Land Bank 101 Handouts

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STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2003

Introduced by Reps. Kolb and DeRossett

ENROLLED HOUSE BILL No. 4483

AN ACT to provide for the creation of land bank fast track authorities 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 authorities; to provide for the creation and appointment of boards to govern land bank fast track authorities 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 fast track authority; to authorize the enforcement of tax liens and the clearing or quieting of title by a land bank fast track authority; to provide for the distribution and use of revenues collected or received by a land bank fast track authority; 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 fast track authority from tax; to extend protections against certain liabilities to a land bank fast track authority; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

CHAPTER 1

GENERAL PROVISIONS

Sec. 1. This act shall be known and may be cited as the "land bank fast track act".

Sec. 2. 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 fast track authority 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 fast track authority 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 fast track authority to exercise other powers granted to a land bank fast track authority under this act. The legislature finds that a land bank fast track authority created under this act and powers conferred by this act constitute a necessary program and serve a necessary public purpose.

Sec. 3. As used in this act:

(a) "Authority" means a land bank fast track authority created under section 15, section 23(4), or section 23(5).

(b) "Authority board" means the board of directors of the state authority appointed under section 16.

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

(d) "County authority" means a county land bank fast track authority created by a county foreclosing governmental unit under section 23(4).

(e) "Department" means the department of labor and economic growth, a principal department of state government created by section 225 of the executive organization act of 1965, 1965 PA 380, MCL 16.325, and renamed by Executive Order No. 1996-2, MCL 445.2001, and by Executive Order No. 2003-18.

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

(g) "Fund" means the land bank fast track fund created in section 18.

(h) "Intergovernmental agreement" means a contractual agreement between 1 or more governmental agencies, including, but not limited to, an interlocal agreement to jointly exercise any power, privilege, or authority that the agencies share in common and that each might exercise separately under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(i) "Local authority" means a local land bank fast track authority created by a qualified city under section 23(5).

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

(k) "Michigan economic development corporation" means the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999, as amended, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund. If the Michigan economic development corporation is unable for any reason to perform its duties under this act, those duties may be exercised by the Michigan strategic fund.

(*l*) "Michigan state housing development authority" means the authority created under the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

(m) "Michigan strategic fund" means the Michigan strategic fund as described in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2093.

(n) "Qualified city" means a city that contains a first class school district and includes any department or agency of the city.

(o) "State administrative board" means the board created under 1921 PA 2, MCL 17.1 to 17.3, that exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of the state and of all state institutions.

(p) "State authority" means the land bank fast track authority created under section 15.

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

(*i*) The property was conveyed to this state under section 67a of the general property tax act, 1893 PA 206, MCL 211.67a, and subsequently was not sold at a public auction under section 131 of the general property tax act, 1893 PA 206, MCL 211.131, except property described in section 131 of the general property tax act, 1893 PA 206, MCL 211.131, that is withheld from sale by the director of the department of natural resources as authorized in that section.

(*ii*) The property was conveyed to this state under section 67a of the general property tax act, 1893 PA 206, MCL 211.67a, and subsequently was either redeemed by a local unit of government or transferred to a local unit of government under section 2101 or 2102 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 and 324.2102, or under former section 461 of 1909 PA 223 except property transferred to a local unit of government that is subject to a reverter clause under which the property reverts to this state upon transfer by the local unit of government.

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

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

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

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

(*v*) Pursuant to the requirements of a city charter, the property was deeded to or foreclosed by the city or a department or agency of the city for unpaid delinquent real property taxes.

Sec. 4. (1) Except as otherwise provided in this act, an authority may do all things necessary or convenient to implement the purposes, objectives, and provisions of this act, and the purposes, objectives, and powers delegated to the board of directors of an authority by other laws or executive orders, including, but not limited to, all of the following:

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

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

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

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

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

(f) Procure insurance against loss in connection with the property, assets, or activities of the authority.

(g) Invest money of the authority, at the discretion of the board of directors of the authority, in instruments, obligations, securities, or property determined proper by the board of directors of the authority, and name and use depositories for its money.

(h) Employ legal and technical experts, other officers, agents, or employees, permanent or temporary, paid from the funds of the authority. The authority shall determine the qualifications, duties, and compensation of those it employs. The board of directors of an authority may delegate to 1 or more members, officers, agents, or employees any powers or duties it considers proper. Members of the board of directors of an authority shall serve without compensation but shall be reimbursed for actual and necessary expenses subject to available appropriations.

