

HOUSE BILL No. 4504

April 1, 2003, Introduced by Rep. Stallworth and referred to the Committee on Land Use and Environment.

A bill to provide for the creation of local land banks to assist governmental entities in the assembly and clearance of title to property in a coordinated manner; to facilitate the use and development of certain property; to promote economic growth; to prescribe the powers and duties of certain land banks; to provide for the creation and appointment of boards to govern land banks and to prescribe their powers and duties; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to authorize the conveyance of certain properties to a land bank; to authorize the enforcement of tax liens and the clearing or quieting of title by a land bank; to provide for the distribution and use of revenues collected or received by a land bank; to prescribe powers and duties of certain public entities and state and local officers and agencies; to authorize the transfer and acceptance of property in

lieu of taxes and the release of tax liens; to exempt property, income, and operations of a land bank from tax; and to extend protections against certain liabilities to a land bank.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 1

GENERAL PROVISIONS

Sec. 101. This act shall be known and may be cited as the "Michigan land bank and community development authority act".

Sec. 102. The legislature finds that there exists in this state a continuing need to strengthen and revitalize the economy of this state and local units of government in this state and that it is in the best interests of this state and local units of government in this state to assemble or dispose of public property, including tax reverted property, in a coordinated manner to foster the development of that property and to promote economic growth in this state and local units of government in this state. It is declared to be a valid public purpose for a land bank created under this act to acquire, assemble, dispose of, and quiet title to property under this act. It is further declared to be a valid public purpose for a land bank created under this act to provide for the financing of the acquisition, assembly, disposition, and quieting of title to property, and for a land bank to exercise other powers granted to a land bank under this act. The legislature finds that a land bank created and powers conferred by this act constitute a necessary program and serve a necessary public purpose.

Sec. 103. As used in this act:

1 (a) "Casino" means a casino regulated by this state under the
2 Michigan gaming control and revenue act, the Initiated Law of
3 1996, MCL 432.201 to 432.226, or a casino at which gaming is
4 conducted under the Indian gaming regulatory act, Public Law
5 100-497, 102 Stat. 2467, and all property associated or
6 affiliated with the operation of the casino, including, but not
7 limited to, a parking lot, hotel, motel, or retail store.

8 (b) "Foreclosing governmental unit" means that term as
9 defined in section 78 of the general property tax act, 1893
10 PA 206, MCL 211.78.

11 (c) "Land bank" means any of the following:

12 (i) The Michigan land bank and community development
13 authority created under chapter 2 of this act.

14 (ii) A metropolitan land bank authority created under chapter
15 3 of this act.

16 (d) "Local unit of government" means a city, village,
17 township, county, or any intergovernmental, metropolitan, or
18 local agency or authority, or other local political subdivision.

19 (e) "Tax reverted property" means property that meets 1 or
20 more of the following criteria:

21 (i) The property was conveyed to this state under section 67a
22 of the general property tax act, 1893 PA 206, MCL 211.67a, and
23 subsequently was not sold at a public auction under section 131
24 of the general property tax act, 1893 PA 206, MCL 211.131.

25 (ii) The property was conveyed to this state under section
26 67a of the general property tax act, 1893 PA 206, MCL 211.67a,
27 and subsequently was either redeemed by a local unit of

1 government or transferred to a local unit of government under
2 section 2101 or 2102 of the natural resources and environmental
3 protection act, 1994 PA 451, MCL 324.2101 and 324.2102.

4 (iii) The property was subject to forfeiture, foreclosure,
5 and sale for the collection of delinquent taxes as provided in
6 sections 78 to 79a of the general property tax act, 1893 PA 206,
7 MCL 211.78 to 211.79a, and both of the following apply:

8 (A) Title to the property vested in a foreclosing
9 governmental unit under section 78k of the general property tax
10 act, 1893 PA 206, MCL 211.78k.

11 (B) The property was offered for sale at an auction but not
12 sold under section 78m of the general property tax act, 1893
13 PA 206, MCL 211.78m.

14 (iv) The property was obtained by this state under section
15 78m(1) of the general property tax act, 1893 PA 206,
16 MCL 211.78m.

17 (v) The property was obtained by or transferred to a local
18 unit of government under section 78m of the general property tax
19 act, 1893 PA 206, MCL 211.78m.

20 (vi) Pursuant to the requirements of a city charter, the
21 property was deeded to the city for unpaid delinquent real
22 property taxes.

23 Sec. 104. (1) Except as otherwise provided in this act, a
24 land bank may do all things necessary or convenient to implement
25 the purposes, objectives, and provisions of this act, and the
26 purposes, objectives, and powers delegated to the board of
27 directors of a land bank by other laws or executive orders,

1 including, but not limited to, all of the following:

2 (a) Adopt, amend, and repeal bylaws for the regulation of its
3 affairs and the conduct of its business.

4 (b) Sue and be sued in its own name and plead and be
5 impleaded, including, but not limited to, defending the land bank
6 in an action to clear title to property conveyed by the land
7 bank.

8 (c) Borrow money and issue bonds and notes according to the
9 provisions of this act.

10 (d) Enter into contracts and other instruments necessary,
11 incidental, or convenient to the performance of its duties and
12 the exercise of its powers, including, but not limited to,
13 interlocal agreements under the urban cooperation act of 1967,
14 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, for the joint
15 exercise of powers under this act.

16 (e) Solicit and accept gifts, grants, labor, loans, and other
17 aid from any person, or the federal government, this state, or a
18 political subdivision of this state or any agency of the federal
19 government, this state, a political subdivision of this state, or
20 an intergovernmental entity created under the laws of this state
21 or participate in any other way in a program of the federal
22 government, this state, a political subdivision of this state, or
23 an intergovernmental entity created under the laws of this
24 state.

25 (f) Procure insurance against loss in connection with the
26 property, assets, or activities of the land bank.

27 (g) Invest money of the land bank, at the discretion of the

1 board of directors of the land bank, in instruments, obligations,
2 securities, or property determined proper by the board of
3 directors of the land bank, and name and use depositories for its
4 money.

5 (h) Employ legal and technical experts, other officers,
6 agents, or employees, permanent or temporary, paid from the funds
7 of the land bank. The land bank shall determine the
8 qualifications, duties, and compensation of those it employs.
9 The board of directors of a land bank may delegate to 1 or more
10 members, officers, agents, or employees any powers or duties it
11 considers proper. Members of the board of directors of a land
12 bank shall serve without compensation but shall be reimbursed for
13 actual and necessary expenses.

14 (i) Contract for goods and services and engage personnel as
15 necessary and engage the services of private consultants,
16 managers, legal counsel, engineers, accountants, and auditors for
17 rendering professional financial assistance and advice payable
18 out of any money of the land bank.

19 (j) Study, develop, and prepare the reports or plans the land
20 bank considers necessary to assist it in the exercise of its
21 powers under this act and to monitor and evaluate the progress
22 under this act.

23 (k) Enter into contracts for the management of, the
24 collection of rent from, or the sale of real property held by the
25 land bank.

26 (l) Do all other things necessary or convenient to achieve
27 the objectives and purposes of the land bank or other laws that

1 relate to the purposes and responsibility of the land bank.

2 (2) The enumeration of a power in this act shall not be
3 construed as a limitation upon the general powers of a land
4 bank. The powers granted under this act are in addition to those
5 powers granted by any other statute or charter.

6 (3) A land bank, in its discretion, may contract with others,
7 public or private, for the provision of all or a portion of the
8 services necessary for the management and operation of the land
9 bank. A land bank shall adopt a code of ethics for its
10 directors, officers, and employees.

11 (4) If a land bank holds a tax deed to abandoned property,
12 the authority may quiet title to the property under section 79a
13 of the general property tax act, 1893 PA 206, MCL 211.79a.

14 (5) The property of a land bank and its income and operations
15 are exempt from all taxation by this state or any of its
16 political subdivisions.

17 (6) A land bank shall not assist or expend any funds for, or
18 related to, the development of a casino.

19 (7) A land bank shall not levy any tax or special
20 assessment.

21 (8) A land bank shall not exercise the power of eminent
22 domain or condemn property.

23 Sec. 105. (1) A land bank may acquire by gift, devise,
24 transfer, exchange, foreclosure, purchase, or otherwise on terms
25 and conditions and in a manner the land bank considers proper,
26 own, lease as lessor, convey, demolish, relocate, or rehabilitate
27 real or personal property, or rights or interests in real or

1 personal property.

2 (2) Real property acquired by a land bank by purchase may be
3 by purchase contract, lease purchase agreement, installment sales
4 contract, land contract, or otherwise. The land bank may
5 purchase real property or rights or interests in real property
6 for any purpose the land bank considers necessary to carry out
7 the purposes of this act, including, but not limited to, 1 or
8 more of the following purposes:

9 (a) The use or development of property the land bank has
10 otherwise acquired.

