



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4375 (Substitute S-1 as reported)
Sponsor: Representative Kristian Grant
House Committee: Local Government and Municipal Finance
Senate Committee: Economic and Community Development

CONTENT

The bill would amend the Land Bank Fast Track Act to expand the definition of "qualified city" to include cities and townships with a population of 50,000 or more, if that city or township were not located in a county that already had a county authority. It also would modify the definition of "local authority".

Generally, the Act governs land bank fast track authorities, which acquire, assemble, dispose of, and quiet title to public property under the Act. Currently, the Act defines "local authority" as a local land bank fast track authority created by a qualified city under the Act. The bill would modify this definition to specify that a local land bank fast track authority would have control over the properties within its geographical boundaries that were conveyed to the authority, unless that local land bank fast track authority approved an intergovernmental agreement as allowed under the Act.

The Act defines "qualified city" as a city that contains a first-class school district and includes any department or agency of the city. In addition, under the bill, the term would include a city or township that had a population of 50,000 or more according to the most recent Federal decennial census; however, a city or township with a population of 50,000 would not qualify if, at the time the city or township entered into an intergovernmental agreement with the State authority for the creation of a local authority, it were located in a county that had a county authority. If a city or township adopted a local land bank fast track authority before its county did, it would retain its jurisdiction.

MCL 124.753

BRIEF RATIONALE

Currently, only counties and the city of Detroit can create land bank fast track authorities. Some believe this limitation deprives cities and townships not located in a county with a land bank authority of helpful resources and tools. Accordingly, it has been suggested that cities and townships have the ability to develop land bank fast track authorities.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would not have a direct fiscal impact on State revenue or spending. The creation of more local land banks would create the potential for more land development and/or rehabilitation, which could affect property values. Land banks require seed money to offer low or no interest loans. Local governments interested in creating a land bank would likely have to make an initial investment of several million dollars for it to be effective.

Date Completed: 6-14-23

Fiscal Analyst: Bobby Canell; Michael Siracuse

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Bill Analysis @ www.senate.michigan.gov/sfa

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