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BILL ANALYSIS



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Senate Bill 867 (as introduced 11-9-05)
Sponsor: Senator Laura M. Toy
Committee: Local, Urban and State Affairs

Date Completed: 11-10-05

CONTENT

The bill would amend the Land Bank Fast Track Act to revise a provision that limits the ability of a land bank fast track authority to convey or dispose of property that represents a threat to public health, safety, and welfare or the environment.

The Act establishes the State Land Bank Fast Track Authority in the Department of Labor and Economic Growth, and allows counties and qualified cities to enter into an intergovernmental agreement with the State Authority for the creation of a county or local authority. (Under the Act, "land bank fast track authority" refers to the State Authority or a local authority.) The Act contains procedures for expedited quiet title and foreclosure actions on abandoned and tax-reverted property, and otherwise permits an authority to assemble, acquire, and dispose of property.

If the Department of Environmental Quality (DEQ) determines that conditions on property transferred to a land bank fast track authority under Section 78m(15) of the General Property Tax Act represent an acute threat to public health, safety, and welfare, or to the environment, the authority may not convey, sell, transfer, exchange, lease, or otherwise dispose of the property until the DEQ determines that the acute threat has been eliminated and that the disposal of the property will not interfere with any response activities by the Department. (Section 78m(15) of the General Property Tax Act provides for the transfer of tax-delinquent foreclosed property to the State Land Bank Fast Track Authority that if the property is a facility under Part 201 of the Natural Resources and Environmental Response Act (a site containing an excess concentration of a hazardous substance) and the DEQ determines that conditions at the property are an acute threat to the public health, safety, and welfare or the environment; the DEQ proposes to undertake or is undertaking State-funded response activities; and the DEQ determines that the sale, retention, or transfer of the property except under this subsection would interfere with response activities by the DEQ.)

The bill would delete reference to Section 78m(15) of the General Property Tax Act, and refer instead to property transferred to a land bank fast track authority under Section 78m of that Act. The section grants the State the right of first refusal to purchase foreclosed property; allows a local unit of government to purchase the property if the State does not; and provides for the sale of property at auction, the return of unsold property to a local unit, the disposition of the proceeds of a sale, a joint sale by treasurers of adjoining counties, and the cancellation of liens on property transferred to the State. Section 78m also contains additional provisions concerning foreclosed property that is a facility.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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