



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5646 (as reported without amendment)
Sponsor: Representative Wayne Schmidt
House Committee: Commerce
Senate Committee: Economic Development

CONTENT

The bill would amend the Tax Reverted Clean Title Act to allow a land bank fast track authority to exempt eligible tax reverted property from the specific tax levied under the Act, making the property subject instead to the general property tax.

The Act requires a land bank fast track authority, by December 31 of each year, to give a list of all property it sold to the assessor of each local tax collecting unit in which the property is located. Eligible tax reverted property is exempt from ad valorem property taxes collected under the General Property Tax Act and is subject instead to the eligible tax reverted property specific tax.

The bill would allow a land bank fast track authority to exempt eligible tax reverted property from the specific tax if the exemption would assist in the creation of jobs, investment, or other economic development benefits in the city, village, or township in which the eligible tax reverted property was located. Eligible tax reverted property that was exempt from the specific tax under the bill would be subject to the collection of taxes under the General Property Tax Act.

The bill also would repeal a section of the Act specifying that the amount of an unpaid specific tax levied under the Act is a lien on real property subject to the specific tax and is not subject to return as delinquent taxes.

MCL 211.1025 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would increase local unit property tax revenue by an unknown amount, and decrease revenue to a land bank fast track authority by the same amount. The magnitude of any changes would depend upon the specific characteristics of any property affected by the bill. The impacts on State revenue and expenditure would not be equal, but the net difference would likely be negligible.

Date Completed: 6-8-12

Fiscal Analyst: David Zin