

Legislative Analysis



OPT-IN "WINDOW" FOR COUNTY TO SERVE AS FORECLOSING GOVERNMENTAL UNIT

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5058

Sponsor: Rep. Mike Callton
Committee: Local Government
Complete to 11-13-13

A SUMMARY OF HOUSE BILL 5058 AS INTRODUCED 10-8-13

House Bill 5058 would amend the General Property Tax Act (MCL 211.78) to provide county government officials the opportunity to opt in as the foreclosing governmental unit under the Fast Track Land Bank Authority program.

The bill specifies that, from December 1, 2013 until November 30, 2014, a county board of commissioners that had elected to have the foreclosure of forfeited property administered by the State of Michigan (rather than having the county handle it) may rescind its resolution at an open meeting, with the written agreement of the county treasurer and county executive (if any). The commissioners would be required to forward a copy of the new resolution to the Department of Treasury not later than November 30, 2014.

Under the bill, a county that rescinded its prior choice *by January 30, 2014* would act as the foreclosing governmental unit after February 1, 2014 for all property forfeited to the county treasurer. In contrast, a county that rescinded its prior election *after January 30, 2014* but before November 30, 2014 would act as the foreclosing governmental unit for forfeited property after February 1, 2015.

[Note: Following enactment of the Fast Track Land Bank Authority Act--Public Act 258 of 2003--the officials in 38 Michigan counties have set up local land banks with the aim of receiving tax forfeited properties and returning them to productive use. The officials in 12 additional counties opted to have the state administer their local land banks instead of doing so themselves. The counties for which the state administers the land banks are Keweenaw, Iron, Dickinson, Luce, Kalkaska, Iosco, Mecosta, Clinton, Shiawassee, Eaton, Livingston, and Branch.

FISCAL IMPACT:

As written, the bill could reduce administrative costs to the state by an unknown amount. The magnitude of the reduction depends on how many of the twelve counties with state administered land banks decide to administer the bank themselves, and how many tax foreclosures occur in those counties in the future.

Legislative Analyst: J. Hunault
Fiscal Analysts: Jim Stansell
Adam Desrosiers

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