

SENATE BILL No. 979

November 5, 2009, Introduced by Senators GEORGE, BIRKHOLZ, VAN WOERKOM, JANSEN and ALLEN and referred to the Committee on Commerce and Tourism.

A bill to amend 2003 PA 258, entitled
"Land bank fast track act,"
by amending sections 3, 4, and 23 (MCL 124.753, 124.754, and
124.773).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Authority" means a land bank fast track authority created
3 under section 15, section 23(4), or section 23(5).

4 (b) "Authority board" means the board of directors of the
5 state authority appointed under section 16.

6 (c) "Casino" means a casino regulated by this state under the
7 Michigan gaming control and revenue act, ~~the Initiated Law of 1996~~
8 ~~IL 1~~, MCL 432.201 to 432.226, or a casino at which gaming is
9 conducted under the Indian gaming regulatory act, Public Law 100-

1 497, 102 Stat. 2467, and all property associated or affiliated with
2 the operation of the casino, including, but not limited to, a
3 parking lot, hotel, motel, or retail store.

4 (d) "County authority" means a county land bank fast track
5 authority created by a county foreclosing governmental unit under
6 section 23(4).

7 (e) "Department" means the department of **ENERGY**, labor, and
8 economic growth, a principal department of state government created
9 by section 225 of the executive organization act of 1965, 1965 PA
10 380, MCL 16.325, and renamed by Executive Order No. 1996-2, MCL
11 445.2001, and by Executive Order No. 2003-18.

12 (f) "Foreclosing governmental unit" means that term as defined
13 in section 78 of the general property tax act, 1893 PA 206, MCL
14 211.78.

15 (g) "Fund" means the land bank fast track fund created in
16 section 18.

17 (h) "Intergovernmental agreement" means a contractual
18 agreement between 1 or more governmental agencies, including, but
19 not limited to, an interlocal agreement to jointly exercise any
20 power, privilege, or authority that the agencies share in common
21 and that each might exercise separately under the urban cooperation
22 act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

23 (i) "Local authority" means a local land bank fast track
24 authority created by a qualified city under section 23(5).

25 (j) "Local unit of government" means a city, village,
26 township, county, or any intergovernmental, metropolitan, or local
27 department, agency, or authority, or other local political

1 subdivision.

2 (k) "Michigan economic development corporation" means the
3 public body corporate created under section 28 of article VII of
4 the state constitution of 1963 and the urban cooperation act of
5 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual
6 interlocal agreement effective April 5, 1999, as amended, between
7 local participating economic development corporations formed under
8 the economic development corporations act, 1974 PA 338, MCL
9 125.1601 to 125.1636, and the Michigan strategic fund. If the
10 Michigan economic development corporation is unable for any reason
11 to perform its duties under this act, those duties may be exercised
12 by the Michigan strategic fund.

13 (l) "Michigan state housing development authority" means the
14 authority created under the state housing development authority act
15 of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

16 (m) "Michigan strategic fund" means the Michigan strategic
17 fund as described in the Michigan strategic fund act, 1984 PA 270,
18 MCL 125.2001 to ~~125.2093~~ **125.2094**.

19 (n) "Qualified city" means a city that ~~contains a first class~~
20 ~~school district~~ **HAS A POPULATION OF 750,000 OR MORE** and includes
21 any department or agency of ~~the~~ **THAT** city.

22 (o) "State administrative board" means the board created under
23 1921 PA 2, MCL 17.1 to 17.3, that exercises general supervisory
24 control over the functions and activities of all administrative
25 departments, boards, commissioners, and officers of the state and
26 of all state institutions.

27 (p) "State authority" means the land bank fast track authority

1 created under section 15.

2 (q) "Tax reverted property" means property that meets 1 or
3 more of the following criteria:

4 (i) The property was conveyed to this state under section 67a
5 of the general property tax act, 1893 PA 206, MCL 211.67a, and
6 subsequently was not sold at a public auction under section 131 of
7 the general property tax act, 1893 PA 206, MCL 211.131, except
8 property described in section 131 of the general property tax act,
9 1893 PA 206, MCL 211.131, that is withheld from sale by the
10 director of the department of natural resources as authorized in
11 that section.

