

**SUBSTITUTE FOR
HOUSE BILL NO. 5450**

A bill to provide for the creation of local land banks to assist governmental entities in the assembly and clearance of title to property in a coordinated manner; to facilitate the use and development of certain property; to promote economic growth; to prescribe the powers and duties of certain land banks; to provide for the creation and appointment of boards to govern land banks and to prescribe their powers and duties; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to authorize the conveyance of certain properties to a land bank; to authorize the enforcement of tax liens and the clearing or quieting of title by a land bank; to provide for the distribution and use of revenues collected or received by a land bank; to prescribe powers and duties of certain public entities and state and local officers and agencies; to authorize the transfer and acceptance of property in lieu of taxes and the

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release of tax liens; to exempt property, income, and operations of a land bank from tax; and to extend protections against certain liabilities to a land bank.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER 1

2 GENERAL PROVISIONS

3 Sec. 101. This act shall be known and may be cited as the
4 "Michigan land bank and community development authority act".

5 Sec. 102. The legislature finds that there exists in this
6 state a continuing need to strengthen and revitalize the economy
7 of this state and local units of government in this state and
8 that it is in the best interests of this state and local units of
9 government in this state to assemble or dispose of public proper-
10 ty, including tax reverted property, in a coordinated manner to
11 foster the development of that property and to promote economic
12 growth in this state, and local units of government in this
13 state. It is declared to be a valid public purpose for a land
14 bank created under this act to acquire, assemble, dispose of, and
15 quiet title to property under this act. It is further declared
16 to be a valid public purpose for a land bank created under this
17 act to provide for the financing of the acquisition, assembly,
18 disposition, and quieting of title to property, and for a land
19 bank to exercise other powers granted to a land bank under this
20 act. The legislature finds that a land bank created and powers
21 conferred by this act constitute a necessary program and serve a
22 necessary public purpose.

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1 Sec. 103. As used in this act:

2 (a) "Casino" means a casino regulated by this state under
3 the Michigan gaming control and revenue act, the Initiated Law of
4 1996, MCL 432.201 to 432.226, or a casino at which gaming is con-
5 ducted under the Indian gaming regulatory act, Public Law
6 100-497, 102 Stat. 2467, and all property associated or affili-
7 ated with the operation of the casino, including, but not limited
8 to, a parking lot, hotel, motel, or retail store.

9 (b) "Foreclosing governmental unit" means that term as
10 defined in section 78 of the general property tax act, 1893
11 PA 206, MCL 211.78.

12 (c) "Land bank" means any of the following:

13 (i) The Michigan land bank and community development author-
14 ity created under chapter 2 of this act.

15 (ii) A metropolitan land bank authority created under chap-
16 ter 3 of this act.

17 (d) "Local unit of government" means a city, village, town-
18 ship, county, or any intergovernmental, metropolitan, or local
19 agency or authority, or other local political subdivision.

20 (e) "Tax reverted property" means property that meets 1 or
21 more of the following criteria:

22 (i) The property was conveyed to this state under section
23 67a of the general property tax act, 1893 PA 206, MCL 211.67a,
24 and subsequently was not sold at a public auction under section
25 131 of the general property tax act, 1893 PA 206, MCL 211.131.

26 (ii) The property was conveyed to this state under section
27 67a of the general property tax act, 1893 PA 206, MCL 211.67a,

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1 and subsequently was either redeemed by a local unit of
2 government or transferred to a local unit of government under
3 section 2101 or 2102 of the natural resources and environmental
4 protection act, 1994 PA 451, MCL 324.2101 and 324.2102.

5 (iii) The property was subject to forfeiture, foreclosure,
6 and sale for the collection of delinquent taxes as provided in
7 sections 78 to 79a of the general property tax act, 1893 PA 206,
8 MCL 211.78 to 211.79a, and both of the following apply:

9 (A) Title to the property vested in a foreclosing governmen-
10 tal unit under section 78k of the general property tax act, 1893
11 PA 206, MCL 211.78k.

12 (B) The property was offered for sale at an auction but not
13 sold under section 78m of the general property tax act, 1893
14 PA 206, MCL 211.78m.

15 (iv) The property was obtained by this state under section
16 78m(1) of the general property tax act, 1893 PA 206,
17 MCL 211.78m.

18 (v) The property was obtained by or transferred to a local
19 unit of government under section 78m of the general property tax
20 act, 1893 PA 206, MCL 211.78m.

21 (vi) Pursuant to the requirements of a city charter, the
22 property was deeded to the city for unpaid delinquent real prop-
23 erty taxes.

24 Sec. 104. (1) Except as otherwise provided in this act, a
25 land bank may do all things necessary or convenient to implement
26 the purposes, objectives, and provisions of this act, and the
27 purposes, objectives, and powers delegated to the board of

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1 directors of a land bank by other laws or executive orders,
2 including, but not limited to, all of the following:

3 (a) Adopt, amend, and repeal bylaws for the regulation of
4 its affairs and the conduct of its business.

5 (b) Sue and be sued in its own name and plead and be
6 impleaded, including, but not limited to, defending the land bank
7 in an action to clear title to property conveyed by the land
8 bank.

9 (c) Borrow money and issue negotiable revenue bonds and
10 notes according to the provisions of this act.

11 (d) Enter into contracts and other instruments necessary,
12 incidental, or convenient to the performance of its duties and
13 the exercise of its powers, including, but not limited to, inter-
14 local agreements under the urban cooperation act of 1967, 1967
15 (Ex Sess) PA 7, MCL 124.501 to 124.512, for the joint exercise of
16 powers under this act.

17 (e) Solicit and accept gifts, grants, labor, loans, and
18 other aid from any person, or the federal government, this state,
19 or a political subdivision of this state or any agency of the
20 federal government, this state, a political subdivision of this
21 state, or an intergovernmental entity created under the laws of
22 this state or participate in any other way in a program of the
23 federal government, this state, a political subdivision of this
24 state, or an intergovernmental entity created under the laws of
25 this state.

26 (f) Procure insurance against loss in connection with the
27 property, assets, or activities of the land bank.

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1 (g) Invest money of the land bank, at the discretion of the
2 board of directors of the land bank, in instruments, obligations,
3 securities, or property determined proper by the board of direc-
4 tors of the land bank, and name and use depositories for its
5 money.

6 (h) Employ legal and technical experts, other officers,
7 agents, or employees, permanent or temporary, paid from the funds
8 of the land bank. The land bank shall determine the qualifica-
9 tions, duties, and compensation of those it employs. The board
10 of directors of a land bank may delegate to 1 or more members,
11 officers, agents, or employees any powers or duties it considers
12 proper.

13 (i) Contract for goods and services and engage personnel as
14 necessary and engage the services of private consultants, manag-
15 ers, legal counsel, engineers, accountants, and auditors for
16 rendering professional financial assistance and advice payable
17 out of any money of the land bank.

18 (j) Study, develop, and prepare the reports or plans the
19 land bank considers necessary to assist it in the exercise of its
20 powers under this act and to monitor and evaluate the progress
21 under this act.

22 (k) Enter into contracts for the management of, the collec-
23 tion of rent from, or the sale of real property held by the land
24 bank.

25 (l) Do all other things necessary or convenient to achieve
26 the objectives and purposes of the land bank or other laws that
27 relate to the purposes and responsibility of the land bank.

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1 (2) The enumeration of a power in this act shall not be
2 construed as a limitation upon the general powers of a land
3 bank. The powers granted under this act are in addition to those
4 powers granted by any other statute or charter.

5 (3) A land bank, in its discretion, may contract with
6 others, public or private, for the provision of all or a portion
7 of the services necessary for the management and operation of the
8 land bank. A land bank shall adopt a code of ethics for its
9 directors, officers, and employees.

10 (4) If a land bank holds a tax deed to abandoned property,
11 the authority may quiet title to the property under section 79a
12 of the general property tax act, 1893 PA 206, MCL 211.79a.

13 (5) The property of a land bank and its income and opera-
14 tions are exempt from all taxation by this state or any of its
15 political subdivisions.

16 (6) A land bank shall not expend any funds for, or related
17 to, the development of a casino or a casino-related development.

18 (7) A land bank shall not levy any tax or special
19 assessment.

20 (8) A land bank shall not exercise the power of eminent
21 domain or condemn property.

22 Sec. 105. (1) A land bank may acquire by gift, devise,
23 transfer, exchange, foreclosure, purchase, or otherwise on terms
24 and conditions and in a manner the land bank considers proper,
25 own, lease as lessor, convey, demolish, relocate, or rehabilitate
26 real or personal property, or rights or interests in real or
27 personal property.

