also increased the speed to real time for posting of payments made for the taxpayers. The next change that we implemented included allowing taxpayers the ability to pay their delinquent taxes via telephone. The new interactive voice response (IVR) feature was instrumental in increasing options for payment processing for taxpayers as well as increasing incoming revenue even when our physical office was closed to the public.

The Treasurer's Office continues to seek opportunities to work closely with those inside and outside of the County, to build solid relationships, to utilize new technology, to obtain better pricing and to find cost reductions.

We would like to thank our dedicated staff in the County Treasurers office for the continuing excellent customer service they provide the citizens of Jackson County. I look forward to continuing to work with the Board of Commissioners, as we look for ways to improve our delivery of services.

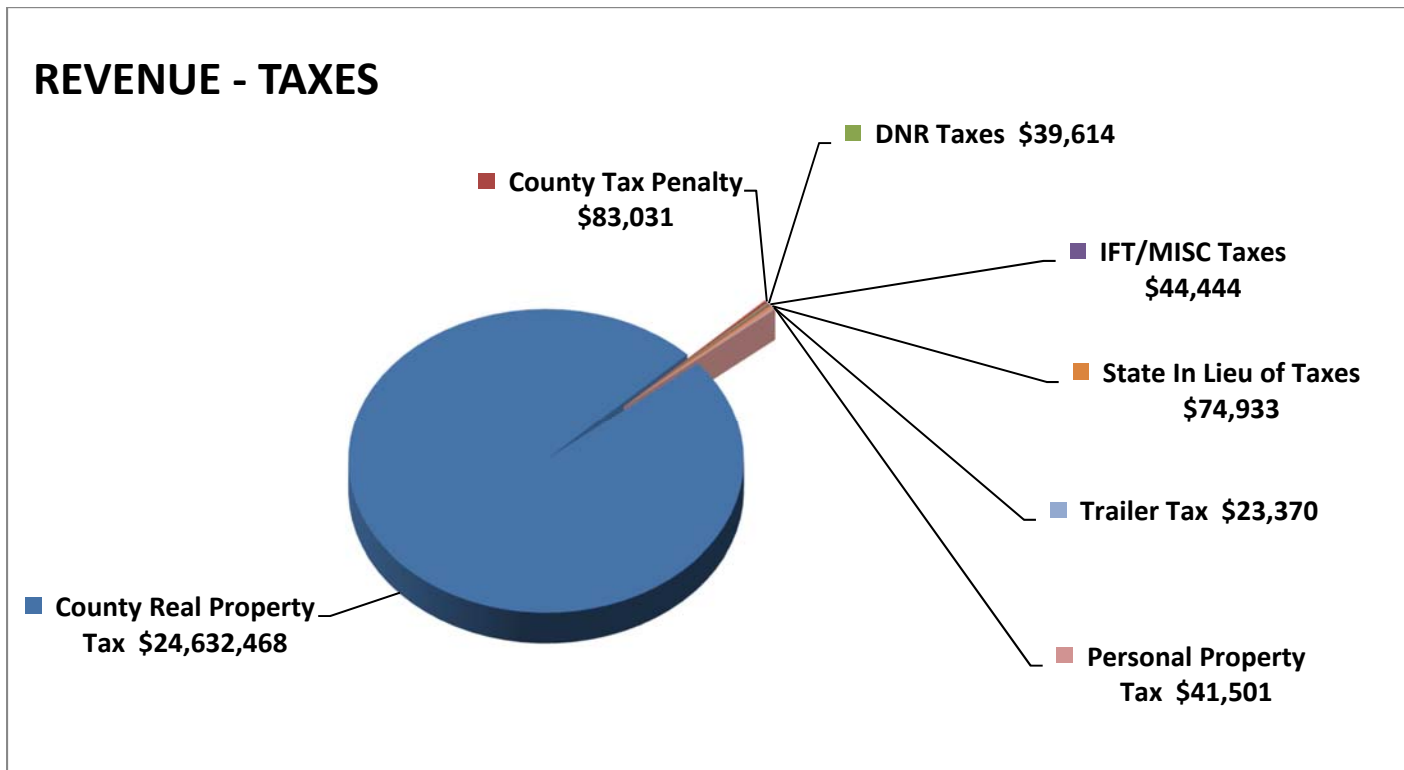
Respectfully submitted,

Karen A. Coffman
Jackson County Treasurer

James C. Bradley
Chief Deputy Treasurer

Custodian of County Funds

The County Treasurer’s Office is the depository for all county funds, by Board resolution and in accordance with Act No. 40, Public Acts of Michigan 1932 (MCL 48.40). We are required by State mandate to maintain the county treasury and are responsible for the collection and deposit of all public funds. Management activities include receipt for revenues, coordinate cash drawers and imprest cash for all departments, maintain bank accounts, reconcile receivables, and coordinate disbursement of funds held in trust, coordinate signature and transfer of funds to cover county disbursements.



Other Revenue

Interest	\$28,585
PA 105 Interest	\$1,762
Tax Search	\$1,610
Dog License	\$34,636
Deed Certification	\$24,345
Passports	\$18,200
Intergovernmental/Other	\$6,605,944
Total General Fund Revenues for 2021	\$31,654,444
Total General Fund Expenses for 2021	\$543,434

Jackson County General Fund Investment Pool

The Office of the County Treasurer, in concert with County Administration and Finance, determines cash flow needs of the County, manages cash and invests funds accordingly. The Treasurer invests idle cash in excess of \$30 million dollars of County monies following the County Investment Policy and Public Act 20 as amended.

Cash and investment activities for the 12 months ending December 31, 2021 are discussed below. This report covers only the operations of the county that fall under the responsibility of the County Board of Commissioners. This report does not include operations of the Building Authority, other post-employment benefits (OPEB) or Pension, or activities of the Drain Commissioner.

The primary objectives of the county's investment activities, in priority order are:

- 1) Compliance with applicable laws,
- 2) Protection and Safety of principal,
- 3) Liquidity, and
- 4) Yield or return on investments.

The market experienced unprecedented activity in reaction to the COVID 19 pandemic in 2020 and 2021. In 2020, the Michigan Supreme Court decision in Rafaeleli required all County Treasurers to return surplus proceeds from tax foreclosures. Legislative changes as a result of this ruling, as well as ongoing and pending litigation stemming from this decision, has changed the investment strategy this year and for the future. Current strategy is to keep investment surplus monies liquid in the event of litigation requiring payout of surplus funds. This will have a significant impact on the investment portfolio as there are less investments earning investment income.

Diversification of Investment Type as of December 31, 2021

- 1 % of the investment portfolio in short term fixed type investments;
- 99 % of the investment portfolio in money market accounts

General Fund Portfolio Totals

<u>DECEMBER 2021 General Account Investments</u>					
CUSIP	Issuer		Par Value	Rate	Maturity Date
Certificates of Deposit					
24000332	Ann Arbor State Bank	\$	500,000.00	2.750%	4/20/2023
59452WAE8	Michigan Legacy	\$	250,000.00	3.450%	11/9/2023
	Subtotal	\$	750,000.00		
Cash/Money Markets					
	Comerica Bank	\$	33,214,605.26		
	Michigan CLASS	\$	28,441,428.22		
	Michigan CLASS EDGE	\$	3,000,140.44		
	Subtotal	\$	64,656,173.92		
Treasuries / U.S. Agencies					
		\$	-		
	Subtotal	\$	-		
	Total	\$	65,406,173.92		

Processing – Outputs

The Office of the Treasurer began accepting credit cards payments in the main office for payment of delinquent taxes and online in 2009. We began tracking payments for delinquent taxes and the number of parcels. As a result of COVID related stimulus monies, we had a significant increase in dollars collected and the number of parcels in the usage of both In Office transactions and ONLINE credit card payments.

