



## Kent County Treasurer Can Help You Understand the Delinquent Property Tax Process

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### **How does the Foreclosure Process work?**

If current year taxes, that were billed by your local city or township treasurer, on July 1st and December 1<sup>st</sup>, are left unpaid, these unpaid taxes are forwarded as **delinquent** to the Kent County Treasurer to begin the collection process on March 1<sup>st</sup> each year. (Note: local villages dates can differ).

In Michigan, local real property taxes are sent out twice a year – Summer Property Taxes on July 1, and Winter Property Taxes on December 1, due by the date stated by each local unit.

***If you miss the local city, township or villages property tax due dates what happens?*** If you are unable to make your full payment local before March 1, then the property tax will be considered delinquent and turned over to the Kent County Treasurer on March 1. Additional interest penalty will apply after March 1 retroactively to the outstanding balance. Also included is a 1-time 4% county property tax administration fee. **In some cities or villages, by their charter, the due dates are different.** Contact your local treasurer or the collecting treasurer for that information.

**If your taxes are delinquent, or in forfeiture,** you must make payments to the Kent County Treasurer. Always pay the oldest year taxes first - at the COUNTY Treasurer's office. **DO NOT** pay delinquent taxes to your local city or township treasurer. The Kent County Treasurer offers payment plans, as well as partial payments can be made at any time. All statutory fees and interest will still be applied to the unpaid balance.

**What does "forfeiture" mean? Does that mean I lose the property?** The Forfeiture date each year is March 1st – one year after your taxes are turned over delinquent to the county treasurer. **This does not mean that you have lost your property.** "Forfeiture", as defined in the property tax laws, means that your property is being PREPARED for foreclosure on March 31st after the forfeiture date – one year

later. In other words, you have 2 years and 1 month to pay your delinquent taxes to avoid foreclosure. For example, if a taxpayer failed to pay 2022 real property taxes, the county treasurer will foreclose on the property on April 1, 2025.

**What happens on the “forfeiture” date?** The county is required to add a \$175 title search fee, \$60 for recording fees, plus additional interest is added to your tax bill. You must pay all your delinquent tax bill before March 1st to avoid these charges. On March 1st, these fees are added and the interest rate per month also increases from 1% to 1.5%.

**Do we tell property owners in advance about the fees and interest owed on the property that is under threat of foreclosure?** Absolutely. More than six times by state law (including certified mailings), and the Kent County Treasurer makes additional attempts to notify delinquent property tax parcel owners, including first class mailing of quarterly statements, and a personal visit to the property. Property owners due process is taken very seriously by the Kent County Treasurer. Legal notices must be adequately made to the property owners and all parties of interest in the property or the foreclosure must be withheld.

**Do we foreclose on inherited property in probate?** If there is an open probate case, that is actively being worked on by the family, it may be withheld from the court's judgement of foreclosure.

**What if I did not receive a tax bill - am I still liable for the tax?** Yes. While the local collecting treasurer is to send tax bills out to all known taxpayers, if the tax bill is returned due to a bad address or name, as the property owner you are still liable for the tax. Not receiving a tax bill, does not alleviate the tax burden. If you have not received a tax bill or have received late bills, you should check with your local treasurer or assessor to confirm that they have the correct owner name and address for billing purposes.

### **Have you ever checked your PRE exemption status?**

A Principal Residence Exemption (PRE) exempts a residence from the tax levied by a local school district for school operating purposes up to 18 mills. To qualify for a PRE, **a person must be a Michigan resident who owns and occupies the property as a principal residence.** "Principal Residence" means the one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. The PRE is a separate law from the Homestead Property Tax Credit, which is filed annually with your Michigan Individual Income Tax Return. Your PRE status affects your real property tax amount. Important: your PRE status is determined by your local unit of government; city or township.

**What documents indicate that a person is occupying a fixed, permanent dwelling as a principal residence?** This list is not all-inclusive and no one item is particularly controlling. Ultimately, the taxpayer has the burden to prove his or her eligibility for the tax exemption. If the property is the person's principal residence, that person should be able to show ample documentation bearing the address of the parcel at issue that is consistent with a person's principal residence. Occupancy as a person's principal residence is more than just stating the intent to reside there. A person's intent is reflected in the address listed on the following documents: driver's license; voter registration record; vehicle registration; income tax returns showing the mailing address; utility bills showing active service throughout the year and mailing address and person who is to be billed; bank/charge accounts showing purchases within the vicinity of the property; medical billings from physicians within the vicinity of the property; and/or insurance policies.