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1 (2) Real property acquired by a land bank by purchase may be
2 by purchase contract, lease purchase agreement, installment sales
3 contract, land contract, or otherwise. The land bank may pur-
4 chase real property or rights or interests in real property for
5 any purpose the land bank considers necessary to carry out the
6 purposes of this act, including, but not limited to, 1 or more of
7 the following purposes:

8 (a) The use or development of property the land bank has
9 otherwise acquired.

10 (b) To facilitate the assembly of property for sale or lease
11 to any other public or private person, including, but not limited
12 to, a nonprofit corporation.

13 (c) To protect or prevent the extinguishing of any lien,
14 including a tax lien, held by the land bank or imposed upon prop-
15 erty held by the land bank.

16 (3) A land bank may also acquire by purchase, on terms and
17 conditions and in a manner the land bank considers proper, prop-
18 erty or rights or interest in property from 1 or more of the fol-
19 lowing sources:

20 (a) The department of natural resources under section 2101
21 or 2102 of the natural resources and environmental protection
22 act, 1994 PA 451, MCL 324.2101 and 324.2102.

23 (b) A foreclosing governmental unit under the general prop-
24 erty tax act, 1893 PA 206, MCL 211.1 to 211.157.

25 (c) The Michigan state housing development authority under
26 the state housing development authority act of 1966, 1966 PA 346,
27 MCL 125.1401 to 125.1499c.

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1 (4) A land bank may hold and own in its name any property
2 acquired by it or conveyed to it by this state, a foreclosing
3 governmental unit, a local unit of government, an intergovernmen-
4 tal entity created under the laws of this state, or any other
5 public or private person, including, but not limited to, tax
6 reverted property and property with or without clear title.

7 (5) All deeds, mortgages, contracts, leases, purchases, or
8 other agreements regarding property of a land bank, including
9 agreements to acquire or dispose of real property, may be
10 approved by and executed in the name of the land bank.

11 Sec. 106. (1) A land bank may, without the approval of a
12 local unit of government in which property held by the land bank
13 is located, control, hold, manage, maintain, operate, repair,
14 lease as lessor, secure, prevent the waste or deterioration of,
15 demolish, and take all other actions necessary to preserve the
16 value of the property it holds or owns. A land bank may take or
17 perform the following with respect to property held or owned by
18 the land bank:

19 (a) Grant or acquire a license, easement, or option with
20 respect to property as the land bank determines is reasonably
21 necessary to achieve the purposes of this act.

22 (b) Fix, charge, and collect rents, fees, and charges for
23 use of property under the control of the land bank or for serv-
24 ices provided by the land bank.

25 (c) Pay any tax or special assessment due on property
26 acquired or owned by the land bank.

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1 (d) Take any action, provide any notice, or institute any
2 proceeding required to clear or quiet title to property held by
3 the land bank in order to establish ownership by and vest title
4 to property in the land bank, including, but not limited to, an
5 expedited quiet title and foreclosure action under section 109.

6 (e) Remediate environmental contamination on any property
7 held by the land bank.

8 (2) A land bank shall defend any actions concerning title
9 claims against property held by the land bank.

10 (3) Subject to subsection (4), a land bank may accept from a
11 person with an interest in a parcel of tax delinquent property or
12 tax reverted property a deed conveying that person's interest in
13 the property in lieu of the foreclosure or sale of the property
14 for delinquent taxes levied under the general property tax act,
15 1893 PA 206, MCL 211.1 to 211.157, or delinquent specific taxes
16 levied under another law of this state against the property by a
17 local unit of government or other taxing jurisdiction.

18 (4) A land bank may not accept under subsection (3) a deed
19 in lieu of foreclosure or sale of the tax lien attributable to
20 taxes levied by a local unit of government or other taxing juris-
21 diction without the written approval of all taxing jurisdictions
22 or the foreclosing governmental unit that would be affected.
23 Upon approval of the affected taxing jurisdictions and the fore-
24 closing governmental unit, all of the unpaid general ad valorem
25 taxes and specific taxes levied on the property, whether recorded
26 or not, shall be extinguished. The land bank shall record proof
27 of the acceptance by the affected taxing jurisdictions under this

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1 subsection and the deed in lieu of foreclosure with the register
2 of deeds for the county in which the property is located.

3 (5) Except as provided in subsection (4), conveyance of
4 property by deed in lieu of foreclosure under this section shall
5 not affect or impair any other lien against that property or any
6 existing recorded or unrecorded interest in that property,
7 including, but not limited to, future installments of special
8 assessments, liens recorded by this state, or restrictions
9 imposed under the natural resources and environmental protection
10 act, 1994 PA 451, MCL 324.101 to 324.90106, easements or
11 rights-of-way, private deed restrictions, security interests and
12 mortgages, or tax liens of other taxing jurisdictions or a fore-
13 closing governmental unit that does not consent to a release of
14 their liens.

15 (6) A tax lien against property held by a land bank may be
16 released at any time by the governing body of a local unit of
17 government with respect to the lien held by the local unit of
18 government, the governing body of any other taxing jurisdiction
19 other than this state with respect to a lien held by the taxing
20 jurisdiction, a foreclosing governmental unit with respect to a
21 tax lien or right to collect a tax held by the foreclosing gov-
22 ernmental unit, or the state treasurer with respect to a tax lien
23 securing the state education tax under the state education tax
24 act, 1993 PA 331, MCL 211.901 to 211.906.

25 Sec. 107. (1) On terms and conditions, and in a manner and
26 for an amount of consideration a land bank considers proper,
27 fair, and valuable, including for no monetary consideration, the

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1 land bank may convey, sell, transfer, exchange, lease as lessor,
2 or otherwise dispose of property or rights or interests in prop-
3 erty in which the land bank holds a legal interest to any public
4 or private person for value determined by the land bank. The
5 transfer and use of property under this section and the exercise
6 by the land bank of powers and duties under this act shall be
7 considered a necessary public purpose and for the benefit of the
8 public.

9 (2) All property held by a land bank shall be inventoried
10 and classified by the land bank according to title status and
11 suitability for use.

12 (3) Except as otherwise provided in this act, as required by
13 other law, as required under the provisions of a deed, or as a
14 land bank otherwise agrees, any proceeds received by the land
15 bank may be retained by the land bank for the purposes of this
16 act.

17 (4) A document, including, but not limited to, a deed, evi-
18 dencing the transfer under this act of 1 or more parcels of prop-
19 erty to a land bank by this state or a political subdivision of
20 this state may be recorded with the register of deeds office in
21 the county in which the property is located without the payment
22 of a fee.

23 Sec. 108. Any amount received by a land bank as payment of
24 taxes, penalties, or interest, or from the redemption or sale of
25 property subject to a tax lien of any taxing unit shall be
26 returned to the local tax collecting unit in which the property
27 is located for distribution to the appropriate taxing units.

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1 Sec. 109. (1) A land bank may initiate an expedited quiet
2 title and foreclosure action under this section to quiet title to
3 real property held by the land bank or interests in tax reverted
4 property held by the land bank by recording with the register of
5 deeds in the county in which the property subject to expedited
6 quiet title and foreclosure is located a notice of pending expe-
7 dited quiet title and foreclosure action in a form prescribed by
8 the department of treasury. The notice shall include a legal
9 description of the property, the street address of the property
10 if available, the name, address, and telephone number of the land
11 bank, a statement that the property is subject to expedited quiet
12 title and foreclosure under this act, and a statement that any
13 legal interests in the property may be extinguished by a circuit
14 court vesting title to the property in the land bank. If a
15 notice is recorded in error, the land bank may correct the error
16 by recording a notice of error with the register of deeds. A
17 notice under this subsection need not be notarized and may be
18 authenticated by a digital signature or other electronic means.
19 Property is not subject to an expedited quiet title and foreclo-
20 sure action under this section if the property was forfeited
21 under section 78g of the general property tax act, 1893 PA 206,
22 MCL 211.78g, and remains subject to foreclosure under section 78k
23 of the general property tax act, 1893 PA 206, MCL 211.78k.

24 (2) After recording the notice under subsection (1), a land
25 bank shall initiate a search of records identified in this sub-
26 section to identify the owners of a property interest in the
27 property who are entitled to notice of the foreclosure hearing

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1 under this section. The land bank may enter into a contract with
2 [or]
3 may request from 1 or more authorized representatives [a title search
4 or other title product to identify the owners of a] property interest in
5 the property as required under this subsection and to perform the
6 other functions set forth in this section required for the col-
7 lection of delinquent taxes under this act. The owner of a prop-
8 erty interest is entitled to notice under this section if that
9 owner's interest was identifiable by reference to any of the fol-
10 lowing sources before the date that the land bank records the
11 notice under subsection (1):

12 (a) Land title records in the office of the county register
13 of deeds.