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

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

(k) Enter into contracts for the management of, the collection of rent from, or the sale of real property held by an authority.

(*l*) Do all other things necessary or convenient to achieve the objectives and purposes of the authority or other laws that relate to the purposes and responsibility of the authority.

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

(3) An authority, in its discretion, may contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the authority.

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

(5) The property of an authority and its income and operations are exempt from all taxation by this state or any of its political subdivisions.

(6) An authority shall not assist or expend any funds for, or related to, the development of a casino.

(7) An authority shall not levy any tax or special assessment.

(8) An authority shall not exercise the power of eminent domain or condemn property.

(9) An authority shall adopt a code of ethics for its directors, officers, and employees.

(10) An authority shall establish policies and procedures requiring the disclosure of relationships that may give rise to a conflict of interest. The governing body of an authority shall require that any member of the governing body with a direct or indirect interest in any matter before the authority disclose the member's interest to the governing body before the board takes any action on the matter.

Sec. 5. (1) Except as provided in section 4(8), an authority may acquire by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the authority considers proper, real or personal property, or rights or interests in real or personal property.

(2) Real property acquired by an authority by purchase may be by purchase contract, lease purchase agreement, installment sales contract, land contract, or otherwise, except as provided in section 4(8). The authority may acquire real property or rights or interests in real property for any purpose the authority considers necessary to carry out the purposes of this act, including, but not limited to, 1 or more of the following purposes:

(a) The use or development of property the authority has otherwise acquired.

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

(c) To protect or prevent the extinguishing of any lien, including a tax lien, held by the authority or imposed upon property held by the authority.

(3) An authority may also acquire by purchase, on terms and conditions and in a manner the authority considers proper, property or rights or interest in property from 1 or more of the following sources:

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

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

(c) The Michigan state housing development authority under the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c.

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

(5) All deeds, mortgages, contracts, leases, purchases, or other agreements regarding property of an authority, including agreements to acquire or dispose of real property, may be approved by and executed in the name of the authority.

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

Sec. 6. (1) An authority may, without the approval of a local unit of government in which property held by the authority is located, control, hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the property it holds or owns. An authority may take or perform the following with respect to property held or owned by the authority:

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

(b) Fix, charge, and collect rents, fees, and charges for use of property under the control of the authority or for services provided by the authority.

(c) Pay any tax or special assessment due on property acquired or owned by the authority.

(d) Take any action, provide any notice, or institute any proceeding required to clear or quiet title to property held by the authority in order to establish ownership by and vest title to property in the authority, including, but not limited to, an expedited quiet title and foreclosure action under section 9.

(e) Remediate environmental contamination on any property held by the authority.

(2) An authority shall be made a party to and shall defend any action or proceeding concerning title claims against property held by the authority.

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

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

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

(6) A tax lien against property held by or under the control of an authority may be released at any time by 1 or more of the following:

(a) The governing body of a local unit of government with respect to a lien held by the local unit of government.

(b) The governing body of any other taxing jurisdiction other than this state with respect to a lien held by the taxing jurisdiction.

(c) A foreclosing governmental unit with respect to a tax lien or right to collect a tax held by the foreclosing governmental unit.

(d) The state treasurer with respect to a tax lien securing the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

Sec. 7. (1) Except as an authority otherwise agrees by intergovernmental agreement or otherwise, on terms and conditions, and in a manner and for an amount of consideration an authority considers proper, fair, and valuable, including for no monetary consideration, the authority may convey, sell, transfer, exchange, lease as lessor, or otherwise dispose of property or rights or interests in property in which the authority holds a legal interest to any public or private person for value determined by the authority. If the department of environmental quality determines that conditions on a property transferred to an authority under section 78m(15) of the general property tax act, 1893 PA 206, MCL 211.78m, represent an acute threat to public health, safety, and welfare, or to the environment, the authority shall not convey, sell, transfer, exchange, lease, or otherwise dispose of the property until after a determination by the department of environmental quality that the acute threat has been eliminated and that conveyance, sale, transfer, exchange, lease, or other disposal of the property by the authority will not interfere with any response activities by the department. The transfer and use of property under this section and the exercise by the authority of powers and duties under this act shall be considered a necessary public purpose and for the benefit of the public.

(2) All property held by an authority shall be inventoried and classified by the authority according to title status and suitability for use.

(3) A document, including, but not limited to, a deed, evidencing the transfer under this act of 1 or more parcels of property to an authority by this state or a political subdivision of this state may be recorded with the register of deeds office in the county in which the property is located without the payment of a fee.

