

Michigan State Senate
Local Government and Elections Committee
December 5, 2013

Remarks by Eric Schertzing, Ingham County Treasurer
SB 574 (Jones)

Thank you for the opportunity to testify in support of the County opt-in provision for eligibility as a foreclosing governmental unit. The Michigan Association of County Treasurers supports this legislation.

PA 123 of 1999 was a major change in the delinquent tax collection process. The tax lien system from 1893, run by State Treasury, changed into a tax deed process with 2 opt-in opportunities for Counties. The goal was for all Counties to handle the entire process. If memory serves me, during the original opt-in opportunity 32 Counties undertook the foreclosing governmental unit (FGU) process. At that time a majority of County Treasurers and County Board of Commissioners were concerned about the liability, potential unfunded cost and the complexity of the new system.

Five years later, during the second opt-in opportunity, an additional 38 counties, including Ingham, joined their colleagues as the FGU. The concerns over liability had not materialized and the fees structure covered all cost of the new process. Several years later a special purpose bill allowed Mary Balkema, the Kalamazoo County Treasurer, to bring them into FGU status as the 71st County.

We are here today because Eaton County, and others, hopes to join the 71. I thank Treasurer Robinson and Senator Jones for their vision and leadership to bring us to this point.

In my role as the County Treasurer for the home of State Government, with many friends in public service at the state level, I can say without hesitation that County Treasurers provide a superior service to all of our constituents in the delinquent tax collection, forfeiture and foreclosure process. We know our communities and citizens best, and are closest to them.

As an individual, and not on behalf of our State Association, I would strongly encourage you to make this process uniform throughout the State of Michigan. Those Counties not currently handling the system, and their citizens, will thank you for the improvement. We do not benefit from special carve outs for random cities, regions or counties.

Additionally, Kevin Smith, the Assistant Attorney General who has stood side by side with Treasurers in creating, implementing and managing this process for the last 18 years is nearing retirement. While I'm sure Kevin is ably training a new person, a great deal of knowledge will go with him. This is a good time to create process uniformity in 83 counties.

Thank you for your time and service and consideration of this good legislation.