14 (b) Tax records in the office of the county treasurer.

15 (c) Tax records in the office of the local assessor.

16 (d) Tax records in the office of the local treasurer.

17 (3) A land bank may file a single petition with the clerk of
18 the circuit court in which property subject to expedited foreclo-
19 sure under this section is located listing all property subject
20 to expedited foreclosure by the land bank and for which the land
21 bank seeks to quiet title. If available to the land bank, the
22 list of properties shall include a legal description of, a tax
23 parcel identification number for, and the street address of each
24 parcel of property. The petition shall seek a judgment in favor
25 of the land bank against each property listed and shall include a
26 date, within 90 days, on which the land bank requests a hearing
27 on the petition. The petition shall request that a judgment be

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1 entered vesting absolute title in the land bank, without right of
2 redemption for each parcel of property listed, as provided in
3 this section. Prior to the entry of judgment under this section,
4 the land bank may request the court to remove property errone-
5 ously included in the petition, or any tax delinquent properties
6 redeemed prior to the hearing.

7 (4) The clerk of the circuit court in which a petition is
8 filed under subsection (3) shall immediately set the date, time,
9 and place for a hearing on the petition for foreclosure. The
10 date shall be set by the clerk and shall not be more than 10 days
11 after the date requested by the land bank in the petition. In no
12 event may the clerk schedule the hearing later than 90 days after
13 the filing of petition by the land bank under subsection (3).

14 (5) After completing the title search under subsection (2),
15 a land bank shall determine the address or addresses reasonably
16 calculated to inform those owners of a property interest in prop-
17 erty subject to expedited foreclosure under this section of the
18 pendency of the foreclosure hearing under subsection (11). If,
19 after conducting the title search, the land bank is unable to
20 determine an address reasonably calculated to inform persons with
21 a property interest in property subject to expedited tax foreclo-
22 sure or the notice under subsection (6) is returned as undeliver-
23 able, any of the following shall be deemed reasonable steps by
24 the land bank to ascertain the addresses of persons with a prop-
25 erty interest in the property subject to expedited foreclosure:

26 (a) A search of records of the county probate court.

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1 (b) A search of the qualified voter file established under
2 section 509o of the Michigan election law, 1954 PA 116,
3 MCL 168.509o, which is authorized by this subdivision.

4 (c) For a partnership, a search of partnership records filed
5 with the county clerk.

6 (d) For a business entity other than a partnership, a search
7 of business entity records filed with the department of consumer
8 and industry services.

9 (e) A search of the current telephone directory for the area
10 in which the property is located.

11 (f) A letter of inquiry to the last seller of the property
12 or an attorney for the seller, if ascertainable.

13 (6) Not less than 30 days before the quiet title and fore-
14 closure hearing under subsection (11), the land bank shall send
15 notice by certified mail, return receipt requested, of the fore-
16 closure hearing to the persons identified under subsection (5)
17 with a property interest in property subject to expedited
18 foreclosure. The land bank shall also send a notice via regular
19 mail addressed to the "Occupant" for each property subject to
20 expedited foreclosure if an address for the property is
21 ascertainable.

22 (7) Not less than 30 days before the quiet title and fore-
23 closure hearing under subsection (11), the land bank or its
24 authorized representative shall visit each parcel of property
25 subject to expedited foreclosure and post conspicuously on the
26 property notice of the hearing. In addition to the requirements
27 of subsection (8), the notice shall also include the following

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1 statement: "THIS PROPERTY HAS BEEN TRANSFERRED TO THE
2 _____ LAND BANK DUE TO UNPAID DELINQUENT TAXES.
3 PERSONS WITH INFORMATION REGARDING THE PRIOR OWNER OF THE
4 PROPERTY ARE REQUESTED TO CONTACT THE LAND BANK AT
5 _____."

6 (8) The notice required under subsections (6) and (7) shall
7 include:

8 (a) The date on which the land bank recorded under subsec-
9 tion (1) notice of the pending expedited quiet title foreclosure
10 action.

11 (b) A statement that a person with a property interest in
12 the property may lose his or her interest, if any, as a result of
13 the foreclosure hearing under subsection (11).

14 (c) A legal description, parcel number of the property, and
15 the street address of the property, if available.

16 (d) The person to whom the notice is addressed.

17 (e) The date and time of the hearing on the petition for
18 foreclosure hearing under subsection (11) and a statement that
19 the judgment of the court may result in title to the property
20 vesting in the land bank.

21 (f) An explanation of any rights of redemption and notice
22 that the judgment of the court may extinguish any ownership
23 interest in or right to redeem the property.

24 (g) The name, address, and telephone number of the land
25 bank.

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1 (h) A statement that persons with information regarding the
2 prior owner of any of the properties are requested to call the
3 land bank.

4 (9) If the land bank is unable to ascertain the address rea-
5 sonably calculated to inform the owners of a property interest
6 entitled to notice under this section, or is unable to provide
7 notice under subsection (6) or (7), the land bank shall provide
8 notice by publication. Prior to the hearing, a notice shall be
9 published for 3 successive weeks, once each week, in a newspaper
10 published and circulated in the county in which the property is
11 located. If no paper is published in that county, publication
12 shall be made in a newspaper published and circulated in an
13 adjoining county. This publication shall substitute for notice
14 under subsection (6) or (7). The published notice shall include
15 all of the following:

16 (a) A legal description, parcel number of the property, and
17 the street address of the property, if available.

18 (b) The name of any person not notified under subsection (6)
19 or (7) that the land bank reasonably believes may be entitled to
20 notice under this section of the foreclosure hearing under sub-
21 section (11).

22 (c) A statement that a person with a property interest in
23 the property may lose his or her interest, if any, as a result of
24 the foreclosure proceeding under subsection (11).

25 (d) The date and time of the hearing on the petition for
26 foreclosure under subsection (11).

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1 (e) A statement that the judgment of the court may result in
2 title to the property vesting in the land bank.

3 (f) An explanation of any rights of redemption and notice
4 that judgment of the court may extinguish any ownership interest
5 in or right to redeem the property.

6 (g) The name, address, and telephone number of the land
7 bank.

8 (h) A statement that persons with information regarding the
9 prior owner of any of the properties are requested to contact the
10 land bank.

11 (10) If prior to the foreclosure hearing under subsection
12 (11) the land bank discovers any deficiency in the provision of
13 notice under this section, the land bank shall take reasonable
14 steps in good faith to correct the deficiency before the
15 hearing.

16 (11) If a petition for expedited quiet title and foreclosure
17 is filed under subsection (3), before the hearing, the land bank
18 shall file with the clerk of the circuit court proof of service
19 of notice by certified mail under subsection (6), proof of notice
20 by posting on the property under subsection (7), and proof of
21 notice by publication. A person claiming an interest in a parcel
22 of property set forth in the petition for foreclosure who desires
23 to contest that petition shall file written objections with the
24 clerk of the circuit court and serve those objections on the land
25 bank before the date of the hearing. The circuit court may
26 appoint and utilize as the court considers necessary a special
27 master for the resolution of any objections to the foreclosure or

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1 questions regarding the title to property subject to
2 foreclosure. If the court withholds property from foreclosure, a
3 land bank's ability to include the property in a subsequent peti-
4 tion for expedited quiet title and foreclosure is not
5 prejudiced. No injunction shall issue to stay an expedited quiet
6 title and foreclosure action under this section. The circuit
7 court shall enter judgment on a petition to quiet title and fore-
8 closure filed under subsection (3) not more than 10 days after
9 the conclusion of the hearing. The circuit court's judgment
10 shall specify all of the following:

11 (a) The legal description and, if known, the street address
12 of the property foreclosed.

13 (b) That fee simple title to property foreclosed by the
14 judgment is vested absolutely in the land bank, except as other-
15 wise provided in subdivisions (c) and (e), without any further
16 rights of redemption.

17 (c) That all liens against the property, including any lien
18 for unpaid taxes or special assessments, except future install-
19 ments of special assessments and liens recorded by this state or
20 the land bank under the natural resources and environmental pro-
21 tection act, 1994 PA 451, MCL 324.101 to 324.90106, are
22 extinguished.

23 (d) That, except as otherwise provided in subdivisions (c)
24 and (e), the land bank has good and marketable fee simple title
25 to the property.

26 (e) That all existing recorded and unrecorded interests in
27 that property are extinguished, except a visible or recorded

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1 easement or right-of-way, private deed restrictions, plat
2 restrictions, or restrictions or other governmental interests
3 imposed under the natural resources and environmental protection
4 act, 1994 PA 451, MCL 324.101 to 324.90106.

5 (f) A finding that all persons entitled to notice and an
6 opportunity to be heard have been provided that notice and
7 opportunity.