Sec. 8. (1) Money received by an authority as payment of taxes, penalties, or interest, or from the redemption or sale of property subject to a tax lien of any taxing unit shall be returned to the local tax collecting unit in which the property is located for distribution on a pro rata basis to the appropriate taxing units in an amount equal to delinquent taxes, penalties, and interest owed on the property, if any.

(2) Except as otherwise provided in this act, as required by other law, as required under the provisions of a deed, or as an authority otherwise agrees, any proceeds received by the authority may be retained by the authority for the purposes of this act.

Sec. 9. (1) An authority may initiate an expedited quiet title and foreclosure action under this section to quiet title to real property held by the authority or interests in tax reverted property held by the authority by recording with the register of deeds in the county in which the property subject to expedited quiet title and foreclosure is located a notice of pending expedited quiet title and foreclosure action in a form prescribed by the department of treasury. The notice shall include a legal description of the property, the street address of the property if available, the name, address, and telephone number of the authority, a statement that the property is subject to expedited quiet title proceedings and foreclosure under this act, and a statement that any legal interests in the property may be extinguished by a circuit court order vesting title to the property in the authority. If a notice is recorded in error, the authority may correct the error by recording a certificate of correction with the register of deeds. A notice or certificate under this subsection need not be notarized and may be authenticated by a digital signature or other electronic means. Property is not subject to an expedited quiet title and foreclosure action under this section if the property was forfeited under section 78g of the general property tax act, 1893 PA 206, MCL 211.78g, and remains subject to foreclosure under section 78k of the general property tax act, 1893 PA 206, MCL 211.78k. If an authority has reason to believe that a property subject to an expedited quiet title and foreclosure action under this section may be the site of environmental contamination, the authority shall provide the department of environmental quality with any information in the possession of the authority that suggests the property may be the site of environmental contamination.

(2) After recording the notice under subsection (1), an authority shall initiate a search of records identified in this subsection to identify the owners of a property interest in the property who are entitled to notice of the quiet title and foreclosure hearing under this section. The authority may enter into a contract with or may request from 1 or more authorized representatives a title search or other title product to identify the owners of a property interest in the property as required under this subsection or to perform the other functions set forth in this section required for the quieting of title to property under this act. The owner of a property interest is entitled to notice under this section if that owner's interest was identifiable by reference to any of the following sources before the date that the authority records the notice under subsection (1):

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

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

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

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

(3) An authority may file a single petition with the clerk of the circuit court in which property subject to expedited foreclosure under this section is located listing all property subject to expedited foreclosure by the authority and for which the authority seeks to quiet title. If available to the authority, the list of properties shall include a legal description of, a tax parcel identification number for, and the street address of each parcel of property. The petition shall seek a judgment in favor of the authority against each property listed and shall include a date, within 90 days, on which the authority requests a hearing on the petition. The petition shall request that a judgment be entered vesting absolute title in the authority, without right of redemption for each parcel of property listed, as provided in this section. Prior to the entry of judgment under this section, the authority may request the court to remove property erroneously included in the petition, or any tax delinquent properties redeemed prior to the hearing.

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

(5) After completing the records search under subsection (2), an authority shall determine the address or addresses reasonably calculated to inform those owners of a property interest in property subject to expedited foreclosure under this section of the pendency of the quiet title and foreclosure hearing under subsection (11). If, after conducting the title search, the authority is unable to determine an address reasonably calculated to inform persons with a property interest in property subject to expedited tax foreclosure, or if the authority discovers a deficiency in notice under subsection (10), the following shall be considered reasonable steps by the authority to ascertain the addresses of persons with a property interest in the property subject to expedited foreclosure or to ascertain an address necessary to correct a deficiency in notice under subsection (10):

(a) For an individual, a search of records of the county probate court for the county in which the property is located.

(b) For an individual, a search of the qualified voter file established under section 509o of the Michigan election law, 1954 PA 116, MCL 168.509o, which is authorized by this subdivision.

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

(d) For a business entity other than a partnership, a search of business entity records filed with the corporation division of the department.

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

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

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

(a) The date on which the authority recorded under subsection (1) notice of the pending expedited quiet title and foreclosure action.

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

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

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

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

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

(g) The name, address, and telephone number of the authority.

(h) A statement that persons with information regarding the owner or prior owner of any of the properties are requested to contact the authority.

