



Senate Fiscal Agency
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House Bill 5398 (Substitute H-4 as reported without amendment)
Sponsor: Representative Jon Bumstead
House Committee: Local Government
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to do the following:

- Allow a foreclosing governmental unit for a county (other than the State) to acquire property owned by the State, the Federal government, a land bank fast track authority, or another governmental entity, to facilitate the sale of tax-reverted property.
- Allow a land bank fast track authority to convey real property it owned to a foreclosing governmental unit, other than the State.
- Require a foreclosing governmental unit to offer the acquired property at an auction sale as provided for foreclosed tax-delinquent property, and allow the property to be sold as a group with other parcels.
- Provide that the property could not be sold to a city, village, township, or county, as otherwise allowed for foreclosed tax-delinquent property.
- Require any net proceeds from the sale to be deposited into the foreclosing governmental unit's delinquent tax property sales account as the delinquent tax property sales proceeds for the year in which the property was sold by the foreclosing unit.
- Require a party to a conveyance under the bill to execute all documents necessary to effectuate the conveyance, and record the documents with the register of deeds in the county where the property was located.

Proposed MCL 211.78r

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an unknown fiscal impact, which would depend on the decision by a county that is a foreclosing governmental unit to acquire property under the authority provided by the bill, the participation of the State, Federal government, or other governmental entity in land assembly, the terms on which the property was acquired, and the extent to which the assembled property facilitated the sale of tax-reverted property and its return to the tax roll. The proceeds of the sale of the property would be deposited into a county delinquent tax property sales proceeds account, which is used by the foreclosing governmental unit for reimbursement of the delinquent tax revolving fund, costs of the sale of property for the year, cost of foreclosure proceedings, and other purposes authorized by statute.

Date Completed: 12-4-14

Fiscal Analyst: Elizabeth Pratt