



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5646 (as passed by the House)  
Sponsor: Representative Wayne Schmidt  
House Committee: Commerce  
Senate Committee: Economic Development

Date Completed: 6-7-12

### **CONTENT**

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

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

#### Exemption from Specific Tax

The Act requires a land bank fast track authority, by December 31 of each year, to give a list of all property it sold to the assessor of each local tax collecting unit in which the property is located. The assessor of each local tax collecting unit in which there is eligible tax reverted property must determine the value and taxable value of each parcel of eligible tax reverted property and furnish that information to the legislative body of the local tax collecting unit.

Eligible tax reverted property is exempt from ad valorem property taxes collected under the General Property Tax Act and is subject instead to the eligible tax reverted property specific tax.

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

#### Repeal

Section 6 of the Act provides that unpaid eligible tax reverted property specific taxes are not subject to return as delinquent taxes under the General Property Tax Act. The amount of the specific tax applicable to real property, until paid, is a lien upon that real property. Proceedings upon the lien as provided by law for the judicial foreclosure of mortgage liens upon real property may commence after the date that the taxes would have been returned

as delinquent, if the property had not been exempt, and only upon the filing by the appropriate collecting officer of a certificate of nonpayment of the specific tax. The bill would repeal Section 6.

MCL 211.1025 et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

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

Fiscal Analyst: David Zin

S1112\5646sa.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.