11 (b) To facilitate the assembly of property for sale or lease
12 to any other public or private person, including, but not limited
13 to, a nonprofit corporation.

14 (c) To protect or prevent the extinguishing of any lien,
15 including a tax lien, held by the land bank or imposed upon
16 property held by the land bank.

17 (3) A land bank may also acquire by purchase, on terms and
18 conditions and in a manner the land bank considers proper,
19 property or rights or interest in property from 1 or more of the
20 following sources:

21 (a) The department of natural resources under section 2101 or
22 2102 of the natural resources and environmental protection act,
23 1994 PA 451, MCL 324.2101 and 324.2102.

24 (b) A foreclosing governmental unit under the general
25 property tax act, 1893 PA 206, MCL 211.1 to 211.157.

26 (c) The Michigan state housing development authority under
27 the state housing development authority act of 1966, 1966 PA 346,

1 MCL 125.1401 to 125.1499c.

2 (4) A land bank may hold and own in its name any property
3 acquired by it or conveyed to it by this state, a foreclosing
4 governmental unit, a local unit of government, an
5 intergovernmental entity created under the laws of this state, or
6 any other public or private person, including, but not limited
7 to, tax reverted property and property with or without clear
8 title.

9 (5) All deeds, mortgages, contracts, leases, purchases, or
10 other agreements regarding property of a land bank, including
11 agreements to acquire or dispose of real property, may be
12 approved by and executed in the name of the land bank.

13 (6) A foreclosing governmental unit may not transfer property
14 subject to forfeiture, foreclosure, and sale under sections 78 to
15 78p of the general property tax act, 1893 PA 206, MCL 211.78 to
16 211.78p, until after the property has been offered for sale or
17 other transfer under section 78m of the general property tax act,
18 1893 PA 206, MCL 211.78m, and the foreclosing governmental unit
19 has retained possession of the property under section 78m(7) of
20 the general property tax act, 1893 PA 206, MCL 211.78m.

21 Sec. 106. (1) A land bank may, without the approval of a
22 local unit of government in which property held by the land bank
23 is located, control, hold, manage, maintain, operate, repair,
24 lease as lessor, secure, prevent the waste or deterioration of,
25 demolish, and take all other actions necessary to preserve the
26 value of the property it holds or owns. A land bank may take or
27 perform the following with respect to property held or owned by

1 the land bank:

2 (a) Grant or acquire a license, easement, or option with
3 respect to property as the land bank determines is reasonably
4 necessary to achieve the purposes of this act.

5 (b) Fix, charge, and collect rents, fees, and charges for use
6 of property under the control of the land bank or for services
7 provided by the land bank.

8 (c) Pay any tax or special assessment due on property
9 acquired or owned by the land bank.

10 (d) Take any action, provide any notice, or institute any
11 proceeding required to clear or quiet title to property held by
12 the land bank in order to establish ownership by and vest title
13 to property in the land bank, including, but not limited to, an
14 expedited quiet title and foreclosure action under section 109.

15 (e) Remediate environmental contamination on any property
16 held by the land bank.

17 (2) A land bank shall defend any actions concerning title
18 claims against property held by the land bank.

19 (3) Subject to subsection (4), a land bank may accept from a
20 person with an interest in a parcel of tax delinquent property or
21 tax reverted property a deed conveying that person's interest in
22 the property in lieu of the foreclosure or sale of the property
23 for delinquent taxes, penalties, and interest levied under the
24 general property tax act, 1893 PA 206, MCL 211.1 to 211.157, or
25 delinquent specific taxes levied under another law of this state
26 against the property by a local unit of government or other
27 taxing jurisdiction.

1 (4) A land bank may not accept under subsection (3) a deed in
2 lieu of foreclosure or sale of the tax lien attributable to taxes
3 levied by a local unit of government or other taxing jurisdiction
4 without the written approval of all taxing jurisdictions and the
5 foreclosing governmental unit that would be affected. Upon
6 approval of the affected taxing jurisdictions and the foreclosing
7 governmental unit, all of the unpaid general ad valorem taxes and
8 specific taxes levied on the property, whether recorded or not,
9 shall be extinguished. The land bank shall record proof of the
10 acceptance by the affected taxing jurisdictions under this
11 subsection and the deed in lieu of foreclosure with the register
12 of deeds for the county in which the property is located.

13 (5) Except as provided in subsection (4), conveyance of
14 property by deed in lieu of foreclosure under this section shall
15 not affect or impair any other lien against that property or any
16 existing recorded or unrecorded interest in that property,
17 including, but not limited to, future installments of special
18 assessments, liens recorded by this state, or restrictions
19 imposed under the natural resources and environmental protection
20 act, 1994 PA 451, MCL 324.101 to 324.90106, easements or
21 rights-of-way, private deed restrictions, security interests and
22 mortgages, or tax liens of other taxing jurisdictions or a
23 foreclosing governmental unit that does not consent to a release
24 of their liens.

25 Sec. 107. (1) On terms and conditions, and in a manner and
26 for an amount of consideration a land bank considers proper,
27 fair, and valuable, including for no monetary consideration, the

1 land bank may convey, sell, transfer, exchange, lease as lessor,
2 or otherwise dispose of property or rights or interests in
3 property in which the land bank holds a legal interest to any
4 public or private person for value determined by the land bank.
5 The transfer and use of property under this section and the
6 exercise by the land bank of powers and duties under this act
7 shall be considered a necessary public purpose and for the
8 benefit of the public.

9 (2) All property held by a land bank shall be inventoried and
10 classified by the land bank according to title status and
11 suitability for use.

12 (3) Except as otherwise provided in this act, as required by
13 other law, as required under the provisions of a deed, or as a
14 land bank otherwise agrees, any proceeds received by the land
15 bank may be retained by the land bank for the purposes of this
16 act.

17 (4) A document, including, but not limited to, a deed,
18 evidencing the transfer under this act of 1 or more parcels of
19 property to a land bank by this state or a political subdivision
20 of this state may be recorded with the register of deeds office
21 in the county in which the property is located without the
22 payment of a fee.

23 Sec. 108. Money received by a land bank as payment of
24 taxes, penalties, or interest, or from the redemption or sale of
25 property subject to a tax lien of any taxing unit shall be
26 returned to the local tax collecting unit in which the property
27 is located for distribution on a pro rata basis to the

1 appropriate taxing units in an amount equal to delinquent taxes,
2 penalties, and interest owed on the property, if any. Any money
3 in excess of delinquent taxes, interest, and penalties shall be
4 retained by the land bank and may be used for purposes authorized
5 by this act.

6 Sec. 109. (1) A land bank may initiate an expedited quiet
7 title and foreclosure action under this section to quiet title to
8 real property held by the land bank or interests in tax reverted
9 property held by the land bank by recording with the register of
10 deeds in the county in which the property subject to expedited
11 quiet title and foreclosure is located a notice of pending
12 expedited quiet title and foreclosure action in a form prescribed
13 by the department of treasury. The notice shall include a legal
14 description of the property, the street address of the property
15 if available, the name, address, and telephone number of the land
16 bank, a statement that the property is subject to expedited quiet
17 title and foreclosure under this act, and a statement that any
18 legal interests in the property may be extinguished by a circuit
19 court vesting title to the property in the land bank. If a
20 notice is recorded in error, the land bank may correct the error
21 by recording a notice of error with the register of deeds. A
22 notice under this subsection need not be notarized and may be
23 authenticated by a digital signature or other electronic means.
24 Property is not subject to an expedited quiet title and
25 foreclosure action under this section if the property was
26 forfeited under section 78g of the general property tax act, 1893
27 PA 206, MCL 211.78g, and remains subject to foreclosure under

1 section 78k of the general property tax act, 1893 PA 206,
2 MCL 211.78k.

3 (2) After recording the notice under subsection (1), a land
4 bank shall initiate a search of records identified in this
5 subsection to identify the owners of a property interest in the
6 property who are entitled to notice of the foreclosure hearing
7 under this section. The land bank may enter into a contract with
8 or may request from 1 or more authorized representatives a title
9 search or other title product to identify the owners of a
10 property interest in the property as required under this
11 subsection or to perform the other functions set forth in this
12 section required for the collection of delinquent taxes under
13 this act. The owner of a property interest is entitled to notice
14 under this section if that owner's interest was identifiable by
15 reference to any of the following sources before the date that
16 the land bank records the notice under subsection (1):

17 (a) Land title records in the office of the county register
18 of deeds.

19 (b) Tax records in the office of the county treasurer.

20 (c) Tax records in the office of the local assessor.

21 (d) Tax records in the office of the local treasurer.