	Total Dollars of Credit Card Payments in office	Number of Parcels
2013	\$1,660,908.54	1504
2014	\$1,603,457.95	1602
2015	\$1,349,567.82	1398
2016	\$593,698.00	1080
2017	\$505,558.03	1273
2018	\$578,756.75	1502
2019	\$619,409.52	1732
2020	\$363,798.22	915
2021	\$451,218.56	1227

	Total Dollars of Credit Card Online Payments	Number of Parcels
2013	\$374,127.98	386
2014	\$358,977.46	372
2015	\$555,014.30	526
2016	\$802,161.56	779
2017	\$908,645.84	979
2018	\$918,479.21	1237
2019	\$1,302,706.78	1262
2020	\$3,650,3132.99	3402
2021	\$4,029,666.20	3860

	2015 Actual	2016 Actual	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL
Number of Tax receipts processed	14,158	13,886	13,563	13,459	13,452	13,713	14,624
Total Taxes/Penalties /Fees collected	\$13,110,631	\$12,771,929	\$12,143,625	\$12,490,364	\$13,249,704	\$13,995,259	\$15,325,549
Total Number of Delinquent Notices mailed	23,731	23,543	23,173	22,613	22,975	24,975	17,954

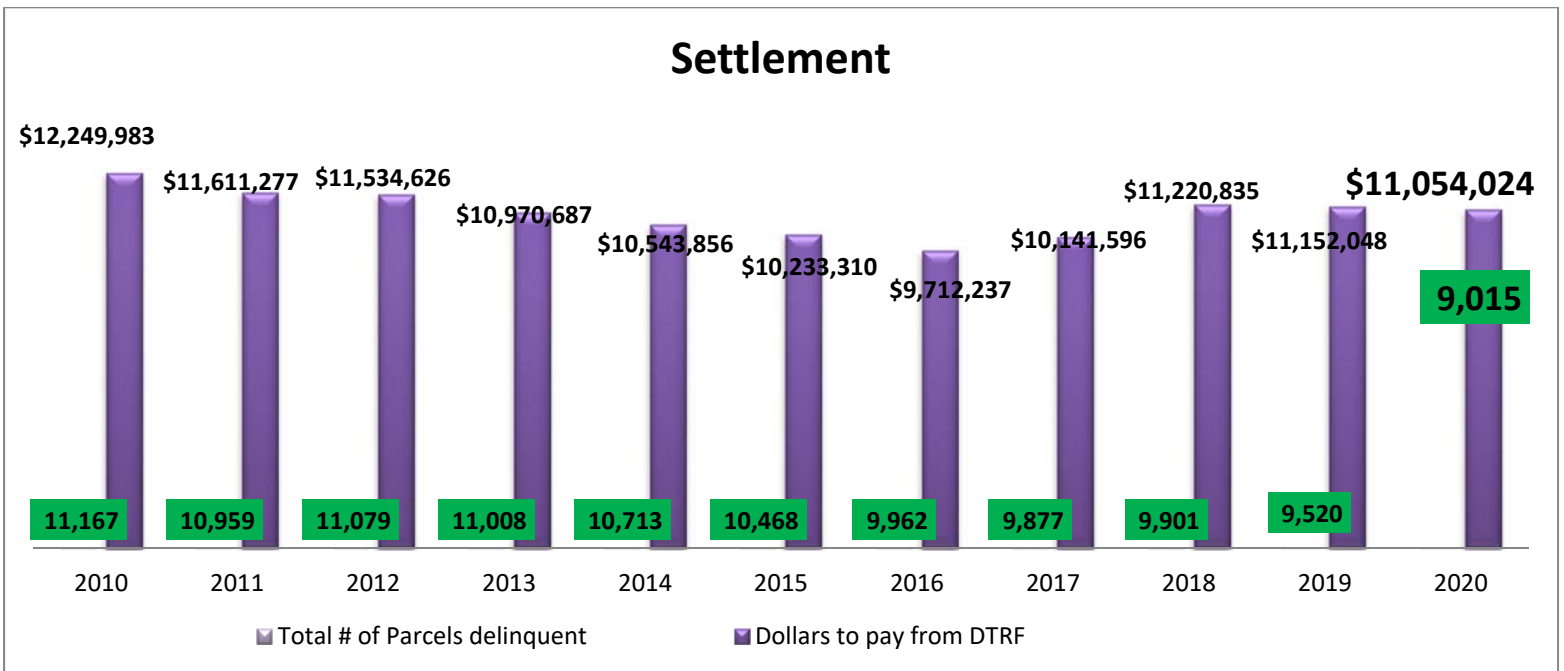
Delinquent Property Tax Administration

It is the responsibility of the County Treasurer to collect delinquent real property taxes. The process is governed by the General Property Tax Act, Public Act 206 of 1893 and Public Act 123 of 1999 as amended. Functions associated with delinquent taxes include writing receipts, processing adjustments to prior year tax rolls for up to 20 years, processing bankruptcy claims, board of review adjustments, tax tribunal adjustments, and managing the annual forfeiture and foreclosure process. The county operates a Delinquent Tax Revolving Fund which was established in the early 1980's. The purpose of this fund is to make full payment for all delinquent property taxes to local units of government. Even in the midst of higher utilization the Delinquent Tax Revolving Fund has been one of the financing tools of the county.

Local units electronically transfer their taxes to the county each year every March 1st, however, this office now performs settlement functions with every disbursement. We do this in an effort to provide a check and balance between the local units and the County, as well as to make March 1st settlement smoother. The tax rolls are required to be maintained and adjusted by the County Treasurer for 20 years. Electronic settlement with the local units saves hours of staff time for the County Treasurer's office and for the treasurers of the local units of government.

The settlement process during the month of March consists of verifying taxes collected and adjusted as well as delinquent tax rolls. This office will settle with nineteen townships, seven villages and one city. As a result of this process, each of the delinquent tax rolls are purchased by the Delinquent Tax Revolving Fund. Once settlement is complete, payments are distributed to the taxing jurisdictions.

Below is a chart that indicates the total number of delinquent real property tax parcels (in green) that were transferred to the County Treasurers office as well as how much money the Delinquent Tax Revolving Fund had to expend to purchase these taxes. There was a **decrease in total dollars and a decrease in total parcels transferring over to the County Treasurer's office for settlement and collection this year.**



Once the taxes have been turned over by the local units, the Office of the County Treasurer begins collection of these taxes. The chart below describes the entire process beginning when the taxes come delinquent to the Treasurer's office, the next step is Forfeiture of the taxes, in which a lien is filed on the uncollected delinquent taxes, and if the taxes still remain uncollected at the end of 25 months, the Office of the County Treasurer will foreclose on the real property for nonpayment of delinquent taxes.

Delinquent Property Tax Timeline for 2019 Taxes

This Year

Delinquency

On March 1, 2020

Unpaid 2019 taxes become delinquent and payable to Jackson County Treasurer

- ◆ 4% Administrative Fee added
- ◆ Interest begins to accrue at 12% per year

On Oct 1, 2020

\$15 fee added

On Nov 1, 2020

Parcel added to preliminary forfeiture list

On Feb 1, 2021

Mortgage lenders and banks may be notified



The property tax foreclosure process can be confusing. We would like to answer any questions you may have.