### **Are there other exemptions I may qualify for?**

You may qualify for an exemption from property taxes that could reduce or eliminate future taxes. To find out if you qualify for assistance with your property taxes through the tax exemption programs, make sure to contact your city or township assessor's office. The Kent County Treasurer cannot grant tax exemptions. This must be done at the local city, township or village.

Property Tax Relief:

- Tax deferment request
- Property Tax Exemptions – determined by the local municipality such as “Disabled Veterans Exemption” or a “Poverty Exemption”.

### **My property taxes are too high. How can I challenge my taxable value?**

Please contact the assessor in the city, township, or village where your property is located, and they can assist you with the challenge process.

### **Michigan Winter Taxes - Michigan Summer Taxes**

- The confusing part of Michigan property taxes is how they are collected. They are split up into two bills. The summer tax bill that comes out on July 1st of each year and the winter tax bill that comes out on December 1st of each year. Many Michigan relocation buyers believe that you are paying taxes for 6 months at a time. That is incorrect. The summer tax bill runs from July 1st of this year to June 30th of next year. The winter tax bill runs from December 1st of this year to November 30th of next year. They run a full year. To add more confusion to the process is every city does their winter/summer taxes differently. Our Michigan property tax bills cover:
  - City taxes
  - County taxes
  - School millages
  - Road millages
  - Fire Department millages
  - Police Department millages
  - And various other millages – (For Kent County there are five other millages)

Remember - if you want to know what your future tax bill will be call your local unit treasurers department to get an accurate figure. The bottom line is just adding the winter and summer tax bills up for your total.

**How can I confirm the payment was received?** If paying by check, please check with your bank first to confirm that the check has been cashed. If you escrow your taxes, please check with your mortgage or escrow company. As the taxpayer, you're liable for the tax payment.

## **Financial Hardship**

**Financial Hardship Deferrals** are designed to delay foreclosure deadlines for no more than one year for owners who are **working actively** to catch up on delinquent property taxes. Disclaimer: Submitting a Financial Hardship Deferral Application does not guarantee it will be approved.

### **Who Can Apply for a Financial Hardship?**

Anyone that owns or holds title to property (by recorded deed or land contract). Must occupy the property as a principal residence. Demonstration or provide proof to a substantial financial hardship.

**\*Must meet all three qualifications.**

### **What if you received an extension last year, can you apply again?**

A Hardship Deferral is a **one-time deferral**. If you received a Hardship Extension last year, paid in full the delinquent tax, and are still facing a financial hardship then you can apply again.

### **Will the Application to Withhold Property from Foreclosure due to Substantial Financial Hardship reduce or eliminate my taxes?**

**No.** Once property taxes are billed, by state law, they cannot be reduced by the Kent County Treasurer. Interest and fees will continue to accumulate during the extension period.

**What is the deadline to apply for a Financial Hardship Extension request?** Before March 31<sup>st</sup>, (sooner is better - because there is a review process for all requests).

## Facts & Myths about Tax Foreclosure

- Tax foreclosure ruins credit scores. **False**
- Property taxes follow the property, not the owner. **True**
- Mortgage foreclosures and property tax liens foreclosures are the same thing. **False**
- Tax foreclosures is a highly regulated process. **True**

## Foreclosure Definitions:

- **Forfeiture:** This is not a foreclosure. Forfeiture happens when people have not paid their property taxes, and the county treasurer begins foreclosure on the property on March 1 of the year after taxes become delinquent.
- **Foreclosure:** The court-ordered sale of a property due to the owner's failure to pay tax liabilities.
- **Delinquency:** Unable to pay property taxes in a timely manner.
- **Distressed or blighted property:** property that is in poor condition and requires rehabilitation.
- **Tax lien:** A legal claim against a property for unpaid property taxes, IRS or state treasury liens. Prohibits a property from being sold or refinanced until taxes are paid and the lien is removed.

## How can you pay your delinquent taxes?

Online at <https://payments.mykentcounty.com>

- e-Check-ACH @ \$0 fee
- Credit Card @ 2.98% charge
- By Mail – checks or money orders
- Mobile App: *myKentCounty* – Android or Apple
- In-Person – Cash, Check or Credit/Debit Card

For more information, please contact the Kent County Treasurer's Office at (616) 632-7500.

**Peter MacGregor – Kent County Treasurer**