8 (12) Except as otherwise provided in subsection (11)(c) and
9 (e), fee simple title to property set forth in a petition for
10 foreclosure filed under subsection (3) shall vest absolutely in
11 the land bank upon the entry of the judgment by the circuit court
12 and the land bank shall have absolute title to the property. The
13 land bank's title is not subject to any recorded or unrecorded
14 lien, except as provided in subsection (11) and shall not be
15 stayed or held invalid except as provided in subsection (13).

16 (13) A land bank or a person claiming to have a property
17 interest under subsection (17) in property foreclosed under this
18 section may within 21 days of the entry of the judgment under
19 subsection (12) appeal the circuit court's order or the circuit
20 court's judgment foreclosing property to the court of appeals.
21 An appeal under this subsection is limited to the record of the
22 proceedings in the circuit court under this section. The circuit
23 court's judgment foreclosing property shall be stayed until the
24 court of appeals has reversed, modified, or affirmed that
25 judgment. If an appeal under this subsection stays the circuit
26 court's judgment foreclosing property, the circuit court's
27 judgment is stayed only as to the property that is the subject of

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1 that appeal and the circuit court's judgment foreclosing other
2 property that is not the subject of that appeal is not stayed.

3 (14) The land bank shall record a notice of judgment for
4 each parcel of foreclosed property in the office of the register
5 of deeds for the county in which the foreclosed property is
6 located in a form prescribed by the department of treasury. If a
7 land bank records a notice of judgment in error, the land bank
8 may subsequently record a certificate of error. A notice under
9 this subsection need not be notarized and may be authenticated by
10 a digital signature or other electronic means.

11 (15) If a judgment of foreclosure is entered under subsec-
12 tion (12), and all existing recorded and unrecorded interests in
13 a parcel of property are extinguished as provided in subsection
14 (12), the owner of any extinguished recorded or unrecorded inter-
15 est in that property who claims that he or she did not receive
16 notice of the expedited quiet title and foreclosure action shall
17 not bring an action for possession of the property against any
18 subsequent owner, but may only bring an action to recover mone-
19 tary damages as provided in this subsection. The court of claims
20 has original and exclusive jurisdiction in any action to recover
21 monetary damages under this subsection. An action to recover
22 monetary damages under this subsection shall not be brought more
23 than 2 years after a judgment for foreclosure is entered under
24 subsection (12). Any monetary damages recoverable under this
25 subsection shall be determined as of the date a judgment for
26 foreclosure is entered under subsection (12) and shall not exceed
27 the fair market value of the property on that date.

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1 (16) The owner of a property interest with notice of the
2 foreclosure hearing under subsection (11) may not assert any of
3 the following:

4 (a) That notice to the owner was insufficient or inadequate
5 in any way because some other owner of a property interest in the
6 property was not notified.

7 (b) That any right to redeem tax reverted property was
8 extended in any way because some other person was not notified.

9 (17) The owner of a property interest is entitled to notice
10 under this section of the foreclosure hearing under subsection
11 (11) if that owner's interest was reasonably identifiable by ref-
12 erence to any of the following sources on the day before the land
13 bank recorded the notice of pending expedited foreclosure under
14 subsection (1):

15 (a) Records in the office of the county register of deeds.

16 (b) Tax records in the office of the county treasurer.

17 (c) Tax records in the office of the local assessor.

18 (d) Tax records in the office of the local treasurer.

19 (18) A person holding or formerly holding an interest in tax
20 reverted property subject to expedited foreclosure under this
21 section is barred from questioning the validity of the expedited
22 foreclosure under this section if 1 or more of the following
23 apply:

24 (a) Prior to the transfer of the property to the land bank,
25 the property was deeded to this state under section 67a of the
26 general property tax act, 1893 PA 206, MCL 211.67a, and the
27 person or the person's predecessor in title was notified of a

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1 hearing regarding the deeding of the property as required by
2 section 131e of the general property tax act, 1893 PA 206,
3 MCL 211.131e.

4 (b) Prior to the transfer of the property to the land bank,
5 title to the property vested in a foreclosing governmental unit
6 following a circuit court hearing under section 78k of the gen-
7 eral property tax act, 1893 PA 206, MCL 211.78k, and the person
8 or the person's predecessor in title was notified of the hearing
9 under section 78i of the general property tax act, 1893 PA 206,
10 MCL 211.78i.

11 (19) The failure of a land bank to comply with any provision
12 of this section shall not invalidate any proceeding under this
13 section if a person with a property interest in property subject
14 to foreclosure was accorded the minimum due process required
15 under the state constitution of 1963 and the constitution of the
16 United States.

17 (20) It is the intent of the legislature that the provisions
18 of this subsection relating to the expedited quiet title and
19 foreclosure of property held by a land bank satisfy the minimum
20 requirements of due process required under the constitution of
21 this state and the constitution of the United States but that
22 those provisions do not create new rights beyond those required
23 under the state constitution of 1963 or the constitution of the
24 United States. The failure of a land bank, this state, or a
25 local unit of government of this state to follow a requirement of
26 this subsection relating to the expedited quiet title and
27 foreclosure of property held by a land bank shall not be

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1 construed to create a claim or cause of action against a land
2 bank, this state, or a local unit of government of this state
3 unless the minimum requirements of due process accorded under the
4 state constitution of 1963 or the constitution of the United
5 States are violated.

6 (21) As used in this section, "authorized representative"
7 includes 1 or more of the following:

8 (a) A title insurance company or agent licensed to conduct
9 business in this state.

10 (b) An attorney licensed to practice law in this state.

11 (c) A person accredited in land title search procedures by a
12 nationally recognized organization in the field of land title
13 searching.

14 (d) A person with demonstrated experience in the field of
15 searching land title records, as determined by the land bank.

16 Sec. 110. For purposes of part 201 of the natural resources
17 and environmental protection act, 1994 PA 451, MCL 324.20101 to
18 324.20142, a land bank shall be considered a local unit of
19 government. The acquisition or control of property through bank-
20 ruptcy, tax delinquent forfeiture, foreclosure, or sale, abandon-
21 ment, transfer from a lender, court order, foreclosure, forfei-
22 ture, circumstances in which the land bank has acquired title or
23 control by virtue of the performance of any function permitted by
24 the land bank under this act, or by transfer of the property to
25 the land bank by this state, an agency or department of this
26 state, or any local unit of government of this state shall not
27 subject the land bank to liability under the natural resources

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1 and environmental protection act, 1994 PA 451, MCL 324.101 to
2 324.90106, unless the land bank is responsible for an activity
3 causing a release on the property. This section shall not be
4 considered to restrict or diminish any protection from liability
5 under the natural resources and environmental protection act,
6 1994 PA 451, MCL 324.101 to 324.90106, that is otherwise avail-
7 able under law to the land bank.

8 Sec. 111. (1) A land bank may institute a civil action to
9 prevent, restrain, or enjoin the waste of or unlawful removal of
10 any property from tax reverted property or other real property
11 held by the land bank.

12 (2) A circuit court may, on application, order the purchaser
13 of any real property sold by a land bank under this act in pos-
14 session of the property.

15 Sec. 112. A land bank shall be made a party to any action
16 or proceeding instituted for the purpose of setting aside title
17 to property held by the land bank or setting aside an expedited
18 foreclosure under section 109. A hearing in any such proceeding
19 shall not be held until the land bank is served with process and
20 proper proof of service is filed.

21 Sec. 113. Property of a land bank is public property
22 devoted to an essential public and governmental function and
23 purpose. Income of the land bank is considered to be for a
24 public and governmental purpose. The property of the land bank
25 and its income and operation are exempt from all taxes and spe-
26 cial assessments of this state or a local unit of government of
27 this state. Bonds or notes issued by the land bank, and the

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1 interest on and income from those bonds and notes, are exempt
2 from all taxation of this state or a local unit of government of
3 this state.

4 Sec. 114. This act shall be construed liberally to effectuate
5 the legislative intent and the purposes as complete and independent
6 authorization for the performance of each and every act
7 and thing authorized by this act, and all powers granted shall be
8 broadly interpreted to effectuate the intent and purposes and not
9 as a limitation of powers. In the exercise of its powers and
10 duties under this act and its powers relating to property held by
11 the authority, the authority shall have complete control as fully
12 and completely as if it represented a private property owner and
13 shall not be subject to restrictions imposed by the charter,
14 ordinances, or resolutions of a local unit of government. The
15 provisions of this act apply notwithstanding any resolution,
16 ordinance, or charter provision to the contrary.

17 CHAPTER 2

18 MICHIGAN LAND BANK AND COMMUNITY DEVELOPMENT AUTHORITY

19 Sec. 201. As used in this chapter:

20 (a) "Authority" means the Michigan land bank and community
21 development authority created in section 202.