Please call us at 517-788-4418.

Next Year

Forfeiture

On March 1, 2021

- ◆ Minimum of \$235 in fees added
- ◆ Property forfeited to County Treasurer
- ◆ Interest rate increased to 18% per year retroactive to March 1, 2020

June 2021

Foreclosure petition filed in Circuit

Between June 1, 2021 and January 31, 2022

Title research to identify owners and lienholders

Personal visits made to forfeited property

Mortgage lenders banks and other lienholders notified

Early 2022

January 2022

Show Cause Hearing held

Foreclosure

February 2022

Court Hearing held and Judge signs Foreclosure Order

March 31, 2022

Redemption rights expire if taxes are not paid and property ownership transfers to the Jackson County Treasurer

July-November 2022

- ◆ Property sold at auction
- ◆ Prior owner does not receive any of the proceeds

This timeline is intended to describe in general terms the major elements and deadlines of the State law regarding delinquent property taxes. You may obtain a copy of an excerpt from the General Property Tax Act from the Jackson County Treasurer's Office.



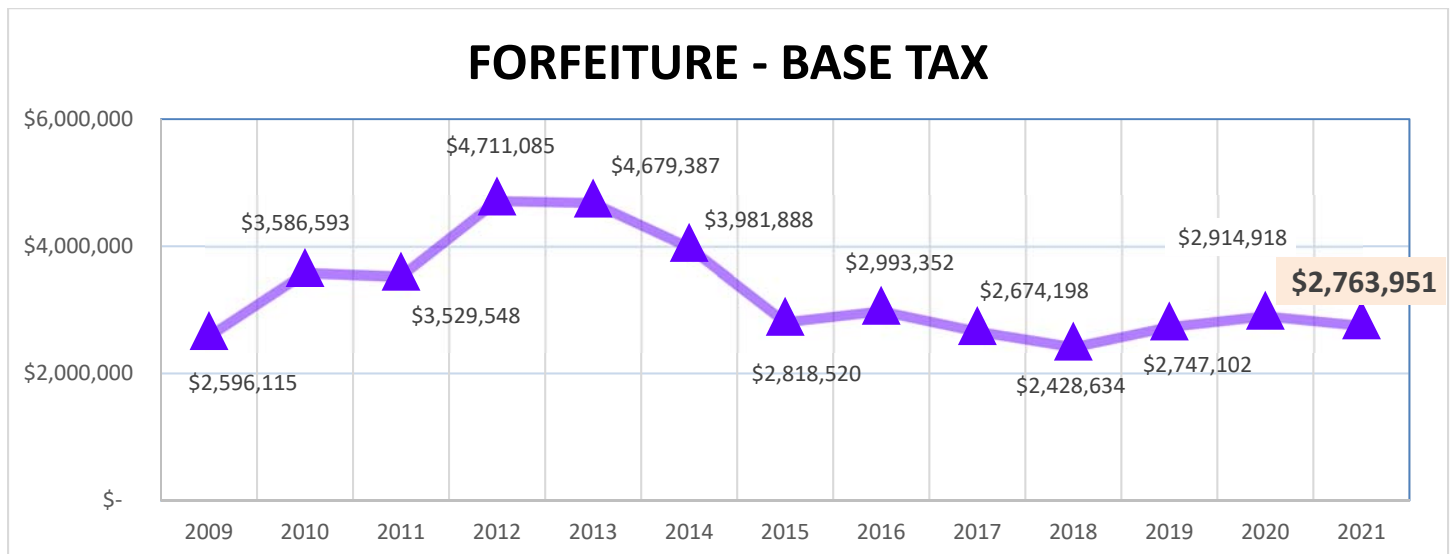
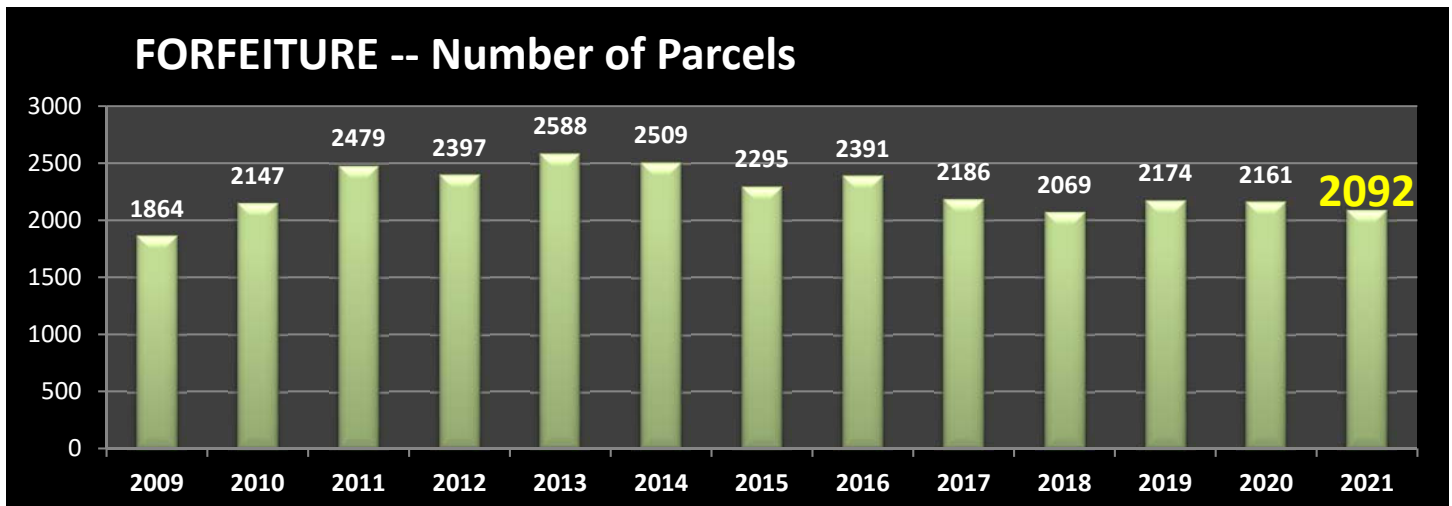
Karen A. Coffman <> Jackson County Treasurer <> 120 West Michigan Avenue Jackson Michigan 49201 <> 517.788.4418



Forfeiture

The Forfeiture process begins on March 1st after one full year of collection efforts by the County Treasurer's office. Additional fees and penalties are added as set forth by state statute and a Lien is filed with the Register of Deeds office.

Below is a chart that reports the history of forfeiture with number of real property parcels. As you can see from the data, there was a **decrease in the number of parcels and a decrease in base tax dollars in forfeiture for 2021.**



The Office of the County Treasurer continues collection efforts on the delinquent real property taxes through the forfeiture cycle and if still unpaid, the taxes can and will be foreclosed for nonpayment on March 31st of the second year of collection (25 months).

Foreclosure Prevention

For the eighth year we have continued our efforts of active engagement **to PREVENT FORECLOSURE**. Through a truly collaborative approach, we partnered with local agencies to reach those citizens that were experiencing financial hardships and to connect them to vital resources. Again this year was the continuation of the loan rescue program that would assist in paying delinquent property taxes for those that qualified.



Community Action Agency acted as our liaison between MSHDA and the Step Forward Program. We worked to inform, promote and communicate information about the program and direct citizens to contact CAA so they could get assistance in filling out the necessary paperwork to determine eligibility. All in all, the program state wide has provided over \$700,000,000 dollars in assistance and has been very successful in assisting those in need in our local community as well. This program did have a significant impact on preventing foreclosure. The Step Forward program officially closed on June 30, 2021.

