

# **Bond Case Briefs**

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### **Rafaeli, LLC v. Wayne County**

**United States District Court, E.D. Michigan, Southern Division - June 4, 2015 - Slip Copy - 2015 WL 3522546**

Plaintiffs brought a putative class action against Counties, alleging that the notices required by the Michigan General Property Tax Act ("GPTA") regarding delinquent real estate taxes, judicial tax foreclosure proceedings and the subsequent judicial foreclosure proceedings do not comport with the constitutional requirements of Due Process and Equal Protection. Plaintiffs also challenged the foreclosure and taking of the entire equity in properties in order to satisfy minor tax deficiencies, claiming that this practice is forbidden by the Takings Clause of the Fifth Amendment to the United States Constitution. Accordingly, Plaintiffs sought an award of "just compensation," as well as a declaration from the court that Michigan's GPTA is unconstitutional.

The District Court held that the Tax Injunction Act and the principles of comity barred Plaintiffs from bringing this case in the federal courts.

"In sum, accepting the allegations in Plaintiffs' Complaint as true, this case may be litigated in state court, and adequate remedies found there. Plaintiffs' Due Process claim is quite clearly a direct challenge to the way that Oakland and Wayne County "collect" delinquent property taxes. As such, Plaintiffs' Due Process claim is barred by the express terms of the Tax Injunction Act, as well as under the principle of comity. A comprehensive administrative scheme is available for Plaintiffs to challenge the alleged Due Process violations in question in Michigan's court of claims, or in Michigan's circuit courts. If Plaintiffs want to raise constitutional claims, Michigan's state courts are equally equipped to hear § 1983 claims. Because a plain, adequate, and complete remedy is available in the state courts, and Plaintiffs may ultimately seek review of the state court decisions in the United States Supreme Court, this action is not appropriately before this Court, and must be dismissed without prejudice for want of subject matter jurisdiction."