22 (b) "Board" means the board of directors of the authority.

23 (c) "Department" means the department of management and
24 budget.

25 (d) "Fund" means the community development fund created in
26 section 205.

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1 Sec. 202. (1) The Michigan land bank community development
2 authority is created as a public body corporate and politic
3 within the department.

4 (2) The authority shall exercise its powers and duties inde-
5 pendently of the director of the department. The budgeting, pro-
6 curement, and related administrative functions of the authority
7 shall be performed under the direction and supervision of the
8 director of the department. The authority may contract with the
9 department for the purpose of maintaining the rights and inter-
10 ests of the authority.

11 (3) If requested by the fund, the department shall provide
12 staff and other support to the authority sufficient to carry out
13 its duties, powers, and responsibilities.

14 (4) All departments and agencies of state government shall
15 provide full cooperation to the authority in the performance of
16 its duties, powers, and responsibilities.

17 Sec. 203. (1) The purposes, powers, and duties of the
18 authority are vested in and shall be exercised by a board of
19 directors. The board shall consist of 5 residents of this state
20 appointed by the governor. [One member appointed by the governor shall be
a person approved by the mayor of Detroit.] The members of the board
shall serve
21 terms of 4 years. In appointing the initial members of the
22 board, the governor shall designate 2 to serve for 4 years, 2 to
23 serve for 3 years, and 1 to serve for 2 years. A member of the
24 board may be removed for cause by the governor.

25 (2) Upon appointment to the board under subsection (1) and
26 upon the taking and filing of the constitutional oath of office
27 prescribed in section 1 of article XI of the state constitution

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1 of 1963, a member of the board shall enter the office and
2 exercise the duties of the office.

3 (3) Regardless of the cause of a vacancy on the board, the
4 governor shall fill a vacancy in the office by appointment in the
5 same manner as an appointment under subsection (1). A vacancy
6 shall be filled for the balance of the unexpired term of the
7 office. A member of the board shall hold office until a succes-
8 sor has been appointed and qualified.

9 (4) The board shall elect a chairperson and a
10 vice-chairperson from among its members. Members of the board
11 shall serve without compensation, but shall be reimbursed for
12 actual and necessary expenses.

13 (5) A state officer or director who is a member of the board
14 may designate a representative from his or her department or
15 agency as a voting member of the board for 1 or more meetings.

16 (6) A member of the board, officer, employee, or agent of
17 the authority shall discharge the duties of his or her position
18 in a nonpartisan manner, with good faith, and with that degree of
19 diligence, care, and skill that an ordinarily prudent person
20 would exercise under similar circumstances in a like position.
21 In discharging the duties of his or her position, a member of the
22 board or an officer, employee, or agent, when acting in good
23 faith, may rely upon the opinion of counsel for the authority,
24 upon the report of an independent appraiser selected with reason-
25 able care by the board, or upon financial statements of the
26 authority represented to the member of the board or officer,
27 employee, or agent of the authority to be correct by the

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1 president or the officer of the authority having charge of its
2 books or account, or stated in a written report by a certified
3 public accountant or firm of certified public accountants fairly
4 to reflect the financial condition of the authority.

5 Sec. 204. The governor shall appoint a person to serve as
6 the chief executive of the authority. A member of the board of
7 directors is not eligible to hold the position of chief
8 executive. Before entering upon the duties of his or her office,
9 the chief executive shall take and file the constitutional oath
10 of office provided in section 1 of article XI of the state con-
11 stitution of 1963. Subject to the approval of the board, the
12 chief executive shall supervise, and be responsible for, the per-
13 formance of the functions of the authority under this act. The
14 chief executive shall attend the meetings of the board, and shall
15 provide the board and the governing body of the authority a regu-
16 lar report describing the activities and financial condition of
17 the authority. The chief executive shall furnish the board with
18 information or reports governing the operation of the authority
19 as the board requires.

20 Sec. 205. (1) The Michigan land bank and community develop-
21 ment fund is created under the jurisdiction and control of the
22 authority and may be administered to secure any notes and bonds
23 of the authority.

24 (2) The authority may receive money or other assets from any
25 source for deposit into the fund. The authority shall credit to
26 the fund interest and earnings from fund investments.

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1 (3) Money in the fund at the close of the fiscal year shall
2 remain in the fund and shall not lapse to any other fund.

3 (4) The authority shall expend money from the fund only for
4 the purposes provided in this act.

5 (5) The authority shall deposit into the fund all money it
6 receives from the sale or transfer of property under this act,
7 subject to section 107(3). The authority shall credit to the
8 fund the proceeds of the sale of notes or bonds to the extent
9 provided for in the authorizing resolution of the authority, and
10 any other money made available to the authority for the purposes
11 of the fund.

12 Sec. 206. (1) The authority may borrow money and issue
13 bonds or notes for the following purposes:

14 (a) To provide sufficient funds for achieving the
15 authority's purposes and objectives or incident to and necessary
16 or convenient to carry out the authority's purposes and objec-
17 tives, including necessary administrative costs.

18 (b) To refund bonds or notes of the authority issued under
19 this act, by the issuance of new bonds, whether or not the bonds
20 or notes to be refunded have matured or are subject to prior
21 redemption or are to be paid, redeemed, or surrendered at the
22 time of the issuance of the refunding bonds or notes; and to
23 issue bonds or notes partly to refund the bonds or notes and
24 partly for any other purpose provided for by this section.

25 (c) To pay the costs of issuance of bonds or notes under
26 this act; to pay interest on bonds or notes becoming payable
27 before the receipt of the first revenues available for payment of

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1 that interest as determined by the board; and to establish, in
2 full or in part, a reserve for the payment of the principal and
3 interest on the bonds or notes in the amount determined by the
4 board.

5 (2) The bonds and notes, including, but not limited to, com-
6 mercial paper, shall be authorized by resolution adopted by the
7 board, shall bear the date or dates, and shall mature at the time
8 or times not exceeding 50 years from the date of issuance, as the
9 resolution may provide. The bonds and notes shall bear interest
10 at the rate or rates as may be set, reset, or calculated from
11 time to time, or may bear no interest, as provided in the
12 resolution. The bonds and notes shall be in the denominations,
13 be in the form, either coupon or registered, carry the registra-
14 tion privileges, be transferable, be executed in the manner, be
15 payable in the medium of payment, at the place or places, and be
16 subject to the terms of prior redemption at the option of the
17 authority or the holders of the bonds and notes as the resolution
18 or resolutions may provide. The bonds and notes of the authority
19 may be sold at public or private sale at the price or prices
20 determined by the authority. Bonds and notes may be sold at a
21 discount.

22 (3) Bonds or notes may be 1 or more of the following:

23 (a) Made the subject of a put or agreement to repurchase by
24 the authority or others.

25 (b) Secured by a letter of credit or by any other collateral
26 that the resolution may authorize.

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1 (c) Reissued by the authority once reacquired by the
2 authority pursuant to any put or repurchase agreement.

3 (4) The authority may authorize by resolution any member of
4 the board to do 1 or more of the following:

5 (a) Sell and deliver, and receive payment for notes or
6 bonds.

7 (b) Refund notes or bonds by the delivery of new notes or
8 bonds whether or not the notes or bonds to be refunded have
9 matured, are subject to prior redemption, or are to be paid,
10 redeemed, or surrendered at the time of the issuance of refunding
11 bonds or notes.

12 (c) Deliver notes or bonds, partly to refund notes or bonds
13 and partly for any other authorized purposes.

14 (d) Buy notes or bonds issued at not more than the face
15 value of the notes or bonds.

16 (e) Approve interest rates or methods for fixing interest
17 rates, prices, discounts, maturities, principal amounts, denomi-
18 nations, dates of issuance, interest payment dates, redemption
19 rights at the option of the authority or the holder, the place of
20 delivery and payment, and other matters and procedures necessary
21 to complete the transactions authorized.

22 (5) Except as may otherwise be expressly provided by the
23 authority, every issue of its notes or bonds shall be general
24 obligations of the authority payable out of revenues, properties,
25 or money of the authority, subject only to agreements with the
26 holders of particular notes or bonds pledging particular

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1 receipts, revenues, properties, or money as security for the
2 notes or bonds.

3 (6) The notes or bonds of the authority are negotiable
4 instruments within the meaning of and for all the purposes of the
5 uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102,
6 subject only to the provisions of the notes or bonds for
7 registration.