New in 2021, the Homeowner Assistance Fund was established under section 3206 of the American Rescue Plan Act of 2021 (ARPA) to mitigate hardships associated with the coronavirus pandemic by providing funds to prevent homeowner mortgage delinquencies, defaults, foreclosure, loss of utilities or home energy services and displacements of homeowners experiencing financial hardship after January 21, 2020.

The U.S. Department of the Treasury notified MSHDA on April 14, 2021 that it will allocate \$242,812,277 to the State of Michigan. This number was based on unemployed individuals and the number of mortgagors with delinquent mortgage payments.

The Michigan State Housing Development Authority (MSHDA) was designated as the operating agency to set up the Michigan Homeowner Assistance Fund (MIHAF) program in accordance with the guidance provided by the Treasury.

MSHDA intends to launch the MIHAF program to the public in the first quarter of 2022. An online and mobile application portal is currently under development. Applicants will be able to apply and submit required documentation through the web-based application or may be assisted by a third-party counseling agency or legal aid office. We will partner with Michigan 2-1-1, a Michigan nonprofit organization, to serve as statewide call center support to answer questions, provide program details and assist homeowners with application submissions.

Qualifications for applicants:

- Owner Occupied – Principle Residence Exemption on or before 2020
- COVID 19 Hardship on or after January 21, 2020, showing a material reduction in income or material increase in bills/expenses, including 2019 real property taxes
- Income eligibility requirements

Eligible uses:

- Delinquent mortgage/housing expenses, such as monthly payments, escrow shortages, and corporate advances
- Up to three consecutive, monthly mortgage payments if under maximum assistance amount
- Delinquent land contract payments,
- Manufactured / Mobile home consumer loan payments or contracted park lot payments
- Property taxes delinquency
- Condominium/homeowners' association fees delinquency
- Homeowner's insurances, hazard, flood, or mortgage insurance
- Utilities: gas, electric, water and sewer
- Internet broadband services

This program offers a wider scope of assistance and will benefit more citizens than the Hardest Hit funds. We anticipate that this new program will be as successful as the Step Forward Michigan program in foreclosure prevention.

A second approach to foreclosure prevention included working with Legal Services of South Central Michigan (LSSCM). Through collaborative efforts with LSSCM, we were able to refer prospective cases in which taxpayers were in need of specific legal guidance and information as it related to tax and mortgage foreclosure. In 2021, LSSCM opened **14 cases** for low and moderate income owners/occupants. These cases assisted a total of **25 individuals** who were in jeopardy of losing their homes due to tax or mortgage foreclosure.

Every individual, at a minimum, received legal advice on the tax or mortgage foreclosure process, analysis of their legal cases, and referrals to other agencies as appropriate.

In a majority of cases, LSSCM worked with Community Action Agency in a two pronged approach. LSSCM focused on the legal issues while CAA assisted the client(s) with completing the application for assistance through the Step Forward program through MSHDA.

The third method of foreclosure prevention, hardship deferrals, is provided for in state statute. In January, the Treasurer granted **171 hardship deferrals** to protect **260 properties** from foreclosure. At the Judicial Foreclosure hearing held in February, another **16 hardship deferrals** were granted by Judge McBain which protected **16 properties** from foreclosure.

Foreclosure

On March 31, 2021, we foreclosed on **76 properties** for nonpayment of delinquent real property taxes. The total base taxes including penalties and interest of these **76 properties totaled \$493,055.00**. This number of parcels foreclosed was 33 LESS than the 2020 cycle.

Two hundred and seventy six parcels were withheld from 2021 foreclosure through the hardship deferrals. The Township of Blackman exercised their First Right of Refusal and took 1 tax foreclosed property in the amount of \$1,183.89. The Township of Parma exercised their First Right of Refusal and took 1 tax foreclosed property in the amount of \$4,342.43. The City of Jackson exercised their First Right of Refusal and took 2 tax foreclosed properties in the amount of \$19,779.49. The County of Jackson exercised their First Right of Refusal and took 1 tax foreclosed property in the amount of \$1,676.72.

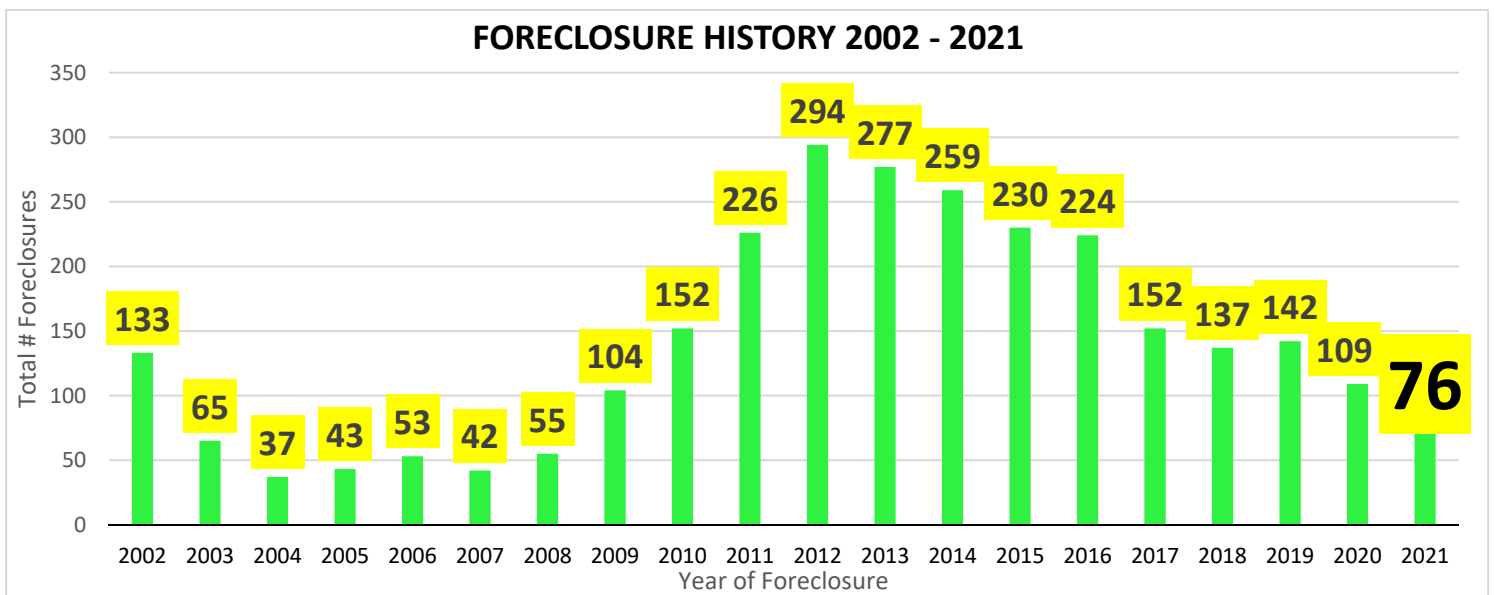
At the first tax foreclosure auction held August 20, 2021, there were 71 parcels available for purchase at the minimum bid. We sold **54 parcels** at this auction and total dollars back to the delinquent tax revolving fund was **\$909,521.00**.

The second tax foreclosure auction was held on October 15, 2021 in which we offered 17 remaining parcels at the “no minimum bid”. We sold **16 parcels** at this auction and total dollars back to the delinquent tax revolving fund was **\$3,550.00**.