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

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

(b) The name of any person not notified under subsection (6) or (7) that the authority reasonably believes may be entitled to notice under this section of the quiet title and foreclosure hearing under subsection (11).

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

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

(e) A statement that the judgment of the court may result in title to the property vesting in the authority.

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

(g) The name, address, and telephone number of the authority.

(h) A statement that persons with information regarding the owner or prior owner of any of the properties are requested to contact the authority.

(10) If prior to the quiet title and foreclosure hearing under subsection (11) the authority discovers any deficiency in the provision of notice under this section, the authority shall take reasonable steps in good faith to correct the deficiency before the hearing. The provisions of this section relating to notice of the quiet title and foreclosure hearing are exclusive and exhaustive. Other requirements relating to notice and proof of service under other law, rule, or other legal requirement are not applicable to notice or proof of service under this section.

(11) If a petition for expedited quiet title and foreclosure is filed under subsection (3), before the hearing, the authority shall file with the clerk of the circuit court proof of notice by certified mail under subsection (6), proof of notice by posting on the property under subsection (7), and proof of notice by publication, if applicable. A person claiming an interest in a parcel of property set forth in the petition for foreclosure who desires to contest that petition shall file written objections with the clerk of the circuit court and serve those objections on the authority before the date of the hearing. The circuit court may appoint and utilize as the court considers necessary a special master for assistance with the resolution of any objections to the foreclosure or questions regarding the title to property subject to foreclosure. If the court withholds property from foreclosure, an authority's ability to include the property in a subsequent petition for expedited quiet title and foreclosure is not prejudiced. No injunction shall issue to stay an expedited quiet title and foreclosure action under this section. The circuit court shall enter judgment on a petition to quiet title and foreclosure filed under subsection (3) not more than 10 days after the conclusion of the hearing or contested case, and the judgment shall be effective 10 days after the conclusion of the hearing or contested case. The circuit court's judgment shall specify all of the following:

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

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

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

(d) That, except as otherwise provided in subdivisions (c) and (e), the authority has good and marketable fee simple title to the property.

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

(f) A finding that all persons entitled to notice and an opportunity to be heard have been provided that notice and opportunity. A person shall be deemed to have been provided notice and an opportunity to be heard if the authority followed the procedures for provision of notice by mail, for visits to property subject to expedited quiet title and foreclosure, and for publication under this section, or if 1 or more of the following apply:

(*i*) The person had constructive notice of the hearing by acquiring an interest in the property after the date of the recording under subsection (1) of the notice of pending expedited quiet title and foreclosure action.

(*ii*) The person appeared at the hearing under this subsection or submitted written objections to the clerk of the circuit court under this subsection prior to the hearing.

(*iii*) Prior to the hearing under this subsection, the person had actual notice of the hearing.

(12) Except as otherwise provided in subsection (11)(c) and (e), fee simple title to property set forth in a petition for foreclosure filed under subsection (3) shall vest absolutely in the authority upon the effective date of the judgment by the circuit court and the authority shall have absolute title to the property. The authority's title is not subject to any recorded or unrecorded lien, except as provided in subsection (11) and shall not be stayed or held invalid except as provided in subsection (13). A judgment entered under this section is a final order with respect to the property affected by the judgment and shall not be modified, stayed, or held invalid after the effective date of the judgment, except as provided in subsection (14).

(13) An authority or a person claiming to have a property interest under subsection (2) in property foreclosed under this section may within 21 days of the effective date of the judgment under subsection (12) appeal the circuit court's order or the circuit court's judgment foreclosing property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section. The circuit court's judgment foreclosing property shall be stayed until the court of appeals has reversed, modified, or affirmed that judgment. If an appeal under this subsection stays the circuit court's judgment foreclosing property, the circuit court's judgment is stayed only as to the property that is the subject of that appeal and the circuit court's judgment foreclosing other property that is not the subject of that appeal is not stayed. To appeal the circuit court's judgment foreclosing property, a person appealing the judgment shall pay to the authority any taxes, interest, penalties, and fees due on the property and provide notice of the appeal to the authority within 21 days after the circuit court's judgment is effective. If the circuit court's judgment foreclosing the property is affirmed on appeal, the amount determined to be due shall be refunded to the person who appealed the judgment. If the circuit court's judgment foreclosing the property is reversed or modified on appeal, the authority shall refund the amount determined to be due to the person who appealed the judgment, if any, and forward the balance to the appropriate taxing jurisdictions in accordance with the order of the court of appeals.