22 (3) A land bank may file a single petition with the clerk of
23 the circuit court in which property subject to expedited
24 foreclosure under this section is located listing all property
25 subject to expedited foreclosure by the land bank and for which
26 the land bank seeks to quiet title. If available to the land
27 bank, the list of properties shall include a legal description

1 of, a tax parcel identification number for, and the street
2 address of each parcel of property. The petition shall seek a
3 judgment in favor of the land bank against each property listed
4 and shall include a date, within 90 days, on which the land bank
5 requests a hearing on the petition. The petition shall request
6 that a judgment be entered vesting absolute title in the land
7 bank, without right of redemption for each parcel of property
8 listed, as provided in this section. Prior to the entry of
9 judgment under this section, the land bank may request the court
10 to remove property erroneously included in the petition, or any
11 tax delinquent properties redeemed prior to the hearing.

12 (4) The clerk of the circuit court in which a petition is
13 filed under subsection (3) shall immediately set the date, time,
14 and place for a hearing on the petition for foreclosure. The
15 date shall be set by the clerk and shall not be more than 10 days
16 after the date requested by the land bank in the petition. In no
17 event may the clerk schedule the hearing later than 90 days after
18 the filing of a petition by the land bank under subsection (3).

19 (5) After completing the records search under subsection (2),
20 a land bank shall determine the address or addresses reasonably
21 calculated to inform those owners of a property interest in
22 property subject to expedited foreclosure under this section of
23 the pendency of the foreclosure hearing under subsection (11).
24 If, after conducting the title search, the land bank is unable to
25 determine an address reasonably calculated to inform persons with
26 a property interest in property subject to expedited tax
27 foreclosure or the notice under subsection (6) is returned as

1 undeliverable, the following shall be deemed reasonable steps by
2 the land bank to ascertain the addresses of persons with a
3 property interest in the property subject to expedited
4 foreclosure:

5 (a) For an individual, a search of records of the county
6 probate court.

7 (b) For an individual, a search of the qualified voter file
8 established under section 5090 of the Michigan election law, 1954
9 PA 116, MCL 168.5090, which is authorized by this subdivision.

10 (c) For a partnership, a search of partnership records filed
11 with the county clerk.

12 (d) For a business entity other than a partnership, a search
13 of business entity records filed with the department of consumer
14 and industry services.

15 (e) A search of the current telephone directory for the area
16 in which the property is located.

17 (f) A letter of inquiry to the last seller of the property or
18 an attorney for the seller, if ascertainable.

19 (6) Not less than 30 days before the quiet title and
20 foreclosure hearing under subsection (11), the land bank shall
21 send notice by certified mail, return receipt requested, of the
22 foreclosure hearing to the persons identified under subsection
23 (5) with a property interest in property subject to expedited
24 foreclosure. The land bank shall also send a notice via regular
25 mail addressed to the "Occupant" for each property subject to
26 expedited foreclosure if an address for the property is
27 ascertainable.

1 (7) Not less than 30 days before the quiet title and
2 foreclosure hearing under subsection (11), the land bank or its
3 authorized representative shall visit each parcel of property
4 subject to expedited foreclosure and post conspicuously on the
5 property notice of the hearing. In addition to the requirements
6 of subsection (8), the notice shall also include the following
7 statement: "THIS PROPERTY HAS BEEN TRANSFERRED TO THE
8 _____ LAND BANK AND IS SUBJECT TO AN EXPEDITED
9 QUIET TITLE AND FORECLOSURE ACTION. PERSONS WITH INFORMATION
10 REGARDING THE PRIOR OWNER OF THE PROPERTY ARE REQUESTED TO
11 CONTACT THE LAND BANK AT _____.".

12 (8) The notice required under subsections (6) and (7) shall
13 include:

14 (a) The date on which the land bank recorded under subsection
15 (1) notice of the pending expedited quiet title foreclosure
16 action.

17 (b) A statement that a person with a property interest in the
18 property may lose his or her interest, if any, as a result of the
19 foreclosure hearing under subsection (11).

20 (c) A legal description, parcel number of the property, and
21 the street address of the property, if available.

22 (d) The person to whom the notice is addressed.

23 (e) The date and time of the hearing on the petition for
24 foreclosure hearing under subsection (11) and a statement that
25 the judgment of the court may result in title to the property
26 vesting in the land bank.

27 (f) An explanation of any rights of redemption and notice

1 that the judgment of the court may extinguish any ownership
2 interest in or right to redeem the property.

3 (g) The name, address, and telephone number of the land
4 bank.

5 (h) A statement that persons with information regarding the
6 prior owner of any of the properties are requested to call the
7 land bank.

8 (9) If the land bank is unable to ascertain the address
9 reasonably calculated to inform the owners of a property interest
10 entitled to notice under this section, or is unable to provide
11 notice under subsection (6) or (7), the land bank shall provide
12 notice by publication. Prior to the hearing, a notice shall be
13 published for 3 successive weeks, once each week, in a newspaper
14 published and circulated in the county in which the property is
15 located. If no paper is published in that county, publication
16 shall be made in a newspaper published and circulated in an
17 adjoining county. This publication shall substitute for notice
18 under subsection (6) or (7). The published notice shall include
19 all of the following:

20 (a) A legal description, parcel number of the property, and
21 the street address of the property, if available.

22 (b) The name of any person not notified under subsection (6)
23 or (7) that the land bank reasonably believes may be entitled to
24 notice under this section of the foreclosure hearing under
25 subsection (11).

26 (c) A statement that a person with a property interest in the
27 property may lose his or her interest, if any, as a result of the

1 foreclosure proceeding under subsection (11).

2 (d) The date and time of the hearing on the petition for
3 foreclosure under subsection (11).

4 (e) A statement that the judgment of the court may result in
5 title to the property vesting in the land bank.

6 (f) An explanation of any rights of redemption and notice
7 that judgment of the court may extinguish any ownership interest
8 in or right to redeem the property.

9 (g) The name, address, and telephone number of the land
10 bank.

11 (h) A statement that persons with information regarding the
12 prior owner of any of the properties are requested to contact the
13 land bank.

14 (10) If prior to the foreclosure hearing under subsection
15 (11) the land bank discovers any deficiency in the provision of
16 notice under this section, the land bank shall take reasonable
17 steps in good faith to correct the deficiency before the
18 hearing.

19 (11) If a petition for expedited quiet title and foreclosure
20 is filed under subsection (3), before the hearing, the land bank
21 shall file with the clerk of the circuit court proof of service
22 of notice by certified mail under subsection (6), proof of notice
23 by posting on the property under subsection (7), and proof of
24 notice by publication, if applicable. A person claiming an
25 interest in a parcel of property set forth in the petition for
26 foreclosure who desires to contest that petition shall file
27 written objections with the clerk of the circuit court and serve

1 those objections on the land bank before the date of the
2 hearing. The circuit court may appoint and utilize as the court
3 considers necessary a special master for the resolution of any
4 objections to the foreclosure or questions regarding the title to
5 property subject to foreclosure. If the court withholds property
6 from foreclosure, a land bank's ability to include the property
7 in a subsequent petition for expedited quiet title and
8 foreclosure is not prejudiced. No injunction shall issue to stay
9 an expedited quiet title and foreclosure action under this
10 section. The circuit court shall enter judgment on a petition to
11 quiet title and foreclosure filed under subsection (3) not more
12 than 10 days after the conclusion of the hearing. The circuit
13 court's judgment shall specify all of the following:

14 (a) The legal description and, if known, the street address
15 of the property foreclosed.

16 (b) That fee simple title to property foreclosed by the
17 judgment is vested absolutely in the land bank, except as
18 otherwise provided in subdivisions (c) and (e), without any
19 further rights of redemption.

20 (c) That all liens against the property, including any lien
21 for unpaid taxes or special assessments, except future
22 installments of special assessments and liens recorded by this
23 state or the land bank under the natural resources and
24 environmental protection act, 1994 PA 451, MCL 324.101 to
25 324.90106, are extinguished.

26 (d) That, except as otherwise provided in subdivisions (c)
27 and (e), the land bank has good and marketable fee simple title

1 to the property.

2 (e) That all existing recorded and unrecorded interests in
3 that property are extinguished, except a visible or recorded
4 easement or right-of-way, private deed restrictions, plat
5 restrictions, or restrictions or other governmental interests
6 imposed under the natural resources and environmental protection
7 act, 1994 PA 451, MCL 324.101 to 324.90106.

8 (f) A finding that all persons entitled to notice and an
9 opportunity to be heard have been provided that notice and
10 opportunity.

11 (12) Except as otherwise provided in subsection (11)(c) and
12 (e), fee simple title to property set forth in a petition for
13 foreclosure filed under subsection (3) shall vest absolutely in
14 the land bank upon the entry of the judgment by the circuit court
15 and the land bank shall have absolute title to the property. The
16 land bank's title is not subject to any recorded or unrecorded
17 lien, except as provided in subsection (11) and shall not be
18 stayed or held invalid except as provided in subsection (13).

