

“QUALIFIED CITY” IN THE LAND BANK FAST TRACK ACT

Phone: (517) 373-8080
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House Bill 5822 as introduced
Sponsor: Rep. David LaGrand
Committee: Local Government and Municipal Finance
Complete to 12-2-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5822 would amend the Land Bank Fast Track Act to revise the definition of *qualified city*. The act created the Michigan Land Bank Fast Track Authority (MLBFTA) with the purpose of acquiring, assembling, and disposing of public property, including tax reverted property, in a coordinated manner to foster the development of that property and to promote and support land bank operations at the county and local levels.

A qualified city may enter into an intergovernmental agreement with the state authority, providing for the exercise of the powers, duties, functions, and responsibilities of an authority, and for the creation of a local authority to exercise those functions.

Currently under the act, a qualified city is one that contains a first class school district and includes any department or agency of the city.

Instead, under the bill, a *qualified city* would be either of the following:

- A city that contains a first class school district.¹
- A city that has a population of 70,000 or more according to the most recent federal decennial census and that is not located in a county with a county authority at the time the city establishes a local authority.

MCL 124.753

FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on state and local governments. The revised definition would expand the number of cities that would be eligible for qualified city status under the Land Bank Fast Track Act. That said, it is unclear how many cities, if eligible, would pursue this status and enter into an intergovernmental agreement with the Michigan State Land Bank Authority to establish a local land bank authority. The establishment of a new local land bank authority in a qualified city would impose certain start-up costs. Pursuant to the act, a qualified city land bank authority may exercise all the

¹ A first class school district is a school district with a pupil membership of at least 100,000 enrolled on the most recent pupil membership count day. Currently, no school district fits this description. The largest school district in the state, Detroit Public Schools Community District, had a pupil count of 50,895 for the 2019-2020 school year.
<https://www.mischooldata.org/student-enrollment-counts-report/>

powers, duties, functions, and responsibilities of an authority under the Land Bank Fast Track Act. In the longer term, a land bank authority likely would generate sufficient revenue to cover operating costs. Assuming the State Land Bank Authority currently serves the city, the bill would reduce State Land Bank Authority duties. A net fiscal impact for the State Land Bank Authority cannot be determined because it is unknown what communities would pursue a land bank authority.

Legislative Analyst: Jenny McInerney
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.