8 (7) Bonds or notes issued by the authority are not subject
9 to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
10 141.2821. The issuance of bonds and notes under this chapter is
11 subject to the agency financing reporting act. The bonds or
12 notes issued by the authority are not required to be registered.
13 A filing of a bond or note of the authority is not required under
14 the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

15 Sec. 207. The authority may enter into an intergovernmental
16 agreement with a metropolitan authority created under chapter 3
17 for the joint exercise of powers and duties under this act.

18 Sec. 208. The governor may by executive order transfer to
19 the authority tax reverted property, the title to which is held
20 by this state, on terms and conditions the governor determines
21 appropriate and consistent with the provisions of this act.

22 Sec. 209. (1) The state administrative board shall transfer
23 and convey to the authority, subject to the conditions and
24 restrictions of this section, the surplus state real property
25 described in this section, including all options, easements,
26 rights-of-way, and all improvements to the property except as
27 noted in this section. All of the following described state

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1 surplus real property shall be transferred to the authority under
2 this section:

3 (a) All of Lots 1 through 9, inclusive, the strip of land
4 twenty (20) feet in width lying between the east line of said
5 Lots 1 and 2 and the west line of said Lot 3, being the alley
6 vacated by the Common Council of the City of Detroit by resolu-
7 tion adopted October 22, 1912, and the West 11.80 feet of Lot 10,
8 Atkinson's Subdivision of the South Part of Lot One of the
9 Subdivision of Quarter Section Fifty Seven, Ten Thousand Acre
10 Tract, Township of Hamtramck (now City of Detroit), Wayne County,
11 Michigan, as recorded in Plat Liber 7, Page 33, Wayne County
12 Records, And the Southerly 27-1/2 feet and the Easterly 155 feet
13 of the North 80 feet of Lot 1, Bagg's Subdivision of part of Lot
14 1 in Quarter Section 57, Ten Thousand Acre Tract, Town 1 South,
15 Range 12 East, as recorded in Plat Liber 7, Page 33, Wayne County
16 Records, said parcel of land being more particularly described
17 as: BEGINNING at the northeast corner of Woodward Avenue and
18 East Grand Boulevard at the southwest corner of said Lot 1 of
19 said Atkinson's Subdivision; thence N25 degrees 59 minutes 43
20 seconds W 145.04 feet along the northeasterly line of said
21 Woodward Avenue to the southerly line of said Southerly 27-1/2
22 feet of said Lot 1 of said Bagg's Subdivision; thence N63 degrees
23 57 minutes 05 seconds E 65.00 feet along said southerly line;
24 thence N25 degrees 59 minutes 43 seconds W 80.03 feet to the
25 southeasterly line of Horton Avenue; thence N63 degrees 57
26 minutes 39 seconds E 155.00 feet along said southeasterly line to
27 the easterly line of said Lot 1 of said Bagg's Subdivision and

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1 the west line of a 20 foot wide public alley; thence S25 degrees
2 59 minutes 43 seconds E 115.00 feet to the southeasterly line of
3 a 15 foot wide public alley; thence N63 degrees 57 minutes 05
4 seconds E 361.41 feet along said southeasterly line and north-
5 westerly line of said Lots 3 through 10 to the southwesterly line
6 of John R Street; thence S25 degrees 46 minutes 52 seconds E
7 109.95 feet along said southwesterly line to the northwest corner
8 of said John R Street and East Grand Boulevard; thence S63
9 degrees 56 minutes 30 seconds W 581.00 feet along the northwest-
10 erly line of East Grand Boulevard to the Point of Beginning, con-
11 taining 1.928 acres and being subject to easements and restric-
12 tions of record.

13 (b) The East 10 feet of Lot 2, all of Lots 3 through 13,
14 inclusive, and the West 1.80 feet of Lot 14, Bagg's Subdivision
15 of Part of Lot 1 in Quarter Section 57, Ten Thousand Acre Tract,
16 Town 1 South, Range 12 East, as recorded in Plat Liber 7, Page
17 33, Wayne County Records; said parcel of land being more particu-
18 larly described as: BEGINNING at the southwest corner of Horton
19 Avenue and John R Street at the northeast corner of said West
20 1.80 feet of Lot 14 of said Bagg's Subdivision; thence S25
21 degrees 46 minutes 52 seconds E 99.95 feet along the southwest-
22 erly line of said John R Street to the northwesterly line of a 15
23 foot wide public alley; thence S63 degrees 57 minutes 05 seconds
24 W 341.47 feet along said northwesterly line and southeasterly
25 line of said Lots 3 through 13 to the northeasterly line of a 20
26 foot wide public alley; thence N25 degrees 59 minutes 43 seconds
27 W 100.00 feet to the southeasterly line of Horton Avenue; thence

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1 N63 degrees 57 minutes 39 seconds E 341.80 feet along said
2 southeasterly line to the Point of Beginning, containing 0.784 of
3 an acre and being subject to easements and restrictions of
4 record.

5 (c) All of Lots 88, 89, and the Northerly 53 feet of Lot 90,
6 Hibbard Baker's Subdivision of Lot No. 2 of the Subdivision of
7 1/4 Section 57, Ten Thousand Acre Tract, Hamtramck (now City of
8 Detroit), Town 1 South, Range 12 East, as recorded in Plat Liber
9 7, Page 90, Wayne County Records, said parcel of land being more
10 particularly described as: BEGINNING at the southeast corner of
11 said Lot 89 on the northwesterly line of Horton Avenue which is
12 S63 degrees 57 minutes 39 seconds W 31.82 feet from the southeast
13 corner of Horton Avenue and John R Street at the northwest corner
14 of said Lot 90 of said Hibbard Baker's Subdivision; thence con-
15 tinuing along said northwesterly line of Horton Avenue S63
16 degrees 57 minutes 39 seconds E 60.03 feet to the southwest
17 corner of said Lot 88; thence N25 degrees 48 minutes 16 seconds W
18 124.95 feet to the southeasterly line of a 20 foot wide public
19 alley; thence N63 degrees 56 minutes 35 seconds E 91.90 feet
20 along said line to the northeast corner of said Lot 90; thence
21 S25 degrees 46 minutes 52 seconds E 53.00 feet to the southerly
22 line of said Northerly 53 feet of Lot 90; thence S63 degrees 56
23 minutes 35 seconds W 31.83 feet along said line to the southwest-
24 erly line of said Lot 90; thence S63 degrees 47 minutes 36 sec-
25 onds E 71.97 feet along the northeasterly line of said Lot 89 to
26 the Point of Beginning, containing 0.211 of an acre and being
27 subject to easements and restrictions of record.

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1 (d) All of Lots 61 and 62, Hibbard Baker's Subdivision of
2 Lot No. 2 of the Subdivision of 1/4 Section 57, Ten Thousand Acre
3 Tract, Hamtramck (now City of Detroit), Town 1 South, Range 12
4 East, as recorded in Plat Liber 7, Page 90, Wayne County Records,
5 said parcel of land being more particularly described as:
6 BEGINNING at the southwest corner of Custer Avenue and John R
7 Street at the northeast corner of said Lot 61 of said Hibbard
8 Baker's Subdivision; thence S25 degrees 46 minutes 52 seconds
9 124.98 feet to the southeasterly line of a 20 foot wide public
10 alley; thence S63 degrees 56 minutes 35 seconds W 61.89 feet
11 along said line to the southwest corner of said Lot 62; thence
12 N25 degrees 48 minutes 16 seconds W 124.96 feet along the south-
13 easterly line of said Lot 62 to the southeasterly line of said
14 Horton Avenue; thence N63 degrees 55 minutes 31 seconds E 61.94
15 feet along said line to the Point of Beginning, containing .0178
16 of an acre and being subject to easements and restrictions of
17 record.

18 (e) The West 10 feet of Lot 287 and all of Lots 288 and 289,
19 except that part taken for East Grand Boulevard, Frisbie and
20 Foxen's Subdivision of Part of Fractional Section 31 and Lot 18
21 of Theodore J. and Denis J. Campau's Subdivision of Fractional
22 Sections 29 and 32, T 1 S, R. 12 E, Detroit, Wayne County,
23 Michigan, as recorded in Plat Liber 6, Page 78, Wayne County
24 Records, said parcel of land being more particularly described
25 as: BEGINNING at the northwest corner of said Lot 289 of said
26 Frisbie and Foxen's Subdivision; thence N63 degrees 59 minutes 51
27 seconds E 70.00 feet to the northeast corner of said West 10 feet

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1 of said Lot 287; thence S25 degrees 44 minutes 45 seconds E
2 175.32 feet to the southeast corner of said West 10 feet of said
3 Lot 287; thence S63 degrees 59 minutes 51 seconds W 70.00 feet
4 along the southeasterly line of said Lots 287 to 289 to the
5 southwest corner of said Lot 289; thence N25 degrees 44 minutes
6 45 seconds W 175.32 feet along the southwesterly line of said Lot
7 289 to the Point of Beginning, containing 0.282 of an acre and
8 being subject to easements and restrictions of record.