12 (ii) The property was conveyed to this state under section 67a
13 of the general property tax act, 1893 PA 206, MCL 211.67a, and
14 subsequently was either redeemed by a local unit of government or
15 transferred to a local unit of government under section 2101 or
16 2102 of the natural resources and environmental protection act,
17 1994 PA 451, MCL 324.2101 and 324.2102, or under former section 461
18 of 1909 PA 223 except property transferred to a local unit of
19 government that is subject to a reverter clause under which the
20 property reverts to this state upon transfer by the local unit of
21 government.

22 (iii) The property was subject to forfeiture, foreclosure, and
23 sale for the collection of delinquent taxes as provided in sections
24 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78
25 to 211.79a, and both of the following apply:

26 (A) Title to the property vested in a foreclosing governmental
27 unit under section 78k of the general property tax act, 1893 PA

1 206, MCL 211.78k.

2 (B) The property was offered for sale at an auction but not
3 sold under section 78m of the general property tax act, 1893 PA
4 206, MCL 211.78m.

5 (iv) The property was obtained by or transferred to a local
6 unit of government under section 78m of the general property tax
7 act, 1893 PA 206, MCL 211.78m.

8 (v) Pursuant to the requirements of a city charter, the
9 property was deeded to or foreclosed by the city or a department or
10 agency of the city for unpaid delinquent real property taxes.

11 Sec. 4. (1) Except as otherwise provided in this act, an
12 authority may do all things necessary or convenient to implement
13 the purposes, objectives, and provisions of this act, and the
14 purposes, objectives, and powers delegated to the board of
15 directors of an authority by other laws or executive orders,
16 including, but not limited to, all of the following:

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

19 (b) Sue and be sued in its own name and plead and be
20 impleaded, including, but not limited to, defending the authority
21 in an action to clear title to property conveyed by the authority.

22 (c) Borrow money and issue bonds and notes according to the
23 provisions of this act.

24 (d) Enter into contracts and other instruments necessary,
25 incidental, or convenient to the performance of its duties and the
26 exercise of its powers, including, but not limited to, interlocal
27 agreements under the urban cooperation act of 1967, 1967 (Ex Sess)

1 PA 7, MCL 124.501 to 124.512, for the joint exercise of powers
2 under this act.

3 (e) Solicit and accept gifts, grants, labor, loans, and other
4 aid from any person, or the federal government, this state, or a
5 political subdivision of this state or any agency of the federal
6 government, this state, a political subdivision of this state, or
7 an intergovernmental entity created under the laws of this state or
8 participate in any other way in a program of the federal
9 government, this state, a political subdivision of this state, or
10 an intergovernmental entity created under the laws of this state.

11 (f) Procure insurance against loss in connection with the
12 property, assets, or activities of the authority.

13 (g) Invest money of the authority, at the discretion of the
14 board of directors of the authority, in instruments, obligations,
15 securities, or property determined proper by the board of directors
16 of the authority, and name and use depositories for its money.

17 (h) Employ legal and technical experts, other officers,
18 agents, or employees, permanent or temporary, paid from the funds
19 of the authority. The authority shall determine the qualifications,
20 duties, and compensation of those it employs. The board of
21 directors of an authority may delegate to 1 or more members,
22 officers, agents, or employees any powers or duties it considers
23 proper. Members of the board of directors of an authority shall
24 serve without compensation but shall be reimbursed for actual and
25 necessary expenses subject to available appropriations.

26 (i) Contract for goods and services and engage personnel as
27 necessary and engage the services of private consultants, managers,

1 legal counsel, engineers, accountants, and auditors for rendering
2 professional financial assistance and advice payable out of any
3 money of the authority.

4 (j) Study, develop, and prepare the reports or plans the
5 authority considers necessary to assist it in the exercise of its
6 powers under this act and to monitor and evaluate progress under
7 this act.

8 (k) Enter into contracts for the management of, the collection
9 of rent from, or the sale of real property held by an authority.