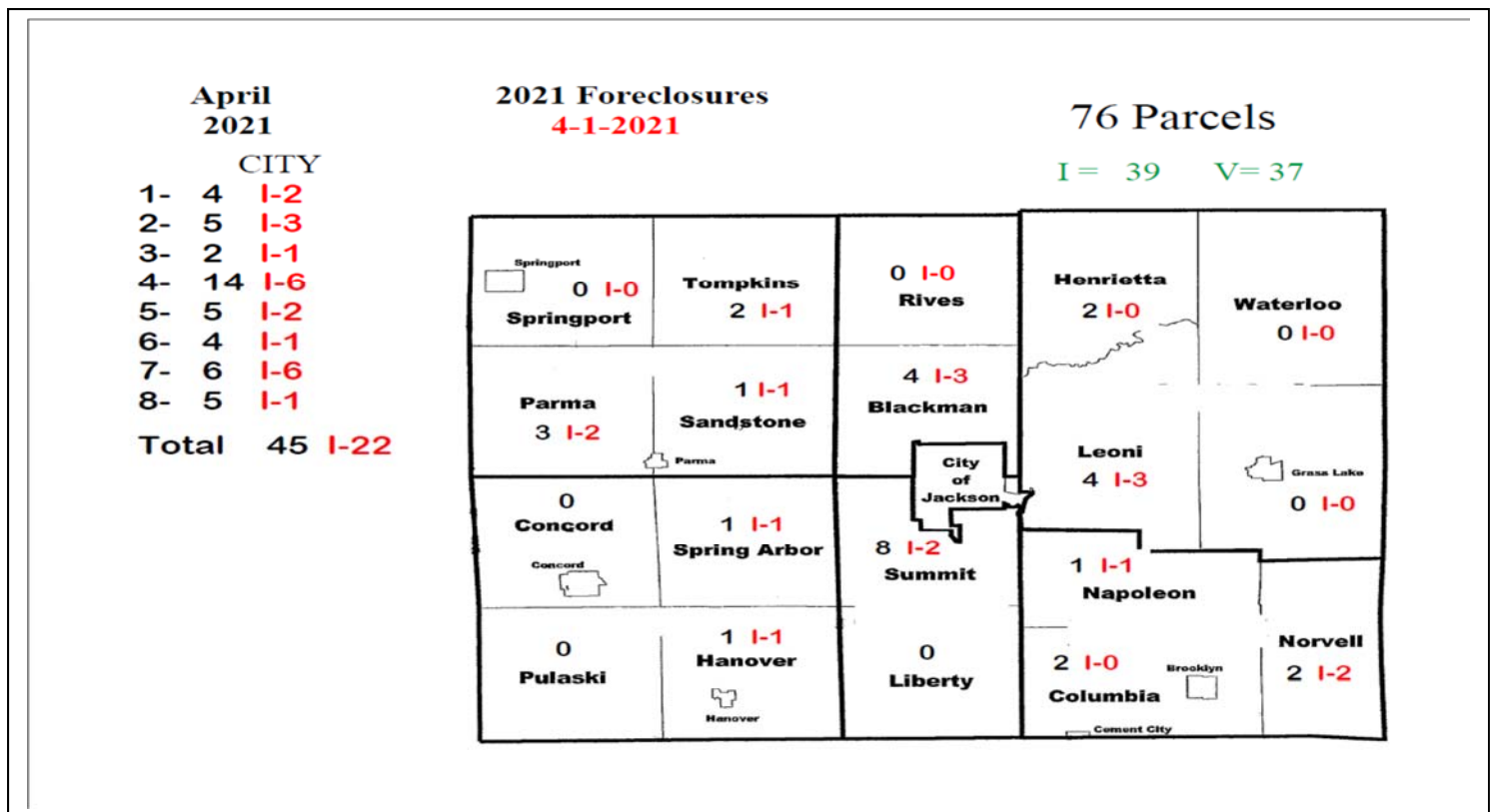
Any and all remaining properties are made available for sale through Title Check and their website. We continue to sell these parcels throughout the year and return them to the tax rolls.

Below is a chart that reports the history of tax foreclosures since 2002 through 2021. The chart indicates the total number of real property parcels that the County Treasurer foreclosed on for nonpayment of real property taxes. In 2021, we foreclosed on **76** parcels.

As you can see, there was a significant increase in total number of parcels that this office has foreclosed on since 2009 to 2012, with a marked decrease in 2013 through 2021. Again, this year the downward trend in total number of foreclosures decreased. We believe that this decrease can be attributed to the strong foreclosure prevention efforts again this year.



	CITY PARCELS ONLY		TOWNSHIP PARCELS ONLY		COUNTY TOTAL		TOTAL FORECLOSED
	IMPROVED	VACANT	IMPROVED	VACANT	IMPROVED	VACANT	FORECLOSED
2012	115	30	50	99	165	129	294
2013	74	49	47	107	121	156	277
2014	71	70	43	75	114	145	259
2015	59	90	35	46	94	136	230
2016	55	82	36	51	91	133	224
2017	39	46	25	42	64	88	152
2018	40	27	25	45	65	72	137
2019	33	20	27	62	60	82	142
2020	29	28	19	33	48	61	109
2021	23	23	16	14	39	37	76



State of Michigan Foreclosure Data

The Michigan Department of Treasury has been collecting state wide real property tax forfeiture and foreclosure statistics for several years now. The table below compares the forfeiture and foreclosure numbers against the state wide foreclosure rates. As you will see the County of Jackson has been below the state wide numbers from 2011 to 2021.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Parcels Forfeited - Jackson	2,479	2,397	2,588	2,509	2,295	2,391	2,186	2,069	2,174	2,161	2,092
Parcels Foreclosed - Jackson	226	294	277	259	230	224	152	137	142	109	76
Foreclosure Rate - Jackson	11%	12%	11%	10%	9%	10%	6%	6%	7%	5%	4%
State wide Foreclosure Rate	13%	16%	14%	16%	17%	11%	8%	7%	7%	2%	5%

While the data and numbers are important to provide factual basis, sometimes it does not tell the full story of foreclosure.

On March 1st 2019, the local units turned over to the County their **2018 property taxes** uncollected taxes that totaled **\$11,220,835 for 9,901 parcels.**

At Settlement, we paid all of the 57 taxing jurisdictions throughout the County, in effect, purchasing the 2018 taxes in the amount of \$11,220,835 for all 9,901 parcels, thereby making every taxing unit whole for the uncollected taxes.

We then began our process of collection for 25 months till we foreclosed March 31, 2021.