9 (f) Land in the City of Southgate, Wayne County, Michigan,
10 described as: That part of the southwest 1/4 and of the south-
11 east 1/4 of section 35, town 3 south, range 10 east, City of
12 Southgate, County of Wayne, State of Michigan, described as:
13 Beginning at the south 1/4 corner of section 35, town 3 south,
14 range 10 east; thence north 89 degrees 29 minutes 52 seconds west
15 377.03 feet along the south line of said section 35; thence north
16 00 degrees 07 minutes 38 seconds east 1950.98 feet to centerline
17 of Frank and Poet Drain; thence south 63 degrees 23 minutes 08
18 seconds east 15.60 feet along centerline of Frank and Poet Drain;
19 thence south 37 degrees 03 minutes 54 seconds east 61.06 feet
20 along centerline of Frank and Poet Drain; thence south 54 degrees
21 43 minutes 11 seconds east 78.36 feet along centerline of Frank
22 and Poet Drain; thence south 50 degrees 32 minutes 05 seconds
23 east 47.65 feet along centerline of Frank and Poet Drain; thence
24 south 35 degrees 20 minutes 50 seconds east 67.52 feet along cen-
25 terline of Frank and Poet Drain; thence south 63 degrees 46
26 minutes 49 seconds east 32.66 feet along centerline of Frank and
27 Poet Drain; thence south 45 degrees 25 minutes 00 seconds east

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1 71.96 feet along centerline of Frank and Poet Drain; thence south
2 61 degrees 13 minutes 05 seconds east 61.73 feet along centerline
3 of Frank and Poet Drain; thence south 50 degrees 50 minutes 08
4 seconds east 41.80 feet along centerline of Frank and Poet Drain;
5 thence south 44 degrees 20 minutes 22 seconds east 33.12 feet
6 along centerline of Frank and Poet Drain; thence south 29 degrees
7 37 minutes 15 seconds east 34.98 feet along centerline of Frank
8 and Poet Drain; thence south 05 degrees 34 minutes 10 seconds
9 east 49.66 feet along centerline of Frank and Poet Drain; thence
10 south 28 degrees 00 minutes 22 seconds west 36.63 feet along cen-
11 terline of Frank and Poet Drain; thence south 33 degrees 24
12 minutes 36 seconds east 119.14 feet along centerline of Frank and
13 Poet Drain; thence north 67 degrees 59 minutes 35 seconds east
14 50.70 feet along centerline of Frank and Poet Drain; thence north
15 88 degrees 16 minutes 46 seconds east 484.63 feet along center-
16 line of Frank and Poet Drain; thence south 80 degrees 13 minutes
17 42 seconds east 53.20 feet along centerline of Frank and Poet
18 Drain to east line of west 1/2 of west 1/2 of southeast 1/4 of
19 section 35; thence north 00 degrees 07 minutes 12 seconds east
20 106.82 feet along above noted east line; thence south 57 degrees
21 15 minutes 29 seconds east 449.51 feet to south 1/16 line of sec-
22 tion 35; thence north 89 degrees 37 minutes 15 seconds west 50.00
23 feet along south 1/16 line of section 35; thence south 00 degrees
24 04 minutes 09 seconds west 1311.05 feet to south line of section
25 35; thence north 89 degrees 22 minutes 00 seconds west 989.22
26 feet along south line of section 35 to point of beginning.

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1 (g) Lot 1 through lot 179, inclusive, also that part of
2 abandoned Alameda Avenue lying east of the east line of Kenneth
3 Avenue, also that part of an abandoned alley lying east of lot 1
4 and lot 113, except lot 62, lot 127 through lot 136 inclusive,
5 lot 161 through lot 164 inclusive, lot 169, and lot 170, German
6 Montrose Park Subdivision, Wayne County, according to plat
7 thereof as recorded in Liber 29, Page 83, Wayne County Records,
8 and Lot 1 through lot 177 inclusive except lot 16 through 26,
9 inclusive, State Fair Subdivision No. 2, Wayne County according
10 to the plat thereof as recorded in Liber 28, Page 20 of Plats,
11 Wayne County Records, said parcel of land being more particularly
12 described as the N 1/2 of section 2 and the NE 1/4 of section 3,
13 T1S, R11E, City of Detroit, Wayne County, Michigan and more par-
14 ticularly described as commencing at the northwest corner of said
15 section 2; thence S01°59'26"E 33.00 feet, to the north line of
16 Germans Montrose Park Subdivision and the south right of way of
17 Eight Mile Road and the point of beginning of this description;
18 thence N88°00'34"E 633.69 feet, on the north line of said subdi-
19 vision to the northwest corner of lot #136, Germans Montrose Park
20 Subdivision; thence S01°59'26"E 136.58 feet, on the west line of
21 said lot #136 to the southwest corner of said lot #136; thence
22 N88°15'14"E 300.00 feet, on the south line of lots #136 through
23 #127 to the southeast corner of lot #127, Germans Montrose
24 Subdivision; thence N01°59'26"W 137.86 feet, to the north line of
25 Germans Montrose Subdivision; thence N88°00'34"E 390.00 feet, on
26 the north line of Germans Montrose Subdivision to the northeast
27 corner of said subdivision; thence S01°41'24"E 1008.30 feet, on

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1 the east line of Germans Montrose Subdivision and the east line
2 of State Fair Subdivision #2 to the southeast corner of said
3 State Fair Subdivision #2; thence S88°21'23"W 1200.00 feet, on
4 the south line of said State Fair Subdivision #2; thence
5 N01°44'01"W 115.13 feet, on the east line of lot #26 and its
6 extension to the northeast corner of said lot #26; thence
7 S88°15'59"W 106.06 feet, on the north line of lots #26 and #27
8 and the adjacent alley to the northeast corner of lot #19, said
9 State Fair Subdivision #2; thence N26°34'10"W 115.10 feet, on the
10 northeast line of lots #16, #17, #18 and their extension over
11 Winchester Avenue to the northeast corner of lot #16, said State
12 Fair Subdivision #2; thence S88°15'59"W 130.00 feet, on the north
13 line of said lot #16 to the northeast right of way line of
14 Woodward Avenue; thence N26°34'10"W 624.38 feet, on the southwest
15 side of said State Fair Subdivision #2 and said Germans Montrose
16 Subdivision to the southwest corner of lot #62, said Germans
17 Montrose Subdivision; thence N88°15'15"E 100.00 feet, on the
18 south line of said subdivision to the southeast corner of said
19 lot #62; thence N26°34'10"W 53.98 feet, on the northeast side of
20 lot #62, lot #169 and lot #170 to the northeast corner of said
21 lot #170; thence S88°15'15"W 100.00 feet, on the north line of
22 said lot #170 to the northwest corner of said lot #170; thence
23 N26°34'10"W 179.55 feet, on the southwest side of said Germans
24 Montrose Subdivision and Woodward Avenue right of way to the
25 northwest corner of Germans Montrose Subdivision and the south
26 right of way line of Eight Mile Road; thence N88°00'34"E 258.12
27 feet, on the north line of Germans Montrose Subdivision and south

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1 right of way of Eight Mile Road to the northwest corner of lot
2 #164, Germans Montrose Subdivision; thence S01°59'26"E 132.80
3 feet, on the west line of said lot #164 to the southwest corner
4 of said lot #164; thence N88°14'53"E 120.00 feet, on the south
5 line of lot #164 through lot #161, Germans Montrose Subdivision
6 to the southeast corner of said lot #161; thence N01°59'26"W
7 133.30 feet, on the east line of said lot #161, to the south
8 right of way of Eight Mile Road and the north line of said
9 Germans Montrose Subdivision; thence N88°00'34"E 143.71 feet, on
10 the north line of Germans Montrose Subdivision to the point of
11 beginning, containing 34.90 acres.

12 (2) Proceeds from the sale of property transferred to the
13 authority under this section shall be deposited in the fund and
14 expended for purposes of this act.

15 Sec. 210. If the authority has completed the purposes for
16 which it was organized, the board, by vote of at least 4 direc-
17 tors, may provide for the dissolution of the authority and may
18 provide for the transfer of any property held by the authority to
19 a metropolitan authority created under chapter 3. Upon the dis-
20 solution of the authority, any remaining balance in the fund
21 shall be transferred to the general fund of this state.

22 Sec. 211. The authority shall report biennially to the leg-
23 islature on the activities of the authority.

24 CHAPTER 3

25 METROPOLITAN LAND BANK AUTHORITIES

26 Sec. 301. As used in this chapter:

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Sub. HB 5450 (H-2) as amended May 28, 2002

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1 (a) "Board" means the board of directors of a metropolitan
2 land bank authority created under this chapter.