(14) The authority shall record a notice of judgment for each parcel of foreclosed property in the office of the register of deeds for the county in which the foreclosed property is located in a form prescribed by the department of treasury. If an authority records a notice of judgment in error, the authority may subsequently record a certificate of correction. A notice or certificate under this subsection need not be notarized and may be authenticated by a digital signature or other electronic means. After the entry of a judgment foreclosing the property under this section, if the property has not been transferred by the authority, the authority may cancel the foreclosure by recording with the register of deeds of the county in which the property is located a certificate of error in a form prescribed by the department of treasury, if the authority discovers any of the following:

(a) The description of the property used in the expedited quiet title and foreclosure proceeding was so indefinite or erroneous that the foreclosure of the property was void.

(b) An owner of an interest in the property entitled to notice of the expedited quiet title and proceedings against the property under this section was not provided notice sufficient to satisfy the minimum due process requirements of the constitution of this state and the constitution of the United States.

(c) A judgment of foreclosure was entered under this section in violation of an order issued by a United States bankruptcy court.

(15) If a judgment of foreclosure is entered under subsection (12), and all existing recorded and unrecorded interests in a parcel of property are extinguished as provided in subsection (12), the owner of any extinguished recorded or unrecorded interest in that property who claims that he or she did not receive notice of the expedited quiet title and foreclosure action shall not bring an action for possession of the property against any subsequent owner, but may only bring an action to recover monetary damages as provided in this subsection. The court of claims has original and exclusive jurisdiction in any action to recover monetary damages under this subsection. An action to recover monetary damages under this subsection shall not be brought more than 2 years after a judgment for foreclosure is entered under subsection (12). Any monetary damages recoverable under this subsection shall be determined as of the date a judgment for foreclosure is entered under subsection (12) and shall not exceed the fair market value of the interest in the property held by the person bringing the action under this section on that date, less any taxes, interest, penalties, and fees owed on the property as of that date. The right to sue for monetary damages under this subsection shall not be transferable except by testate or intestate succession.

(16) The owner of a property interest with notice of the quiet title and foreclosure hearing under subsection (11) may not assert any of the following:

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

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

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

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

(b) Prior to the transfer of the property to the authority, title to the property vested in a foreclosing governmental unit following a circuit court hearing under section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, and the person or the person's predecessor in title was notified of the hearing under section 78i of the general property tax act, 1893 PA 206, MCL 211.78i.

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

(19) It is the intent of the legislature that the provisions of this section relating to the expedited quiet title and foreclosure of property by an authority satisfy the minimum requirements of due process required under the constitution of this state and the constitution of the United States but that the provisions do not create new rights beyond those required under the state constitution of 1963 or the constitution of the United States. The failure of an authority, this state, a political subdivision of this state, or a local unit of government to follow a requirement of this section relating to the expedited quiet title and foreclosure of property held by an authority shall not be construed to create a claim or cause of action against an authority, this state, a political subdivision of this state, or a local unit of government unless the minimum requirements of due process accorded under the state constitution of 1963 or the constitution of the United States are violated.

(20) As used in this section, "authorized representative" includes 1 or more of the following:

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

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

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

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

Sec. 10. (1) If an authority has reason to believe that property held by the authority may be the site of environmental contamination, the authority shall provide the department of environmental quality with any information in the possession of the authority that suggests that the property may be the site of environmental contamination.

(2) If property held by an authority is a facility as defined under section 20101(1)(o) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, prior to the sale or transfer of the property under this section, the property is subject to all of the following:

(a) Upon reasonable written notice from the department of environmental quality, the authority shall provide access to the department of environmental quality, its employees, its contractors, and any other person expressly authorized by the department of environmental quality to conduct response activities at the property. Reasonable written notice under this subdivision may include, but is not limited to, notice by electronic mail or facsimile, if the authority consents to notice by electronic mail or facsimile prior to provision of notice by the department of environmental quality.

(b) If requested by the department of environmental quality to protect public health, safety, and welfare or the environment, the authority shall grant an easement for access to conduct response activities on the property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(c) If requested by the department of environmental quality to protect public health, safety, and welfare or the environment, the authority shall place and record deed restrictions on the property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(d) The department of environmental quality may place an environmental lien on the property as authorized under section 20138 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20138.