We began with a debt of **\$11,220,835 in taxes and we foreclosed on \$58,143 for the 2018 taxes.**

We began the cycle with **9,901 parcels and foreclosed on 76 parcels.**

For this collection cycle, 99% of the taxpayers paid their 2018 taxes BEFORE Foreclosure and LESS THAN 1% of taxpayers were foreclosed upon for nonpayment of 2018 taxes

Settlement Tax Year	Settlement Amount	Settlement Parcel Count	Foreclosure Year/Primary Tax Year FRF & FRC	Amount of Base Tax Foreclosed	Foreclosed Parcel Count	Amount/% of Settlement Base Tax Foreclosed	Amount/% of Settlement Parcels Foreclosed
2001	\$8,222,068	10,706	2004/2001	\$11,391	37	0.14%	0.35%
2002	\$8,175,245	10,073	2005/2002	\$10,284	43	0.13%	0.43%
2003	\$8,030,705	9,960	2006/2003	\$15,890	53	0.20%	0.53%
2004	\$9,123,988	10,114	2007/2004	\$17,889	42	0.20%	0.42%
2005	\$10,018,625	10,482	2008/2005	\$53,045	55	0.53%	0.52%
2006	\$11,692,887	10,980	2009/2006	\$72,614	104	0.62%	0.95%
2007	\$11,859,388	10,901	2010/2007	\$146,424	152	1.23%	1.39%
2008	\$12,273,567	10,815	2011/2008	\$164,343	226	1.34%	2.09%
2009	\$12,973,332	11,255	2012/2009	\$261,435	294	2.02%	2.61%
2010	\$12,249,983	11,167	2013/2010	\$298,095	277	2.43%	2.48%
2011	\$11,611,277	10,959	2014/2011	\$228,592	259	1.97%	2.36%
2012	\$11,534,626	11,079	2015/2012	\$221,663	230	1.92%	2.08%
2013	\$10,970,687	11,008	2016/2013	\$184,559	224	1.68%	2.03%
2014	\$10,546,856	10,713	2017/2014	\$121,101	152	1.15%	1.42%
2015	\$10,233,310	10,468	2018/2015	\$102,261	137	1.00%	1.31%
2016	\$9,712,237	9,962	2019 / 2016	\$90,227	142	.93%	1.44%
2017	10,141,596	9,877	2020 / 2017	\$120,884	109	1.19%	1.10%
2018	11,220,835	9,901	2021 / 2018	\$58,143	76	.52%	.77%

Significant Legislative Changes to the Foreclosure Process

In July of 2020, the Michigan Supreme Court ruled in the Rafaeli case. During the second half of 2020, County Treasurers across the state worked in cooperation with legislators to create new language and new laws to effectuate and implement the Supreme Court ruling. Our collaborative effort with legislators was successful in creating two new laws PA 255 and PA 256 that went into effect January 1, 2021. County Treasurers believe that these new laws are a fair and equitable solution to the Michigan Supreme Courts July ruling that determined County Treasurers could not keep proceeds of tax sales. The work did not stop there. During the entirety of 2021, County Treasurers across the state met, discussed, and worked on developing procedures to implement these new laws and then the education began.

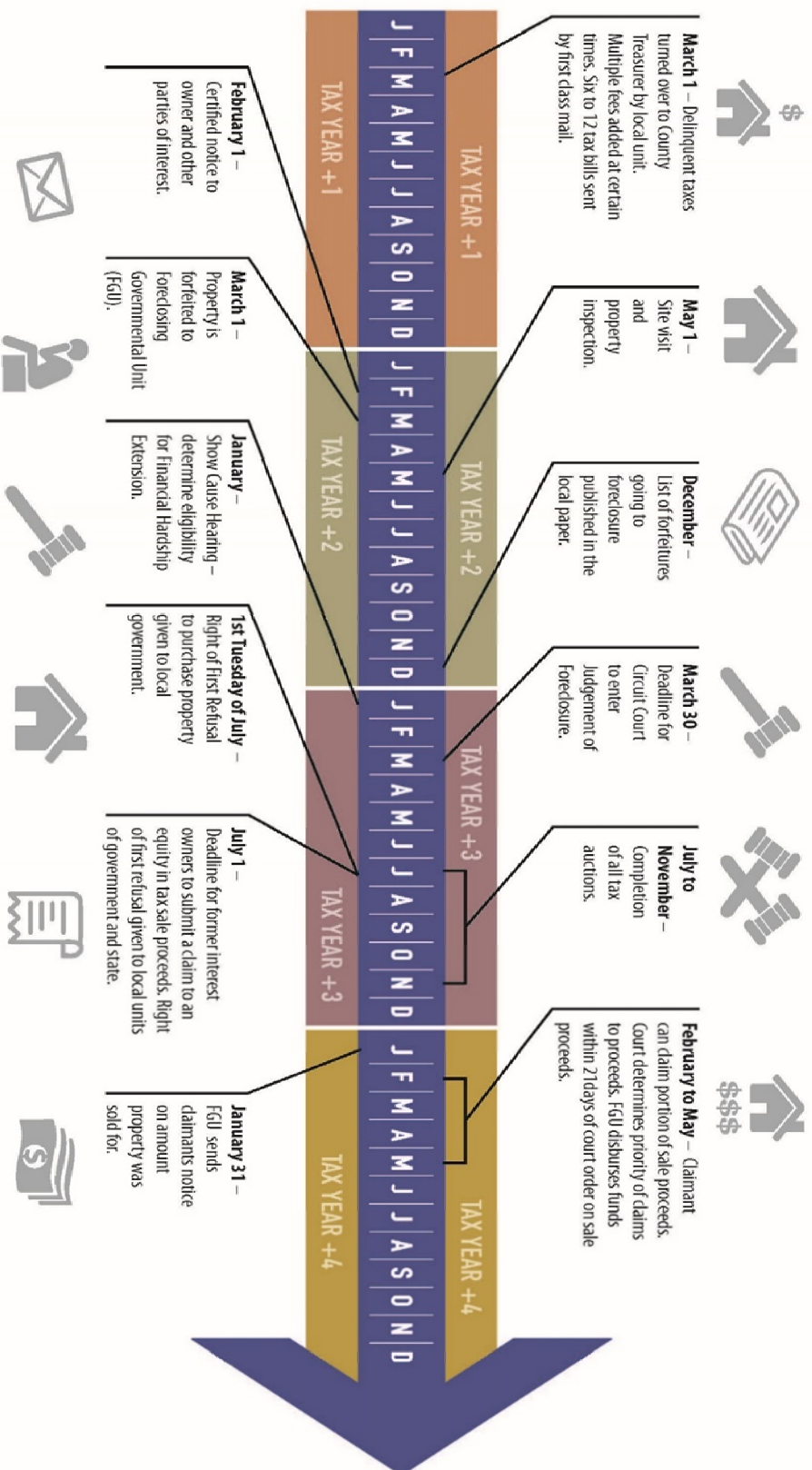
Property owners, both business and residential, who have gone through the unfortunate foreclosure process now have the option to reclaim monies leftover from a tax sale. The law changed, so County Treasurers are no longer required to keep those proceeds in a delinquent property tax fund. Under Public Act 255 and 256, County Treasurers will notify property owners who lose their homes or businesses to foreclosure of the pathway to receive any remaining proceeds of the tax sale of their property after taxes, interest, penalties, fees and costs have been paid. The owner has until July 1st of the year in which the foreclosure took place to file a claim. Under these new laws, there is now an additional 5 percent fee for County Treasurers from sale proceeds for their work to rehabilitate and sell properties.

The following two pages are flow charts that highlight the foreclosure process from beginning to end with the new laws and processes explained.

In Jackson County, we received a total of 7 claims for 4 foreclosed properties by the July deadline. Based on the claimants' filings per the new laws, the maximum potential exposure for payout of surplus proceeds is approximately \$150,000. As we continue to follow the pathway for this new process, notices will go out in January 2022 to those claimants with a deadline for May 15, 2022.

A word of caution, as we continue to learn our way through this new timeline and new processes, there is pending and ongoing litigation as to the retroactivity of the Rafaeli Supreme Court decision. Any future rulings in any one of these many cases could have significant ramifications once again on the foreclosure process.