19 (13) A land bank or a person claiming to have a property
20 interest under subsection (2) in property foreclosed under this
21 section may within 21 days of the entry of the judgment under
22 subsection (12) appeal the circuit court's order or the circuit
23 court's judgment foreclosing property to the court of appeals.
24 An appeal under this subsection is limited to the record of the
25 proceedings in the circuit court under this section. The circuit
26 court's judgment foreclosing property shall be stayed until the
27 court of appeals has reversed, modified, or affirmed that

1 judgment. If an appeal under this subsection stays the circuit
2 court's judgment foreclosing property, the circuit court's
3 judgment is stayed only as to the property that is the subject of
4 that appeal and the circuit court's judgment foreclosing other
5 property that is not the subject of that appeal is not stayed.

6 (14) The land bank shall record a notice of judgment for each
7 parcel of foreclosed property in the office of the register of
8 deeds for the county in which the foreclosed property is located
9 in a form prescribed by the department of treasury. If a land
10 bank records a notice of judgment in error, the land bank may
11 subsequently record a certificate of error. A notice under this
12 subsection need not be notarized and may be authenticated by a
13 digital signature or other electronic means.

14 (15) If a judgment of foreclosure is entered under subsection
15 (12), and all existing recorded and unrecorded interests in a
16 parcel of property are extinguished as provided in subsection
17 (12), the owner of any extinguished recorded or unrecorded
18 interest in that property who claims that he or she did not
19 receive notice of the expedited quiet title and foreclosure
20 action shall not bring an action for possession of the property
21 against any subsequent owner, but may only bring an action to
22 recover monetary damages as provided in this subsection. The
23 court of claims has original and exclusive jurisdiction in any
24 action to recover monetary damages under this subsection. An
25 action to recover monetary damages under this subsection shall
26 not be brought more than 2 years after a judgment for foreclosure
27 is entered under subsection (12). Any monetary damages

1 recoverable under this subsection shall be determined as of the
2 date a judgment for foreclosure is entered under subsection (12)
3 and shall not exceed the fair market value of the property on
4 that date.

5 (16) The owner of a property interest with notice of the
6 foreclosure hearing under subsection (11) may not assert any of
7 the following:

8 (a) That notice to the owner was insufficient or inadequate
9 in any way because some other owner of a property interest in the
10 property was not notified.

11 (b) That any right to redeem tax reverted property was
12 extended in any way because some other person was not notified.

13 (17) A person holding or formerly holding an interest in tax
14 reverted property subject to expedited foreclosure under this
15 section is barred from questioning the validity of the expedited
16 foreclosure under this section if 1 or more of the following
17 apply:

18 (a) Prior to the transfer of the property to the land bank,
19 the property was deeded to this state under section 67a of the
20 general property tax act, 1893 PA 206, MCL 211.67a, and the
21 person or the person's predecessor in title was notified of a
22 hearing regarding the deeding of the property as required by
23 section 131e of the general property tax act, 1893 PA 206,
24 MCL 211.131e.

25 (b) Prior to the transfer of the property to the land bank,
26 title to the property vested in a foreclosing governmental unit
27 following a circuit court hearing under section 78k of the

1 general property tax act, 1893 PA 206, MCL 211.78k, and the
2 person or the person's predecessor in title was notified of the
3 hearing under section 78i of the general property tax act, 1893
4 PA 206, MCL 211.78i.

5 (18) The failure of a land bank to comply with any provision
6 of this section shall not invalidate any proceeding under this
7 section if a person with a property interest in property subject
8 to foreclosure was accorded the minimum due process required
9 under the state constitution of 1963 and the constitution of the
10 United States.

11 (19) It is the intent of the legislature that the provisions
12 of this subsection relating to the expedited quiet title and
13 foreclosure of property held by a land bank satisfy the minimum
14 requirements of due process required under the constitution of
15 this state and the constitution of the United States but that
16 those provisions do not create new rights beyond those required
17 under the state constitution of 1963 or the constitution of the
18 United States. The failure of a land bank, this state, or a
19 local unit of government of this state to follow a requirement of
20 this section relating to the expedited quiet title and
21 foreclosure of property held by a land bank shall not be
22 construed to create a claim or cause of action against a land
23 bank, this state, or a local unit of government of this state
24 unless the minimum requirements of due process accorded under the
25 state constitution of 1963 or the constitution of the United
26 States are violated.

27 (20) As used in this section, "authorized representative"

1 includes 1 or more of the following:

2 (a) A title insurance company or agent licensed to conduct
3 business in this state.

4 (b) An attorney licensed to practice law in this state.

5 (c) A person accredited in land title search procedures by a
6 nationally recognized organization in the field of land title
7 searching.

8 (d) A person with demonstrated experience in the field of
9 searching land title records, as determined by the land bank.

10 Sec. 110. For purposes of part 201 of the natural resources
11 and environmental protection act, 1994 PA 451, MCL 324.20101 to
12 324.20142, a land bank shall be considered a local unit of
13 government. The acquisition or control of property through
14 bankruptcy, tax delinquent forfeiture, foreclosure, or sale,
15 abandonment, transfer from a lender, court order, foreclosure,
16 forfeiture, circumstances in which the land bank has acquired
17 title or control by virtue of the performance of any function
18 permitted by the land bank under this act, or by transfer of the
19 property to the land bank by this state, an agency or department
20 of this state, or any local unit of government of this state
21 shall not subject the land bank to liability under the natural
22 resources and environmental protection act, 1994 PA 451,
23 MCL 324.101 to 324.90106, unless the land bank is responsible for
24 an activity causing a release on the property. This section
25 shall not be considered to restrict or diminish any protection
26 from liability under the natural resources and environmental
27 protection act, 1994 PA 451, MCL 324.101 to 324.90106, that is

1 otherwise available under law to the land bank.

2 Sec. 111. (1) A land bank may institute a civil action to
3 prevent, restrain, or enjoin the waste of or unlawful removal of
4 any property from tax reverted property or other real property
5 held by the land bank.

6 (2) A circuit court may, on application, order the purchaser
7 of any real property sold by a land bank under this act in
8 possession of the property.

9 Sec. 112. A land bank shall be made a party to any action
10 or proceeding instituted for the purpose of setting aside title
11 to property held by the land bank or setting aside an expedited
12 foreclosure under section 109. A hearing in any such proceeding
13 shall not be held until the land bank is served with process and
14 proper proof of service is filed.

15 Sec. 113. Property of a land bank is public property
16 devoted to an essential public and governmental function and
17 purpose. Income of the land bank is considered to be for a
18 public and governmental purpose. The property of the land bank
19 and its income and operation are exempt from all taxes and
20 special assessments of this state or a local unit of government
21 of this state. Bonds or notes issued by the land bank, and the
22 interest on and income from those bonds and notes, are exempt
23 from all taxation of this state or a local unit of government of
24 this state.

25 Sec. 114. (1) This act shall be construed liberally to
26 effectuate the legislative intent and the purposes as complete
27 and independent authorization for the performance of each and

1 every act and thing authorized by this act, and all powers
2 granted shall be broadly interpreted to effectuate the intent and
3 purposes and not as a limitation of powers. In the exercise of
4 its powers and duties under this act and its powers relating to
5 property held by the land bank, the land bank shall have complete
6 control as fully and completely as if it represented a private
7 property owner and shall not be subject to restrictions imposed
8 on the land bank by the charter, ordinances, or resolutions of a
9 local unit of government.

10 (2) The provisions of this act apply notwithstanding any
11 resolution, ordinance, or charter provision to the contrary.
12 This section is not intended to exempt a land bank from local
13 zoning or land use controls, including those controls authorized
14 under the city and village zoning act, 1921 PA 207, MCL 125.581
15 to 125.600, or 1945 PA 344, MCL 125.71 to 125.84.

16 CHAPTER 2

17 MICHIGAN LAND BANK AND COMMUNITY DEVELOPMENT AUTHORITY

18 Sec. 201. As used in this chapter:

19 (a) "Authority" means the Michigan land bank and community
20 development authority created in section 202.

21 (b) "Board" means the board of directors of the authority.

22 (c) "Department" means the department of management and
23 budget.

24 (d) "Fund" means the community development fund created in
25 section 205.

26 Sec. 202. (1) The Michigan land bank community development
27 authority is created as a public body corporate and politic

1 within the department.

2 (2) The authority shall exercise its powers and duties
3 independently of the director of the department. The budgeting,
4 procurement, and related administrative functions of the
5 authority shall be performed under the direction and supervision
6 of the director of the department. The authority may contract
7 with the department for the purpose of maintaining the rights and
8 interests of the authority.

9 (3) If requested by the authority, the department shall
10 provide staff and other support to the authority sufficient to
11 carry out its duties, powers, and responsibilities.

12 (4) All departments and agencies of state government shall
13 provide full cooperation to the authority in the performance of
14 its duties, powers, and responsibilities.