10 **(l) A REDEVELOPMENT AUTHORITY CREATED UNDER SECTION 23 (6) (i)**
11 **MAY DO 1 OR MORE OF THE FOLLOWING:**

12 **(i) CONSTRUCT, DEVELOP, AND IMPROVE STREETS, PLAZAS, PEDESTRIAN**
13 **MALLS, PARKING FACILITIES, RECREATIONAL FACILITIES, RIGHTS-OF-WAY,**
14 **WATERWAYS, BRIDGES, LAKES, PONDS, CANALS, UTILITY LINES OR PIPES,**
15 **AND INTERNET INFRASTRUCTURE THAT ARE DESIGNED FOR USE BY THE PUBLIC**
16 **GENERALLY, OR USED BY A PUBLIC AGENCY.**

17 **(ii) MAKE LOANS TO AID REDEVELOPMENT.**

18 **(iii) PROVIDE RELOCATION ASSISTANCE FOR INDIVIDUALS OR**
19 **BUSINESSES THAT SELL THEIR PROPERTY TO THE REDEVELOPMENT AUTHORITY.**

20 **(M) ~~(l)~~**Do all other things necessary or convenient to achieve
21 the objectives and purposes of the authority or other laws that
22 relate to the purposes and responsibility of the authority.

23 (2) The enumeration of a power in this act shall not be
24 construed as a limitation upon the general powers of an authority.
25 The powers granted under this act are in addition to those powers
26 granted by any other statute or charter.

27 (3) An authority, in its discretion, may contract with others,

1 public or private, for the provision of all or a portion of the
2 services necessary for the management and operation of the
3 authority.

4 (4) If an authority holds a tax deed to abandoned property,
5 the authority may quiet title to the property under section 79a of
6 the general property tax act, 1893 PA 206, MCL 211.79a.

7 (5) The property of an authority and its income and operations
8 are exempt from all taxation by this state or any of its political
9 subdivisions.

10 (6) An authority shall not assist or expend any funds for, or
11 related to, the development of a casino.

12 (7) An authority shall not levy any tax or special assessment.

13 (8) An authority shall not exercise the power of eminent
14 domain or condemn property.

15 (9) An authority shall adopt a code of ethics for its
16 directors, officers, and employees.

17 (10) An authority shall establish policies and procedures
18 requiring the disclosure of relationships that may give rise to a
19 conflict of interest. The governing body of an authority shall
20 require that any member of the governing body with a direct or
21 indirect interest in any matter before the authority disclose the
22 member's interest to the governing body before the board takes any
23 action on the matter.

24 Sec. 23. (1) An authority may enter into an intergovernmental
25 agreement with the Michigan economic development corporation for
26 the joint exercise of powers and duties under this act, of the
27 powers and duties of the authority and the Michigan economic

1 development corporation, and for the provision of economic
2 development services related to the activities of the authority.

3 (2) An authority may enter into an intergovernmental agreement
4 with the Michigan state housing development authority for the joint
5 exercise of powers and duties under this act, of the powers and
6 duties of the authority and the Michigan state housing development
7 authority, and for the provision of redevelopment services related
8 to the activities of the authority.

9 (3) A county, city, qualified city, township, or village may
10 enter into an intergovernmental agreement with the state authority
11 providing for the transfer to the authority of tax reverted
12 property held by the county, city, township, or village, for title
13 clearance, for the disposition of the proceeds from the sale of the
14 property, and for other activities authorized under this act,
15 including the return or transfer of property under the control of
16 the authority to the county, city, township, or village. An
17 intergovernmental agreement under this subsection may not provide
18 for a separate legal or administrative entity to administer or
19 execute the agreement under section 7 of the urban cooperation act
20 of 1967, 1967 (Ex Sess) PA 7, MCL 124.507.

21 (4) A county foreclosing governmental unit may, with the
22 approval of the board of commissioners for that county and, if that
23 county has an elected county executive, with the concurrence of the
24 elected county executive **OR AN AUTHORITY CREATED BY A COUNTY**
25 **FORECLOSING GOVERNMENTAL UNIT MAY**, enter into an intergovernmental
26 agreement with **A LOCAL AUTHORITY OR** the state authority providing
27 for the exercise of the powers, duties, functions, and

1 responsibilities of an authority under this act and for the
2 creation of a county authority to exercise those functions. If a
3 county authority is created under this subsection, the treasurer of
4 the county shall be a member of the authority board.

5 (5) A qualified city **OR A LOCAL AUTHORITY** may enter into an
6 intergovernmental agreement with **AN AUTHORITY CREATED BY A COUNTY**
7 **FORECLOSING GOVERNMENTAL UNIT OR** the state authority providing for
8 the exercise of the powers, duties, functions, and responsibilities
9 of an authority under this act and for the creation of a local
10 authority to exercise those functions.