FORECLOSURE TIMELINE



FORECLOSURE TIMELINE

TAX YEAR +1		TAX YEAR +3	
Date	Statute	Date	Statute
Mar 1	MCL 211.78a(2)	Jan Jan-Feb	MCL 211.78h(2) MCL 211.78k(1)
	Unpaid taxes levied in the immediately preceding year are returned to the County Treasurer as delinquent for collection. 4% admin fee and interest computed at a noncompounded rate of 1% per month added to delinquent parcel.		FGU files amended petition removing redeemed parcels. Not later than the hearing date, FGU files proof of certified mail service of show-cause and foreclosure hearings, proof of personal visit to property, and proof of publication.
Mar 1	MCL 211.78a(3)	7 + days before judicial hearing	
	4% noncompounded rate of 1% per month added to delinquent parcel.		FGU holds administrative show-cause hearing. Judicial foreclosure hearing held.
By Jun 1	MCL 211.78b	Jan 30-Feb 28	MCL 211.78h(5), .78k
	Foreclosing Governmental Unit (FGU) sends notice by first-class mail to taxpayer or owner.	Mar 30	MCL 211.78k(5)
By Sep 1	MCL 211.78c	Mar 31	MCL 211.78k
	FGU sends second notice by first-class mail to taxpayer or owner.	Jul 1	MCL 211.78k(2)
Oct 1	MCL 211.78d	Jul (1st Tues.)	MCL 211.78m(1)
	FGU adds a \$15 fee.	Jul (3rd Tues.)	MCL 211.78m(2), (5)
Nov 1	MCL 211.78e(1)		FGU exercises gov. agency first right of refusal; but could take place before this date. First opportunity to offer property at auction. One or more auctions may be held, the last of which has no or low minimum bid.
	FGU prepares a list of all property subject to forfeiture for delinquent taxes. FGU updates taxpayer address.	Jul-Nov	MCL 211.78m(3)
Dec 1	MCL 211.78e(2)	Nov (1st Tues.)	MCL 211.78m(2)
	FGU updates taxpayer address based on current local unit records.	Dec 1	MCL 211.78m(6)
		Dec 30	MCL 211.78m(6)
		Dec 31	MCL 211.78m(11)
		Dec 31	MCL 211.78m(12)
			Second governmental right of refusal purchase opportunity after each public auction. Deadline for completion of all auctions. Deadline for FGU to transfer list of unsold parcels to the city, township, or village clerk. Deadline for city, township, or village to reject property transfer. Date title transfers to local unit or in case of objection, to FGU or the Land Bank East Track Authority if state is FGU. All taxes for the year of foreclosure are canceled for parcels purchased by state, city, village, township, county, or city or county land bank before the first auction; transferred to the local unit or Land Bank East Track Authority after not selling at auction; or retained by FGU. All liens for costs of demolition, safety repairs, debris removal, or sewer or water charges due on the property as of the December 31 immediately succeeding the sale, transfer, or retention of the property are canceled.
TAX YEAR +2		TAX YEAR +4	
Date	Statute	Date	Statute
Feb 1	MCL 211.78f(1), (2)	Jan 31	MCL 211.78r(3)
	FGU sends notice by certified mail to taxpayer and, if different, the owner, AND by first-class mail to occupant.		Deadline for FGU to send each claimant a notice that includes the amount for which the property was sold; the amount of any outstanding unpaid taxes, including federal, state, and local tax liens; and the total amount of any remaining proceeds.
Feb 1	MCL 211.78f(3), (4)	Feb 1 – May 15	MCL 211.78r(4)
	FGU may publish notices in a newspaper.		Period during which a claimant may file a motion with the circuit court to claim any portion of the remaining proceeds to which the claimant is entitled.
Mar 1	MCL 211.78g(1)	Feb 1 – May 15	MCL 211.78r(5)
	FGU adds \$175 title fee to the parcel.		FGU must provide info to court, including all claimants for a parcel, minimum bid, sale amount, and taxes owed.
Mar 1	MCL 211.78g(3)(b)		
	Redemption requires additional interest computed at a noncompounded rate of 1/2% per month from March 1 preceding forfeiture.		
Mar 1	MCL 211.78g(3)(c)		
	Redemption requires payment of all recording fees and all fees for service of process or notice.		
Apr 15	MCL 211.78g(2)		
	Deadline for FGU to record a certificate of forfeiture.		
May 1	MCL 211.78h(1), (3)		
	FGU initiates title search and personal visit to forfeited property.		
Jun 15	MCL 211.78h(1)		
	Deadline for FGU to file petition for foreclosure with listing of forfeit with the circuit court.		
Dec-Jan	MCL 211.78k(2)		
	FGU sends certified mail notice of show-cause hearing (scheduled not less than 7 days before judicial hearing), no less than 30 days before the show-cause hearing, to owners of interest.		
Dec-Jan	MCL 211.78k(5)		
	FGU publishes notice listing pending foreclosures.		
		Within 21 days after court order	MCL 211.78r(10)
			FGU disburses the funds within 21 days after entry of an order directing disposition of the sale proceeds.



Michigan Association
of County Treasurers

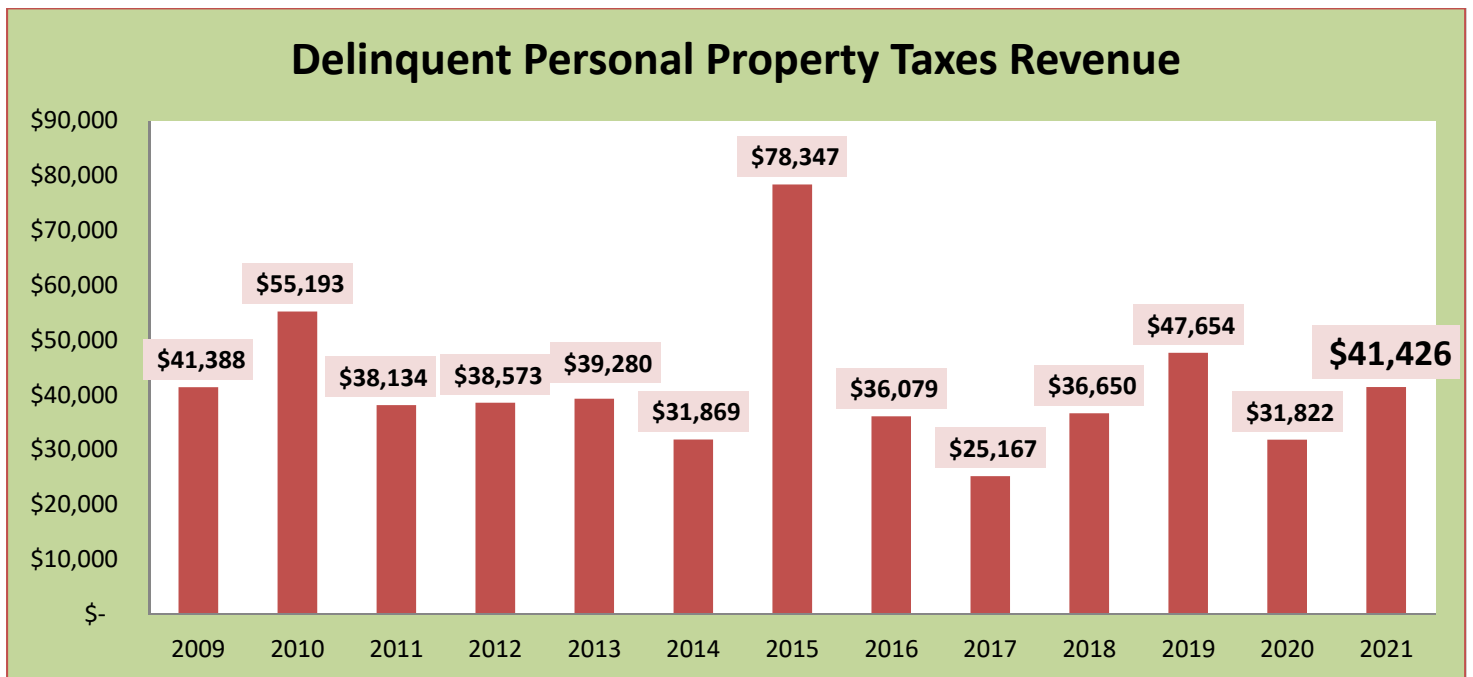
Your resource to prevent tax foreclosures