15 Sec. 203. (1) The purposes, powers, and duties of the
16 authority are vested in and shall be exercised by a board of
17 directors. The board shall consist of 5 residents of this state
18 appointed by the governor. One member appointed by the governor
19 shall be a person approved by the chief executive officer of a
20 qualified city as that term is defined in chapter 3. The members
21 of the board shall serve terms of 4 years. In appointing the
22 initial members of the board, the governor shall designate 2 to
23 serve for 4 years, 2 to serve for 3 years, and 1 to serve for 2
24 years. A member of the board may be removed for cause by the
25 governor.

26 (2) Upon appointment to the board under subsection (1) and
27 upon the taking and filing of the constitutional oath of office

1 prescribed in section 1 of article XI of the state constitution
2 of 1963, a member of the board shall enter the office and
3 exercise the duties of the office.

4 (3) Regardless of the cause of a vacancy on the board, the
5 governor shall fill a vacancy in the office by appointment in the
6 same manner as an appointment under subsection (1). A vacancy
7 shall be filled for the balance of the unexpired term of the
8 office. A member of the board shall hold office until a
9 successor has been appointed and qualified.

10 (4) The board shall elect a chairperson and a
11 vice-chairperson from among its members. Members of the board
12 shall serve without compensation, but shall be reimbursed for
13 actual and necessary expenses.

14 (5) A state officer or director who is a member of the board
15 may designate a representative from his or her department or
16 agency as a voting member of the board for 1 or more meetings.

17 (6) A member of the board, officer, employee, or agent of the
18 authority shall discharge the duties of his or her position in a
19 nonpartisan manner, with good faith, and with that degree of
20 diligence, care, and skill that an ordinarily prudent person
21 would exercise under similar circumstances in a like position.
22 In discharging the duties of his or her position, a member of the
23 board or an officer, employee, or agent, when acting in good
24 faith, may rely upon the opinion of counsel for the authority,
25 upon the report of an independent appraiser selected with
26 reasonable care by the board, or upon financial statements of the
27 authority represented to the member of the board or officer,

1 employee, or agent of the authority to be correct by the
2 president or the officer of the authority having charge of its
3 books or account, or stated in a written report by a certified
4 public accountant or firm of certified public accountants fairly
5 to reflect the financial condition of the authority.

6 Sec. 204. The governor shall appoint a person to serve as
7 the chief executive of the authority. A member of the board of
8 directors is not eligible to hold the position of chief
9 executive. Before entering upon the duties of his or her office,
10 the chief executive shall take and file the constitutional oath
11 of office provided in section 1 of article XI of the state
12 constitution of 1963. Subject to the approval of the board, the
13 chief executive shall supervise, and be responsible for, the
14 performance of the functions of the authority under this act.
15 The chief executive shall attend the meetings of the board, and
16 shall provide the board and the governing body of the authority a
17 regular report describing the activities and financial condition
18 of the authority. The chief executive shall furnish the board
19 with information or reports governing the operation of the
20 authority as the board requires.

21 Sec. 205. (1) The Michigan land bank and community
22 development fund is created under the jurisdiction and control of
23 the authority and may be administered to secure any notes and
24 bonds of the authority.

25 (2) The authority may receive money or other assets from any
26 source for deposit into the fund. The authority shall credit to
27 the fund interest and earnings from fund investments.

1 (3) Money in the fund at the close of the fiscal year shall
2 remain in the fund and shall not lapse to any other fund.

3 (4) The authority shall expend money from the fund only for 1
4 or more of the following:

5 (a) Costs to clear or quiet title to property held by the
6 land bank.

7 (b) To repay a loan made to the land bank under section 2f of
8 1855 PA 105, MCL 21.142f.

9 (c) Any other purposes provided in this act.

10 (5) The authority shall deposit into the fund all money it
11 receives from the sale or transfer of property under this act,
12 subject to section 107(3). The authority shall credit to the
13 fund the proceeds of the sale of notes or bonds to the extent
14 provided for in the authorizing resolution of the authority, and
15 any other money made available to the authority for the purposes
16 of the fund.

17 Sec. 206. (1) The authority may borrow money and issue
18 bonds or notes for the following purposes:

19 (a) To provide sufficient funds for achieving the authority's
20 purposes and objectives or incident to and necessary or
21 convenient to carry out the authority's purposes and objectives,
22 including necessary administrative costs.

23 (b) To refund bonds or notes of the authority issued under
24 this act, by the issuance of new bonds, whether or not the bonds
25 or notes to be refunded have matured or are subject to prior
26 redemption or are to be paid, redeemed, or surrendered at the
27 time of the issuance of the refunding bonds or notes; and to

1 issue bonds or notes partly to refund the bonds or notes and
2 partly for any other purpose provided for by this section.

3 (c) To pay the costs of issuance of bonds or notes under this
4 act; to pay interest on bonds or notes becoming payable before
5 the receipt of the first revenues available for payment of that
6 interest as determined by the board; and to establish, in full or
7 in part, a reserve for the payment of the principal and interest
8 on the bonds or notes in the amount determined by the board.

9 (2) The bonds and notes, including, but not limited to,
10 commercial paper, shall be authorized by resolution adopted by
11 the board, shall bear the date or dates, and shall mature at the
12 time or times not exceeding 50 years from the date of issuance,
13 as the resolution may provide. The bonds and notes shall bear
14 interest at the rate or rates as may be set, reset, or calculated
15 from time to time, or may bear no interest, as provided in the
16 resolution. The bonds and notes shall be in the denominations,
17 be in the form, either coupon or registered, carry the
18 registration privileges, be transferable, be executed in the
19 manner, be payable in the medium of payment, at the place or
20 places, and be subject to the terms of prior redemption at the
21 option of the authority or the holders of the bonds and notes as
22 the resolution or resolutions may provide. The bonds and notes
23 of the authority may be sold at public or private sale at the
24 price or prices determined by the authority. Bonds and notes may
25 be sold at a discount.

26 (3) Bonds or notes may be 1 or more of the following:

27 (a) Made the subject of a put or agreement to repurchase by

1 the authority or others.

2 (b) Secured by a letter of credit or by any other collateral
3 that the resolution may authorize.

4 (c) Reissued by the authority once reacquired by the
5 authority pursuant to any put or repurchase agreement.

6 (4) The authority may authorize by resolution any member of
7 the board to do 1 or more of the following:

8 (a) Sell and deliver, and receive payment for notes or
9 bonds.

10 (b) Refund notes or bonds by the delivery of new notes or
11 bonds whether or not the notes or bonds to be refunded have
12 matured, are subject to prior redemption, or are to be paid,
13 redeemed, or surrendered at the time of the issuance of refunding
14 bonds or notes.

15 (c) Deliver notes or bonds, partly to refund notes or bonds
16 and partly for any other authorized purposes.

17 (d) Buy notes or bonds issued at not more than the face value
18 of the notes or bonds.

19 (e) Approve interest rates or methods for fixing interest
20 rates, prices, discounts, maturities, principal amounts,
21 denominations, dates of issuance, interest payment dates,
22 redemption rights at the option of the authority or the holder,
23 the place of delivery and payment, and other matters and
24 procedures necessary to complete the transactions authorized.

25 (5) Except as may otherwise be expressly provided by the
26 authority, every issue of its notes or bonds shall be general
27 obligations of the authority payable out of revenues, properties,

1 or money of the authority, subject only to agreements with the
2 holders of particular notes or bonds pledging particular
3 receipts, revenues, properties, or money as security for the
4 notes or bonds.

5 (6) The notes or bonds of the authority are negotiable
6 instruments within the meaning of and for all the purposes of the
7 uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102,
8 subject only to the provisions of the notes or bonds for
9 registration.

10 (7) Bonds or notes issued by the authority are not subject to
11 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
12 141.2821. The issuance of bonds and notes under this chapter is
13 subject to the agency financing reporting act. The bonds or
14 notes issued by the authority are not required to be registered.
15 A filing of a bond or note of the authority is not required under
16 the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

17 (8) A bond or note issued by the authority shall contain on
18 its face a statement to the effect that the authority is
19 obligated to pay the principal of and the interest on the bond or
20 note only from revenue or funds of the authority pledged for the
21 payment of principal and interest and that this state is not
22 obligated to pay that principal and interest and that neither the
23 faith and credit nor the taxing power of this state is pledged to
24 the payment of the principal of or the interest on the bond or
25 note.

26 Sec. 207. The authority may enter into an intergovernmental
27 agreement with a metropolitan authority created under chapter 3

1 for the joint exercise of powers and duties under this act.

2 Sec. 208. The governor may by executive order transfer to
3 the authority tax reverted property, the title to which is held
4 by this state, on terms and conditions the governor determines
5 appropriate and consistent with the provisions of this act.