11 (6) An intergovernmental agreement under subsection (4) or (5)
12 shall provide for all of the following:

13 (a) The incorporation of a county or local authority as a
14 public body corporate.

15 (b) The name of the authority.

16 (c) The size of the initial governing body of the county or
17 local authority, which shall be composed of an odd number of
18 members.

19 (d) The qualifications, method of selection, and terms of
20 office of the initial board members.

21 (e) A method for the adoption of articles of incorporation by
22 the governing body of the county or local authority.

23 (f) A method for the distribution of proceeds from the
24 activities of the county or local authority.

25 (g) A method for the dissolution of the local or county
26 authority and for the withdrawal from the authority of any
27 governmental agencies involved.

1 (h) Any other matters considered advisable by the
2 participating governmental agencies, consistent with this act.

3 (I) IF A COUNTY FORECLOSING GOVERNMENTAL UNIT OR A COUNTY
4 AUTHORITY ENTERS INTO AN INTERGOVERNMENTAL AGREEMENT WITH A
5 QUALIFIED CITY OR A LOCAL AUTHORITY TO JOINTLY OPERATE AN AUTHORITY
6 UNDER SUBSECTION (4) OR (5), THE RESULTING AUTHORITY SHALL BE
7 CONSIDERED A REDEVELOPMENT AUTHORITY AND THE INTERGOVERNMENTAL
8 AGREEMENT SHALL PROVIDE THAT 1 OF THE MEMBERS OF THE GOVERNING BODY
9 SHALL BE APPOINTED BY THE GOVERNOR.

10 (7) If under the charter of a qualified city the qualified
11 city collects delinquent city real property taxes and does not
12 return the delinquent taxes to the treasurer of the county in which
13 the qualified city is located under the general property tax act,
14 1893 PA 206, MCL 211.1 to ~~211.157~~ 211.155, any of the following
15 property held by the qualified city may be transferred to a local
16 authority:

17 (a) Tax delinquent real property for which a lien has been
18 deemed sold to a city department director under the charter or
19 ordinances of the qualified city, except for property that was
20 deeded to a department director less than 2 years before the
21 proposed transfer to the local authority.

22 (b) Tax delinquent real property held by the city that has
23 been foreclosed by the qualified city and for which title has
24 vested in the city pursuant to procedures established under the
25 charter or ordinances of the qualified city.

26 (c) Any tax reverted property owned or under the control of
27 the qualified city.

1 (8) A qualified city may authorize the transfer with or
2 without consideration of any real property or interest in real
3 property to a local authority including, but not limited to, tax
4 reverted property or interests in tax reverted property held or
5 acquired after the creation of the local authority by the qualified
6 city, with the consent of the local authority.

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

10 (a) Anything necessary or convenient to aid a local authority
11 in fulfilling its purposes under this act.

12 (b) Lend, grant, transfer, appropriate, or contribute funds to
13 a local authority in furtherance of its purposes.

14 (c) Lend, grant, transfer, or convey funds to a local
15 authority that are received from the federal government or this
16 state or from any nongovernmental entity in aid of the purposes of
17 this act.

18 (10) A local authority may reimburse advances made by a
19 qualified city under subsection (9) or by any other person for
20 costs eligible to be incurred by the local authority with any
21 source of revenue available for use of the local authority under
22 this act and enter into agreements related to these reimbursements.
23 A reimbursement agreement under this subsection is not subject to
24 section 305 of the revised municipal finance act, 2001 PA 34, MCL
25 141.2305.

26 (11) A local authority may enter into agreements with the
27 county treasurer of the county in which the qualified city is

1 located for the collection of property taxes or the enforcement and
2 consolidation of tax liens within that qualified city for any
3 property or interest in property transferred to the local
4 authority.

5 (12) Unless specifically reserved or conditioned upon the
6 approval of the governing body of a qualified city, all powers
7 granted under this act to a local authority may be exercised by the
8 local authority without the approval of the governing body of the
9 qualified city, notwithstanding any charter, ordinance, or
10 resolution to the contrary.

11 (13) Prior to its effectiveness, an intergovernmental
12 agreement under this section shall be filed with the county clerk
13 of each county where a party to the agreement is located and with
14 the secretary of state.