3 (b) "Metropolitan authority" means a metropolitan land bank
4 authority created under this chapter as authorized by section 27
5 of article VII of the state constitution of 1963.

6 (c) "Qualified city" means a city with a population of not
7 less than 750,000 persons according to the most recent federal
8 decennial census.

9 Sec. 302. (1) A metropolitan land bank authority is created
10 in a qualified city upon the appointment by the chief executive
11 officer of the qualified city of 5 persons to a land bank author-
12 ity board under this section. Except as otherwise provided in
13 this chapter, a metropolitan authority created under this section
14 shall have jurisdiction within the qualified city.

15 (2) The purposes, powers, and duties of a land bank author-
16 ity created under this section are vested in and shall be exer-
17 cised by a board of directors. Except as otherwise provided in
18 subsection (7), the board shall consist of 5 residents of [this
19 state] appointed by the chief executive officer of the
20 qualified city. [One member appointed by the chief executive officer
shall be a person approved by the governor.] The members of the board
shall serve terms of 4
21 years. In appointing the initial members of the board, the chief
22 executive officer of the qualified city shall designate 2 to
23 serve for 4 years, 2 to serve for 3 years, and 1 to serve for 2
24 years. Members of the board may be removed prior to the expira-
25 tion of their term by the chief executive officer of the quali-
26 fied city.

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1 (3) Upon appointment to the board under this section and
2 upon the taking and filing of the constitutional oath of office
3 prescribed in section 1 of article XI of the state constitution
4 of 1963, a member of the board shall enter the office and exer-
5 cise the duties of the office.

6 (4) A metropolitan authority created under this section may
7 enter into an intergovernmental agreement for the joint exercise
8 of powers and duties under this act and any other joint powers
9 and duties with the state land bank and community development
10 authority created under chapter 2.

11 (5) A metropolitan authority created under this section may
12 enter into an intergovernmental agreement for the joint exercise
13 of powers and duties under this act and any other joint powers
14 and duties with the foreclosing governmental unit of the county
15 in which the qualified city is located.

16 (6) A metropolitan authority created under this section may
17 enter into an intergovernmental agreement for the joint exercise
18 of powers and duties under this act and any other joint powers
19 and duties with any city, village, or township, located in the
20 county in which the qualified city is located.

21 (7) If a metropolitan authority created under this section
22 enters into an intergovernmental agreement under this section,
23 the intergovernmental agreement shall provide for the appoint-
24 ment, term, and number of members of the board of the metropoli-
25 tan authority, for the modification of the articles of incorpora-
26 tion and bylaws of the metropolitan authority, and for the
27 jurisdiction of the metropolitan authority.

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1 (8) Upon the appointment of 5 members to the board under
2 subsection (1), all of the following property or interests in
3 property held by the qualified city are transferred to the metro-
4 politan authority created under this section, except as provided
5 in subsection (9):

6 (a) All tax reverted property held by the qualified city
7 which was transferred to the qualified city by this state under
8 section 131 of the general property tax act, 1893 PA 206,
9 MCL 211.131, or under section 2101 or 2102 of the natural
10 resources and environmental protection act, 1994 PA 451,
11 MCL 324.2101 and 324.2102.

12 (b) If under the charter of the qualified city the qualified
13 city collects delinquent city real property taxes and does not
14 return the delinquent taxes to the treasurer of the county in
15 which the qualified city is located under the general property
16 tax act, 1893 PA 206, MCL 211.1 to 211.157, all of the following
17 property held by the qualified city:

18 (i) Tax delinquent real property for which a lien has been
19 deemed sold to a city department director under the charter or
20 ordinances of the qualified city, except for property that was
21 deeded to a department director less than 2 years before the
22 appointment of 5 members to the board under subsection (1).

23 (ii) Tax delinquent real property held by the city that has
24 been foreclosed by the qualified city and for which title has
25 vested in the city under the charter or ordinances of the quali-
26 fied city.

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1 (9) If the chief executive officer of a qualified city
2 objects to the transfer of property or interests in property
3 under subsection (8) to the metropolitan authority created under
4 this section, within 60 days of the transfer, the chief executive
5 may issue an executive order rescinding the transfer of any
6 parcel or parcels.

7 (10) Within 60 days of the transfer of property to a metro-
8 politan authority under subsection (9), the qualified city shall
9 compile and provide the metropolitan authority with an inventory
10 of all property transferred to the authority. The qualified
11 city, and its officials and employees shall actively cooperate
12 with and facilitate the compilation and provision of the inven-
13 tory to the authority and shall take any actions and execute any
14 documents necessary to facilitate the transfer of the property to
15 the authority. Revenue generated by the sale of tax reverted
16 property by the metropolitan authority and paid to the qualified
17 city as required by this act shall be deemed as compensation to
18 the qualified city for any services or activity of the qualified
19 city required under this subsection.

20 (11) The legislative body of a qualified city may by resolu-
21 tion authorize the transfer any real property or interest in real
22 property to the metropolitan authority created under this sec-
23 tion, including, but not limited to, tax reverted property or
24 interests in tax reverted property held or acquired after the
25 creation of the metropolitan authority by the qualified city,
26 with the consent of the metropolitan authority.

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1 (12) A qualified city and any agency or department of a
2 qualified city, or any other official public body, may do 1 or
3 more of the following:

4 (a) Anything necessary or convenient to aid the land bank in
5 fulfilling its purposes under this act.

6 (b) Lend, grant, transfer, appropriate, or contribute funds
7 to the land bank in furtherance of its purposes.

8 (c) Lend, grant, transfer, or convey funds to the land bank
9 that are received from the federal government or this state or
10 from any nongovernmental entity in aid of the purposes of this
11 act.

12 Sec. 303. (1) A county foreclosing governmental unit other
13 than a county foreclosing governmental unit in which a qualified
14 city is located may by resolution of the county board of commis-
15 sioners create a metropolitan authority with all of the powers
16 and duties of a land bank under this act. If a metropolitan
17 authority is created under this subsection, the treasurer of the
18 county shall be a member of the board of directors of the
19 authority.

20 (2) Two or more cities, villages, townships, or counties in
21 which at least 250 parcels of tax reverted property are located
22 may enter into an intergovernmental agreement providing for the
23 creation of a metropolitan authority.

24 (3) An intergovernmental agreement under subsection (2) or a
25 resolution under subsection (1) entered into under this section
26 shall provide for all of the following:

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1 (a) The incorporation of a metropolitan land bank authority
2 as a public body corporate.

3 (b) The size of the initial board of directors of the metro-
4 politan authority, which shall be composed of an odd number of
5 members; the qualifications, method of selection, and terms of
6 office of the initial board members.

7 (c) A method for the adoption of articles of incorporation
8 by the board of directors of the metropolitan land bank
9 authority.

10 (4) For a metropolitan authority created under
11 subsection (2), upon the filing of the articles of incorporation
12 for a metropolitan authority created under this section, the
13 authority shall file proof of the required number of parcels of
14 tax reverted property required under subsection (2) to create a
15 metropolitan authority under this section.

16 Sec. 304. (1) The board of directors of a land bank author-
17 ity created under this chapter shall adopt articles of incorpora-
18 tion for the authority, which shall provide for all of the
19 following:

20 (a) The name of the authority.

21 (b) The names of the participating governmental entities.

22 (c) The size of the board of the metropolitan authority,
23 which shall be composed of an odd number of members; the qualifi-
24 cations, method of selection, and terms of office of board mem-
25 bers; and the filling of vacancies in the office of board
26 member.

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(d) The purposes for which the metropolitan authority is established, which shall include the exercise of the powers and duties of a land bank under this act.

(e) A method for the dissolution of the metropolitan authority.

(f) Any other matters considered advisable, consistent with this act.

(2) Upon adoption of the articles or amendments to the articles by the initial board of directors, a printed copy of the articles or the amended articles shall be filed with the secretary of state by the person designated by the board of directors.

(3) The metropolitan authority's articles of incorporation, or amendments to the articles, take effect upon filing with the secretary of state.

Sec. 305. (1) A metropolitan authority created under this chapter may borrow money and issue bonds or notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) A metropolitan authority created under this chapter may enter into intergovernmental agreements or other contracts with other governmental entities within this state, including, but not limited to, land banks and foreclosing governmental units, for the exercise of powers and duties of a land bank under this act.

Enacting section 1. This act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

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- 1 (a) House Bill No. 4851.
- 2 (b) House Bill No. 4852.
- 3 (c) House Bill No. 4853.
- 4 (d) House Bill No. 5451.
- 5 (e) House Bill No. 6137. _____
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