6 Sec. 209. (1) The state administrative board shall transfer
7 and convey to the authority, subject to the conditions and
8 restrictions of this section, the surplus state real property
9 described in this section, including all options, easements,
10 rights-of-way, and all improvements to the property except as
11 noted in this section. All of the following described state
12 surplus real property shall be transferred to the authority under
13 this section:

14 (a) All of Lots 1 through 9, inclusive, the strip of land
15 twenty (20) feet in width lying between the east line of said
16 Lots 1 and 2 and the west line of said Lot 3, being the alley
17 vacated by the Common Council of the City of Detroit by
18 resolution adopted October 22, 1912, and the West 11.80 feet of
19 Lot 10, Atkinson's Subdivision of the South Part of Lot One of
20 the Subdivision of Quarter Section Fifty Seven, Ten Thousand Acre
21 Tract, Township of Hamtramck (now City of Detroit), Wayne County,
22 Michigan, as recorded in Plat Liber 7, Page 33, Wayne County
23 Records, And the Southerly 27-1/2 feet and the Easterly 155 feet
24 of the North 80 feet of Lot 1, Bagg's Subdivision of part of Lot
25 1 in Quarter Section 57, Ten Thousand Acre Tract, Town 1 South,
26 Range 12 East, as recorded in Plat Liber 7, Page 33, Wayne County
27 Records, said parcel of land being more particularly described

1 as: BEGINNING at the northeast corner of Woodward Avenue and
2 East Grand Boulevard at the southwest corner of said Lot 1 of
3 said Atkinson's Subdivision; thence N25 degrees 59 minutes 43
4 seconds W 145.04 feet along the northeasterly line of said
5 Woodward Avenue to the southerly line of said Southerly 27-1/2
6 feet of said Lot 1 of said Bagg's Subdivision; thence N63 degrees
7 57 minutes 05 seconds E 65.00 feet along said southerly line;
8 thence N25 degrees 59 minutes 43 seconds W 80.03 feet to the
9 southeasterly line of Horton Avenue; thence N63 degrees 57
10 minutes 39 seconds E 155.00 feet along said southeasterly line to
11 the easterly line of said Lot 1 of said Bagg's Subdivision and
12 the west line of a 20 foot wide public alley; thence S25 degrees
13 59 minutes 43 seconds E 115.00 feet to the southeasterly line of
14 a 15 foot wide public alley; thence N63 degrees 57 minutes 05
15 seconds E 361.41 feet along said southeasterly line and
16 northwesterly line of said Lots 3 through 10 to the southwesterly
17 line of John R Street; thence S25 degrees 46 minutes 52 seconds E
18 109.95 feet along said southwesterly line to the northwest corner
19 of said John R Street and East Grand Boulevard; thence S63
20 degrees 56 minutes 30 seconds W 581.00 feet along the
21 northwesterly line of East Grand Boulevard to the Point of
22 Beginning, containing 1.928 acres and being subject to easements
23 and restrictions of record.

24 (b) The East 10 feet of Lot 2, all of Lots 3 through 13,
25 inclusive, and the West 1.80 feet of Lot 14, Bagg's Subdivision
26 of Part of Lot 1 in Quarter Section 57, Ten Thousand Acre Tract,
27 Town 1 South, Range 12 East, as recorded in Plat Liber 7, Page

1 33, Wayne County Records; said parcel of land being more
2 particularly described as: BEGINNING at the southwest corner of
3 Horton Avenue and John R Street at the northeast corner of said
4 West 1.80 feet of Lot 14 of said Bagg's Subdivision; thence S25
5 degrees 46 minutes 52 seconds E 99.95 feet along the
6 southwesterly line of said John R Street to the northwesterly
7 line of a 15 foot wide public alley; thence S63 degrees 57
8 minutes 05 seconds W 341.47 feet along said northwesterly line
9 and southeasterly line of said Lots 3 through 13 to the
10 northeasterly line of a 20 foot wide public alley; thence N25
11 degrees 59 minutes 43 seconds W 100.00 feet to the southeasterly
12 line of Horton Avenue; thence N63 degrees 57 minutes 39 seconds E
13 341.80 feet along said southeasterly line to the Point of
14 Beginning, containing 0.784 of an acre and being subject to
15 easements and restrictions of record.

16 (c) All of Lots 88, 89, and the Northerly 53 feet of Lot 90,
17 Hibbard Baker's Subdivision of Lot No. 2 of the Subdivision of
18 1/4 Section 57, Ten Thousand Acre Tract, Hamtramck (now City of
19 Detroit), Town 1 South, Range 12 East, as recorded in Plat Liber
20 7, Page 90, Wayne County Records, said parcel of land being more
21 particularly described as: BEGINNING at the southeast corner of
22 said Lot 89 on the northwesterly line of Horton Avenue which is
23 S63 degrees 57 minutes 39 seconds W 31.82 feet from the southeast
24 corner of Horton Avenue and John R Street at the northwest corner
25 of said Lot 90 of said Hibbard Baker's Subdivision; thence
26 continuing along said northwesterly line of Horton Avenue S63
27 degrees 57 minutes 39 seconds E 60.03 feet to the southwest

1 corner of said Lot 88; thence N25 degrees 48 minutes 16 seconds W
2 124.95 feet to the southeasterly line of a 20 foot wide public
3 alley; thence N63 degrees 56 minutes 35 seconds E 91.90 feet
4 along said line to the northeast corner of said Lot 90; thence
5 S25 degrees 46 minutes 52 seconds E 53.00 feet to the southerly
6 line of said Northerly 53 feet of Lot 90; thence S63 degrees 56
7 minutes 35 seconds W 31.83 feet along said line to the
8 southwesterly line of said Lot 90; thence S63 degrees 47 minutes
9 36 seconds E 71.97 feet along the northeasterly line of said Lot
10 89 to the Point of Beginning, containing 0.211 of an acre and
11 being subject to easements and restrictions of record.

12 (d) All of Lots 61 and 62, Hibbard Baker's Subdivision of
13 Lot No. 2 of the Subdivision of 1/4 Section 57, Ten Thousand Acre
14 Tract, Hamtramck (now City of Detroit), Town 1 South, Range 12
15 East, as recorded in Plat Liber 7, Page 90, Wayne County Records,
16 said parcel of land being more particularly described as:

17 BEGINNING at the southwest corner of Custer Avenue and John R
18 Street at the northeast corner of said Lot 61 of said Hibbard
19 Baker's Subdivision; thence S25 degrees 46 minutes 52 seconds
20 124.98 feet to the southeasterly line of a 20 foot wide public
21 alley; thence S63 degrees 56 minutes 35 seconds W 61.89 feet
22 along said line to the southwest corner of said Lot 62; thence
23 N25 degrees 48 minutes 16 seconds W 124.96 feet along the
24 southeasterly line of said Lot 62 to the southeasterly line of
25 said Horton Avenue; thence N63 degrees 55 minutes 31 seconds E
26 61.94 feet along said line to the Point of Beginning, containing
27 .0178 of an acre and being subject to easements and restrictions

1 of record.

2 (e) The West 10 feet of Lot 287 and all of Lots 288 and 289,
3 except that part taken for East Grand Boulevard, Frisbie and
4 Foxen's Subdivision of Part of Fractional Section 31 and Lot 18
5 of Theodore J. and Denis J. Campau's Subdivision of Fractional
6 Sections 29 and 32, T 1 S, R. 12 E, Detroit, Wayne County,
7 Michigan, as recorded in Plat Liber 6, Page 78, Wayne County
8 Records, said parcel of land being more particularly described
9 as: BEGINNING at the northwest corner of said Lot 289 of said
10 Frisbie and Foxen's Subdivision; thence N63 degrees 59 minutes 51
11 seconds E 70.00 feet to the northeast corner of said West 10 feet
12 of said Lot 287; thence S25 degrees 44 minutes 45 seconds E
13 175.32 feet to the southeast corner of said West 10 feet of said
14 Lot 287; thence S63 degrees 59 minutes 51 seconds W 70.00 feet
15 along the southeasterly line of said Lots 287 to 289 to the
16 southwest corner of said Lot 289; thence N25 degrees 44 minutes
17 45 seconds W 175.32 feet along the southwesterly line of said Lot
18 289 to the Point of Beginning, containing 0.282 of an acre and
19 being subject to easements and restrictions of record.

