



Senate Fiscal Agency
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Senate Bill 480 (Substitute S-2 as reported)

Sponsor: Senator Kevin Hertel

Committee: Local Government

CONTENT

The bill would amend Section 108 of the Land Division Act to do the following:

- Increase, from four to 20, the number of parcels that the first 10 acres of a parent parcel or tract could be divided into.
- Allow a municipality to authorize the further partitioning of land into more parcels or tracts than allowed under Section 108 if the land met standards established by the municipality.

The bill would take effect on March 1, 2025.

MCL 560.108

BRIEF RATIONALE

The current system for dividing parcels requires legal solutions that make the process of building houses more expensive. Plats, site condominiums, and judicial litigation are all commonly used strategies for developing already-divided parcels that require time or money. According to testimony, allowing more splits to occur could decrease the cost of lots by \$15,000 to \$20,000 if the lot had already made all its legal splits under current statute. This could incentivize more construction of affordable housing.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

This bill would have an indeterminate fiscal impact on the State and local governmental units. The bill would increase the parceling of property. If these individual parcels generate more tax revenue collectively than as part of the original parcel this would lead to a positive fiscal impact for the State and the local government unit; however, if individually the parcels generate less tax revenue collectively than as part of the original parcel this would lead to a negative fiscal impact for the State and the local government unit.

Date Completed: 11-3-23

Fiscal Analyst: Bobby Canell