



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

BILL



ANALYSIS

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

Senate Bill 342 (as introduced 4-27-17)
Sponsor: Senator John Proos
Committee: Local Government

Date Completed: 5-16-17

CONTENT

The bill would amend the Land Division Act to revise statements that must be on a form that a proprietor transferring the right to make a division submits to the assessor of the city or township where the property is located, and on a deed for the sale of a parcel of unplatted land.

The Act prescribes criteria that a proposed division must meet in order to be approved by a municipality, and requires a complete application to be approved if the criteria are met. A division is not subject to the Act's platting requirements but is subject to other requirements. The right to make divisions exempt from the platting requirements of the Act may be transferred, but only from a parent parcel or parent tract. A proprietor transferring the right to make a division, within 45 days, must give written notice of the transfer to the assessor of the city or township where the property is located on a form prescribed by the State Tax Commission. The form must substantially include certain questions in the mandatory information portion of the form. One question reads: "Were any unallocated divisions transferred to the newly created parcel? If so, how many?" The bill would amend the question to the following: "Were any unallocated divisions transferred to the newly created parcel? If so, state whether all were transferred or, if not, how many?"

("Division" means the partitioning or splitting of a parcel or tract of land by the proprietor or by his or her heirs, executors, administrators, legal representatives, successors, or assigns for the purpose of sale, or lease of more than one year, or of building development that results in one or more parcels of less than 40 acres or the equivalent, and that satisfies certain requirements. Division does not include a property transfer between two or more adjacent parcels, if the property taken from one parcel is added to an adjacent parcel; and any resulting parcel cannot be considered a building site unless the parcel conforms to the requirements of the Act or the requirements of an applicable local ordinance.

"Parcel" means a continuous area or acreage of land that can be described as provided for in the Act. "Tract" means two or more parcels that share a common property line and are under the same ownership. "Parent parcel" or "parent tract" means a parcel or tract, respectively, lawfully in existence on March 31, 1997.)

Under the Act, a person may not sell a parcel of unplatted land unless the deed contains a statement as to whether the right to make further divisions exempt from the platting requirements of the Act is proposed to be conveyed. The statement must be in substantially the following form: "The grantor grants to the grantee the right to make [insert number] division(s) under section 108 of the land division act...". In the absence of a statement conforming to the requirements of the Act, the right to make divisions stays with the

remainder of the parent tract or parent parcel retained by the grantor. The bill would change the statement to the following: "The grantor grants to the grantee the right to make [insert "zero", a number, or "all"] division(s) under section 108 of the land division act...".

(Section 108 states that a division is not subject to the platting requirements of the Act, and limits the number of parcels a division may result in, depending on the circumstances.)

The bill would take effect 90 days after its enactment.

MCL 560.109

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The revision of land division forms required by the bill would increase costs to State and local government by a minimal amount.

Fiscal Analyst: Elizabeth Pratt

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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.