20 (f) Land in the City of Southgate, Wayne County, Michigan,
21 described as: That part of the southwest 1/4 and of the
22 southeast 1/4 of section 35, town 3 south, range 10 east, City of
23 Southgate, County of Wayne, State of Michigan, described as:
24 Beginning at the south 1/4 corner of section 35, town 3 south,
25 range 10 east; thence north 89 degrees 29 minutes 52 seconds west
26 377.03 feet along the south line of said section 35; thence north
27 00 degrees 07 minutes 38 seconds east 1950.98 feet to centerline

1 of Frank and Poet Drain; thence south 63 degrees 23 minutes 08
2 seconds east 15.60 feet along centerline of Frank and Poet Drain;
3 thence south 37 degrees 03 minutes 54 seconds east 61.06 feet
4 along centerline of Frank and Poet Drain; thence south 54 degrees
5 43 minutes 11 seconds east 78.36 feet along centerline of Frank
6 and Poet Drain; thence south 50 degrees 32 minutes 05 seconds
7 east 47.65 feet along centerline of Frank and Poet Drain; thence
8 south 35 degrees 20 minutes 50 seconds east 67.52 feet along
9 centerline of Frank and Poet Drain; thence south 63 degrees 46
10 minutes 49 seconds east 32.66 feet along centerline of Frank and
11 Poet Drain; thence south 45 degrees 25 minutes 00 seconds east
12 71.96 feet along centerline of Frank and Poet Drain; thence south
13 61 degrees 13 minutes 05 seconds east 61.73 feet along centerline
14 of Frank and Poet Drain; thence south 50 degrees 50 minutes 08
15 seconds east 41.80 feet along centerline of Frank and Poet Drain;
16 thence south 44 degrees 20 minutes 22 seconds east 33.12 feet
17 along centerline of Frank and Poet Drain; thence south 29 degrees
18 37 minutes 15 seconds east 34.98 feet along centerline of Frank
19 and Poet Drain; thence south 05 degrees 34 minutes 10 seconds
20 east 49.66 feet along centerline of Frank and Poet Drain; thence
21 south 28 degrees 00 minutes 22 seconds west 36.63 feet along
22 centerline of Frank and Poet Drain; thence south 33 degrees 24
23 minutes 36 seconds east 119.14 feet along centerline of Frank and
24 Poet Drain; thence north 67 degrees 59 minutes 35 seconds east
25 50.70 feet along centerline of Frank and Poet Drain; thence north
26 88 degrees 16 minutes 46 seconds east 484.63 feet along
27 centerline of Frank and Poet Drain; thence south 80 degrees 13

1 minutes 42 seconds east 53.20 feet along centerline of Frank and
 2 Poet Drain to east line of west 1/2 of west 1/2 of southeast 1/4
 3 of section 35; thence north 00 degrees 07 minutes 12 seconds east
 4 106.82 feet along above noted east line; thence south 57 degrees
 5 15 minutes 29 seconds east 449.51 feet to south 1/16 line of
 6 section 35; thence north 89 degrees 37 minutes 15 seconds west
 7 50.00 feet along south 1/16 line of section 35; thence south 00
 8 degrees 04 minutes 09 seconds west 1311.05 feet to south line of
 9 section 35; thence north 89 degrees 22 minutes 00 seconds west
 10 989.22 feet along south line of section 35 to point of
 11 beginning.

12 (g) A parcel of land being more particularly described as
 13 the N 1/2 of section 2 and the NE 1/4 of section 3, T1S, R11E,
 14 City of Detroit, Wayne County, Michigan and more particularly
 15 described as commencing at the northwest corner of said section
 16 2; thence S01°59'26"E 33.00 feet, to the north line of Germans
 17 Montrose Park Subdivision and the south right of way of Eight
 18 Mile Road and the point of beginning of this description; thence
 19 N88°00'34"E 633.69 feet, on the north line of said subdivision to
 20 the northwest corner of lot #136, Germans Montrose Park
 21 Subdivision; thence S01°59'26"E 136.58 feet, on the west line of
 22 said lot #136 to the southwest corner of said lot #136; thence
 23 N88°15'14"E 300.00 feet, on the south line of lots #136 through
 24 #127 to the southeast corner of lot #127, Germans Montrose
 25 Subdivision; thence N01°59'26"W 137.86 feet, to the north line of
 26 Germans Montrose Subdivision; thence N88°00'34"E 390.00 feet, on
 27 the north line of Germans Montrose Subdivision to the northeast

1 corner of said subdivision; thence S01°41'24"E 1008.30 feet, on
2 the east line of Germans Montrose Subdivision and the east line
3 of State Fair Subdivision #2 to the southeast corner of said
4 State Fair Subdivision #2; thence S88°21'23"W 1200.00 feet, on
5 the south line of said State Fair Subdivision #2; thence
6 N01°44'01"W 115.13 feet, on the east line of lot #26 and its
7 extension to the northeast corner of said lot #26; thence
8 S88°15'59"W 106.06 feet, on the north line of lots #26 and #27
9 and the adjacent alley to the northeast corner of lot #19, said
10 State Fair Subdivision #2; thence N26°34'10"W 115.10 feet, on the
11 northeast line of lots #16, #17, #18 and their extension over
12 Winchester Avenue to the northeast corner of lot #16, said State
13 Fair Subdivision #2; thence S88°15'59"W 130.00 feet, on the north
14 line of said lot #16 to the northeast right of way line of
15 Woodward Avenue; thence N26°34'10"W 624.38 feet, on the southwest
16 side of said State Fair Subdivision #2 and said Germans Montrose
17 Subdivision to the southwest corner of lot #62, said Germans
18 Montrose Subdivision; thence N88°15'15"E 100.00 feet, on the
19 south line of said subdivision to the southeast corner of said
20 lot #62; thence N26°34'10"W 53.98 feet, on the northeast side of
21 lot #62, lot #169 and lot #170 to the northeast corner of said
22 lot #170; thence S88°15'15"W 100.00 feet, on the north line of
23 said lot #170 to the northwest corner of said lot #170; thence
24 N26°34'10"W 179.55 feet, on the southwest side of said Germans
25 Montrose Subdivision and Woodward Avenue right of way to the
26 northwest corner of Germans Montrose Subdivision and the south
27 right of way line of Eight Mile Road; thence N88°00'34"E 258.12

1 feet, on the north line of Germans Montrose Subdivision and south
2 right of way of Eight Mile Road to the northwest corner of lot
3 #164, Germans Montrose Subdivision; thence S01°59'26"E 132.80
4 feet, on the west line of said lot #164 to the southwest corner
5 of said lot #164; thence N88°14'53"E 120.00 feet, on the south
6 line of lot #164 through lot #161, Germans Montrose Subdivision
7 to the southeast corner of said lot #161; thence N01°59'26"W
8 133.30 feet, on the east line of said lot #161, to the south
9 right of way of Eight Mile Road and the north line of said
10 Germans Montrose Subdivision; thence N88°00'34"E 143.71 feet, on
11 the north line of Germans Montrose Subdivision to the point of
12 beginning, containing 34.90 acres.

13 (2) Proceeds from the sale of property transferred to the
14 authority under this section shall be deposited in the fund and
15 expended for purposes of this act.

16 (3) The governor may direct a department of this state to
17 record any documents necessary to evidence the transfer of
18 property to the authority under this chapter.

19 Sec. 210. If the authority has completed the purposes for
20 which it was organized, the board, by vote of at least 4
21 directors, may provide for the dissolution of the authority and
22 may provide for the transfer of any property held by the
23 authority to a metropolitan authority created under chapter 3.
24 Upon the dissolution of the authority, any remaining balance in
25 the fund shall be transferred to the general fund of this state.

26 Sec. 211. The authority shall report biennially to the
27 legislature on the activities of the authority.

CHAPTER 3

METROPOLITAN LAND BANK AUTHORITIES

Sec. 301. As used in this chapter:

(a) "Board" means the board of directors of a metropolitan land bank authority created under this chapter.

(b) "Metropolitan authority" means a metropolitan land bank authority created under this chapter as authorized by section 27 of article VII of the state constitution of 1963.

(c) "Qualified city" means a city with a population of not less than 750,000 persons according to the most recent federal decennial census.

Sec. 302. (1) A metropolitan land bank authority is created in a qualified city upon the appointment by the chief executive officer of the qualified city of 5 persons to a land bank authority board under this section. Except as otherwise provided in this chapter, a metropolitan authority created under this section shall have jurisdiction within the qualified city.

(2) The purposes, powers, and duties of a land bank authority created under this section are vested in and shall be exercised by a board of directors. Except as otherwise provided in subsection (7), the board shall consist of 5 residents of this state appointed by the chief executive officer of the qualified city. One member appointed by the chief executive officer shall be a person approved by the governor. The members of the board shall serve terms of 4 years. In appointing the initial members of the board, the chief executive officer of the qualified city shall designate 2 to serve for 4 years, 2 to serve for 3 years,

1 and 1 to serve for 2 years. Members of the board may be removed
2 prior to the expiration of their term by the chief executive
3 officer of the qualified city.

4 (3) Upon appointment to the board under this section and upon
5 the taking and filing of the constitutional oath of office
6 prescribed in section 1 of article XI of the state constitution
7 of 1963, a member of the board shall enter the office and
8 exercise the duties of the office.

9 (4) A metropolitan authority created under this section may
10 enter into an intergovernmental agreement for the joint exercise
11 of powers and duties under this act and any other joint powers
12 and duties with the state land bank and community development
13 authority created under chapter 2.

14 (5) A metropolitan authority created under this section may
15 enter into an intergovernmental agreement for the joint exercise
16 of powers and duties under this act and any other joint powers
17 and duties with the foreclosing governmental unit of the county
18 in which the qualified city is located.