Delinquent Personal Property Taxes

The Office of the Jackson County Treasurer is one of just a few in the State of Michigan that collects delinquent personal property taxes for the city, townships, and villages in the County of Jackson. The Treasurer's office began collecting delinquent personal property taxes in 1988, as allowed per the MCL 211.56(3). The law states that the governing body of the local property tax collecting unit and the County of Board of Commissioners with the concurrence of the county treasurer, that the county treasurer shall be responsible for the collection of the delinquent personal property taxes of the city, township, or villages.

It is the Office of the Treasurers' fiduciary responsibility to collect personal property taxes and per an agreement between the Treasurer's office and the 27 local units; we are able to ease the workload at the local level for collection of these taxes and ensure that these tax dollars are then dispersed to the public schools, the Intermediate School District, the local community college and the State of Michigan.

This past year we sent out just over 4,000 notices for 1,653 delinquent personal property parcels and collected over \$41,000 (county revenue/millage only) as a result.



Dog Licensing in Jackson County

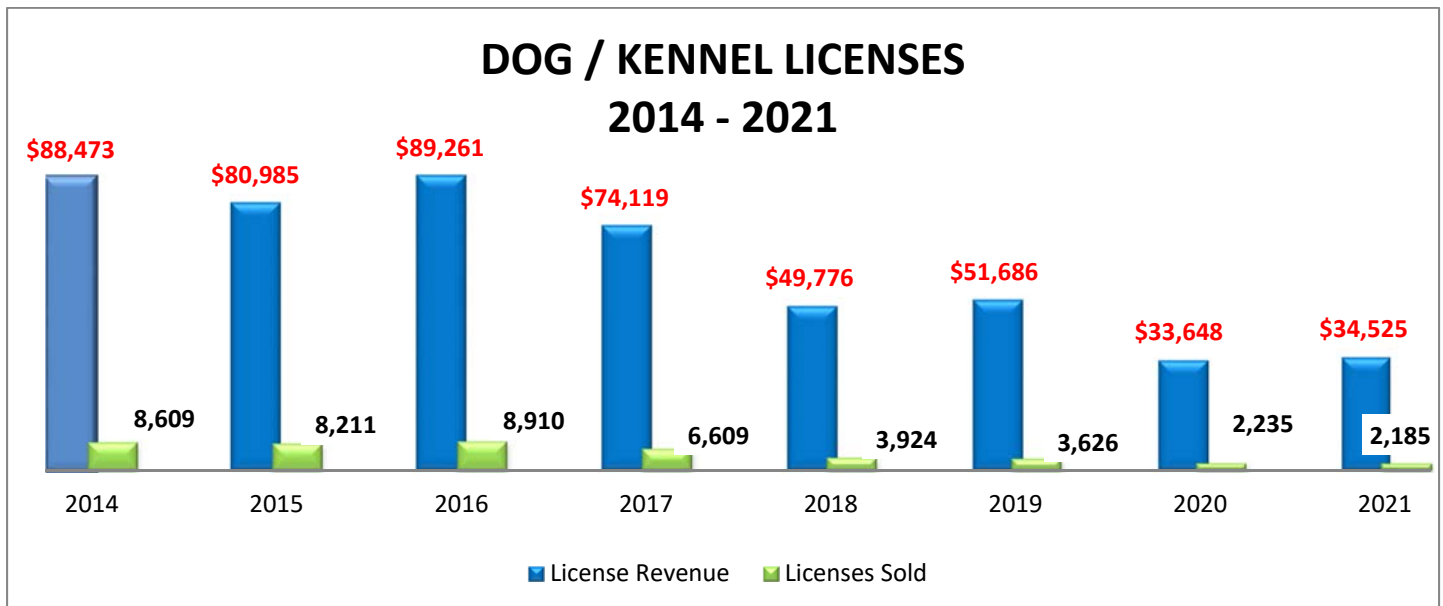
The County Treasurer's office manages the dog license program. As part of an initiative to increase dog licensing in our County, the Treasurer created a mass mailing postcard to inform all citizens in the County of the laws of being a dog owner.

Specifically:

- Michigan Law requires all dogs shall be licensed.
- Dog licenses are sold in accordance to provisions of the Dog Law Act 339 of 1919 as amended and the Jackson County Animal Control and Protection Ordinance.
- All Jackson County residents who own a dog(s) that are four (4) months old or older must have a current Jackson County dog license (MCL 287.266).
- Dog Licensing benefits the public health of the community. Rabies is a current threat to human and animal health. By licensing your dog, the overall cost and health risk is lowered by making certain that dogs are vaccinated.
- Dog Licensing also helps in the recovery of lost or stray animals.

In July of 2016, the Treasurer's office implemented a new dog licensing fee schedule and a new online licensing program. These changes **expanded options** for dog owners in that they could purchase a one year dog license OR a three year dog license based on the date of the dog's rabies vaccination expiration. The change in the fee schedule also removed any and all late penalties if the dog owner did not purchase a license within a certain time frame. The new fee schedule **did not increase** the fees to license a dog.

The new fee schedule actually entices dog owners to try to align the dog's rabies vaccination to coincide with a three year dog license, thereby receiving a discounted price for the license versus the cost of the one year license. Effectively, **issuing dog licenses can now be done year round, at any time, and online.**



2021	Male / Female Dog	# Licenses issued	Neutered / Spayed	# Licenses issued
One Year License	\$20.00	251	\$10.00	517
Three Year License	\$60.00	32	\$25.00	578
Senior Citizen Discount				
One Year License	\$10.00	45	\$5.00	301
Three Year License	\$24.00	36	\$12.00	429
Service Dog				5

Another new statistic to report since the implementation of the new dog license program that allows for payment by credit card, in 2021 we received in \$18,242 dollars in credit card payments.

Year	Credit Card payments for dog licenses
2016	\$4,811
2017	\$16,669
2018	\$14,673
2019	\$21,605
2020	\$17,495
2021	\$18,242

It is our goal to expand dog licensing services in the future to include veterinarian offices if they wish to participate. Ideally, we would like to create a one stop shopping experience for dog owners in that if they vaccinate their dogs they could also obtain a dog license at the same time.

Passports

The Office of the County Treasurer is a certified U.S. Department of State Passport Acceptance Facility providing passport processing services Monday through Friday, 8:00am to 3:30pm. The office accepts and processes new passport applications which requires review of applications and required documentation (identity, citizenship, and parental relationship for applicants under the age of 16) for completeness and accuracy. We also provide taking passport photos in office. Once the applications are reviewed, staff fully executes and submits the application according to US Department of State guidelines.

An annual re-certification process is required for all staff members by the US Department of State to keep up to date on changing guidelines and processing effectiveness. Each year the U.S. Department of State performs an audit of our processing of passports on site.

In 2021, we processed **403** passports and generated just over **\$18,200** in general fund revenue. We take great pride in this value added service that we have been able to provide for the citizens of our community.