19 (6) A metropolitan authority created under this section may
20 enter into an intergovernmental agreement for the joint exercise
21 of powers and duties under this act and any other joint powers
22 and duties with any city, village, or township, located in the
23 county in which the qualified city is located. A metropolitan
24 authority created under this section for a qualified city that
25 does not return its delinquent taxes to the treasurer of the
26 county in which the qualified city is located under the general
27 property tax act, 1893 PA 206, MCL 211.1 to 211.157, may also

1 enter into agreements with the county or treasurer of the county
2 in which the qualified city is located for the collection of
3 property taxes or the enforcement and consolidation of tax liens
4 within that qualified city for any property or interest in
5 property transferred to the metropolitan authority.

6 (7) If a metropolitan authority created under this section
7 enters into an intergovernmental agreement under this section,
8 the intergovernmental agreement shall provide for the
9 appointment, term, and number of members of the board of the
10 metropolitan authority, for the modification of the articles of
11 incorporation and bylaws of the metropolitan authority, and for
12 the jurisdiction of the metropolitan authority.

13 (8) Upon the initial appointment of 5 members to the board
14 under subsection (1), all of the following property or interests
15 in property held by the qualified city are transferred to the
16 metropolitan authority created under this section, except as
17 provided in subsection (9):

18 (a) All tax reverted property held by the qualified city
19 which was transferred to the qualified city by this state under
20 section 131 of the general property tax act, 1893 PA 206,
21 MCL 211.131, or under section 2101 or 2102 of the natural
22 resources and environmental protection act, 1994 PA 451,
23 MCL 324.2101 and 324.2102.

24 (b) If under the charter of the qualified city the qualified
25 city collects delinquent city real property taxes and does not
26 return the delinquent taxes to the treasurer of the county in
27 which the qualified city is located under the general property

1 tax act, 1893 PA 206, MCL 211.1 to 211.157, all of the following
2 property held by the qualified city:

3 (i) Tax delinquent real property for which a lien has been
4 deemed sold to a city department director under the charter or
5 ordinances of the qualified city, except for property that was
6 deeded to a department director less than 2 years before the
7 appointment of 5 members to the board under subsection (1).

8 (ii) Tax delinquent real property held by the city that has
9 been foreclosed by the qualified city and for which title has
10 vested in the city under the charter or ordinances of the
11 qualified city.

12 (9) If the chief executive officer of a qualified city
13 objects to the transfer of property or interests in property
14 under subsection (8) to the metropolitan authority created under
15 this section, within 60 days of the transfer, the chief executive
16 may issue an executive order rescinding the transfer of any
17 parcel or parcels.

18 (10) Within 60 days of the transfer of property to a
19 metropolitan authority under subsection (9), the qualified city
20 shall compile and provide the metropolitan authority with an
21 inventory of all property transferred to the authority. The
22 qualified city, and its officials and employees shall actively
23 cooperate with and facilitate the compilation and provision of
24 the inventory to the authority and shall take any actions and
25 execute any documents necessary to facilitate the transfer of the
26 property to the authority under this section. Revenue generated
27 by the sale of tax reverted property by the metropolitan

1 authority and paid to the qualified city as required by this act
2 shall be deemed as compensation to the qualified city for any
3 services or activity of the qualified city required under this
4 section.

5 (11) The legislative body of a qualified city may by
6 resolution authorize the transfer any real property or interest
7 in real property to the metropolitan authority created under this
8 section, including, but not limited to, tax reverted property or
9 interests in tax reverted property held or acquired after the
10 creation of the metropolitan authority by the qualified city,
11 with the consent of the metropolitan authority.

12 (12) After the initial transfer of property to a metropolitan
13 authority under subsection (8), the chief executive officer of a
14 qualified city may at any time by executive order direct the
15 transfer of tax reverted property owned by a qualified city or
16 deeded to a department of the qualified city to a metropolitan
17 authority created under this section. If under the charter of
18 the qualified city the qualified city collects delinquent city
19 real property taxes and does not return the delinquent taxes to
20 the treasurer of the county in which the qualified city is
21 located under the general property tax act, 1893 PA 206, MCL
22 211.1 to 211.157, all of the following property held or
23 controlled by the qualified city may be transferred under this
24 subsection:

25 (a) Tax delinquent real property for which a lien has been
26 deemed sold to a city department director under the charter or
27 ordinances of the qualified city, except for property that was

1 deeded to a department director less than 2 years before the
2 transfer under this subsection.

3 (b) Tax delinquent real property held by the city that has
4 been foreclosed by the qualified city and for which title has
5 vested in the city under the charter or ordinances of the
6 qualified city.

7 (13) A qualified city and any agency or department of a
8 qualified city, or any other official public body, may do 1 or
9 more of the following:

10 (a) Anything necessary or convenient to aid the land bank in
11 fulfilling its purposes under this act.

12 (b) Lend, grant, transfer, appropriate, or contribute funds
13 to the land bank in furtherance of its purposes.

14 (c) Lend, grant, transfer, or convey funds to the land bank
15 that are received from the federal government or this state or
16 from any nongovernmental entity in aid of the purposes of this
17 act.

18 (14) A metropolitan authority may reimburse advances made by
19 a municipality under subsection (13) or by any other person for
20 costs eligible to be incurred by the metropolitan authority with
21 any source of revenue available for use of the authority under
22 this act and enter into agreements related to these
23 reimbursements

24 Sec. 303. (1) A county foreclosing governmental unit may,
25 by resolution of the county board of commissioners and, if that
26 county has an elected county executive, with the concurrence of
27 the elected county executive, create a metropolitan authority

1 with all of the powers and duties of a land bank under this act.
2 If a metropolitan authority is created under this subsection, the
3 treasurer of the county shall be a member of the board of
4 directors of the authority.

5 (2) Two or more cities, villages, townships, or counties in
6 which at least 250 parcels of tax reverted property are located
7 may enter into an intergovernmental agreement providing for the
8 creation of a metropolitan authority.

9 (3) An intergovernmental agreement under subsection (2) or a
10 resolution under subsection (1) entered into under this section
11 shall provide for all of the following:

12 (a) The incorporation of a metropolitan land bank authority
13 as a public body corporate.

14 (b) The size of the initial board of directors of the
15 metropolitan authority, which shall be composed of an odd number
16 of members; the qualifications, method of selection, and terms of
17 office of the initial board members.

18 (c) A method for the adoption of articles of incorporation by
19 the board of directors of the metropolitan land bank authority.

20 (4) For a metropolitan authority created under
21 subsection (2), along with the filing of the articles of
22 incorporation for a metropolitan authority created under this
23 section, the authority shall file proof of the required number of
24 parcels of tax reverted property required under subsection (2)
25 with the secretary of state to create a metropolitan authority
26 under this section.

27 (5) If a metropolitan authority created under this section

1 authorizes the sale or other conveyance of property located
2 within a qualified city and a land bank authority has been
3 created in the qualified city under section 302, the land bank
4 authority may exercise a right of first refusal to purchase the
5 property at a price and on terms authorized by the metropolitan
6 authority.

7 Sec. 304. (1) The board of directors of a land bank
8 authority created under this chapter shall adopt articles of
9 incorporation for the authority, which shall provide for all of
10 the following:

11 (a) The name of the authority.

12 (b) The names of the participating governmental entities.

13 (c) The size of the board of the metropolitan authority,
14 which shall be composed of an odd number of members; the
15 qualifications, method of selection, and terms of office of board
16 members; and the filling of vacancies in the office of board
17 member.

18 (d) The purposes for which the metropolitan authority is
19 established, which shall include the exercise of the powers and
20 duties of a land bank under this act.

21 (e) A method for the dissolution of the metropolitan
22 authority and withdrawal from the authority of any governmental
23 entities involved.

24 (f) Any other matters considered advisable, consistent with
25 this act.

26 (2) Upon adoption of the articles or amendments to the
27 articles by the initial board of directors, a printed copy of the

1 articles or the amended articles shall be filed with the
2 secretary of state by the person designated by the board of
3 directors.

4 (3) The metropolitan authority's articles of incorporation,
5 or amendments to the articles, take effect upon filing with the
6 secretary of state.

7 Sec. 305. (1) A metropolitan authority created under this
8 chapter may borrow money and issue bonds or notes under the
9 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
10 141.2821.

11 (2) A metropolitan authority created under this chapter may
12 enter into intergovernmental agreements or other contracts with
13 other governmental entities within this state, including, but not
14 limited to, land banks and foreclosing governmental units, for
15 the exercise of powers and duties of a land bank under this act.

16 Enacting section 1. This act does not take effect unless
17 all of the following bills of the 92nd Legislature are enacted
18 into law:

19 (a) Senate Bill No. _____ or House Bill No. 4471 (request
20 no. 02198'03).

21 (b) Senate Bill No. _____ or House Bill No. 4487 (request
22 no. 02198'03 a).