(3) For purposes of part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, an authority shall be considered a local unit of government. Except as provided under parts 111, 115, and 315 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11101 to 324.11153, 324.11501 to 324.11550, and 324.31501 to 324.31529, the acquisition or control of property through tax delinquent forfeiture, foreclosure, or sale, abandonment, court order, circumstances in which the authority has acquired title or control of the property under this act, or by a transfer of the property to the authority by this state, an agency or department of this state, or any local unit of government of this state shall not subject the authority to liability under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, unless the authority is responsible for an activity causing a release on the property or other activity giving rise to liability under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106. This subsection shall not be considered to restrict or diminish any protection from liability that is otherwise available to the authority under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

Sec. 11. (1) An authority may institute a civil action to prevent, restrain, or enjoin the waste of or unlawful removal of any property from tax reverted property or other real property held by the authority.

(2) A circuit court may, on application, order the purchaser of any real property sold by an authority under this act in possession of the property.

Sec. 12. An authority shall be made a party to any action or proceeding instituted for the purpose of setting aside title to property held by the authority, the sale of property by the authority, or an expedited foreclosure under section 9. A hearing in any such proceeding shall not be held until the authority is served with process and proper proof of service is filed.

Sec. 13. Property of an authority is public property devoted to an essential public and governmental function and purpose. Income of the authority is considered to be for a public and governmental purpose. The property of the authority and its income and operation are exempt from all taxes and special assessments of this state or a local unit of government of this state. Bonds or notes issued by the authority, and the interest on and income from those bonds and notes, are exempt from all taxation of this state or a local unit of government.

Sec. 14. (1) This act shall be construed liberally to effectuate the legislative intent and the purposes as complete and independent authorization for the performance of each and every act and thing authorized by this act, and all powers granted shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers. In the exercise of its powers and duties under this act and its powers relating to property held by the authority, the authority shall have complete control as fully and completely as if it represented a private property owner and shall not be subject to restrictions imposed on the authority by the charter, ordinances, or resolutions of a local unit of government.

(2) Unless permitted by this act or approved by an authority, any restrictions, standards, conditions, or prerequisites of a city, village, township, or county otherwise applicable to an authority and enacted after the effective date of this act shall not apply to an authority. This subsection is intended to prohibit special local legislation or ordinances applicable exclusively or primarily to an authority and not to exempt an authority from laws generally applicable to other persons or entities.

(3) The provisions of this act apply notwithstanding any resolution, ordinance, or charter provision to the contrary. This section is not intended to exempt an authority from local zoning or land use controls, including, but not limited to, those controls authorized under the city and village zoning act, 1921 PA 207, MCL 125.581 to 125.600, the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or 1945 PA 344, MCL 125.71 to 125.84.

(4) The transfer to an authority of tax reverted property, the title to which involuntarily vested in this state under section 67a of the general property tax act, 1893 PA 206, MCL 211.67a, in a foreclosing governmental unit under section 78m(7) of the general property tax act, 1893 PA 206, MCL 211.78m, or in a qualified city pursuant to procedures established under the charter or ordinances of the qualified city, shall be construed as an involuntary transfer of property to the authority. After a transfer described in this subsection, the authority shall be deemed to have assumed any governmental immunity or other legal defenses of this state, the foreclosing governmental unit, or the local unit of government related to the property and the manner in which title to the property was held by this state or the local unit of government.

Sec. 15. (1) The land bank fast track authority is created as a public body corporate and politic within the department.

(2) The state authority shall exercise its powers, duties, functions, and responsibilities independently of the director of the department. The budgeting, procurement, and related administrative or management functions of the state authority shall be performed under the direction and supervision of the director of the department. The state authority may contract with the department for the purpose of maintaining the rights and interests of the state authority.

(3) Subject to available appropriations, if requested by the state authority, the department shall provide staff and other support to the state authority sufficient to carry out its duties, powers, and responsibilities.

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

Sec. 16. (1) The purposes, powers, and duties of the state authority are vested in and shall be exercised by a board of directors. The authority board shall consist of 7 members. The governor shall appoint 4 residents of this state as members of the authority board. The members of the authority board shall serve terms of 4 years. In appointing the initial members of the authority board, the governor shall designate 2 to serve for 4 years, 1 to serve for 3 years, and 1 to serve for 2 years. All of the following shall also serve as members of the authority board:

(a) The director of the department or his or her designee.

(b) The chief executive officer of the Michigan economic development corporation or his or her designee.

(c) The executive director of the Michigan state housing development authority or his or her designee.

(2) Upon appointment to the authority board under subsection (1) and upon the taking and filing of the constitutional oath of office prescribed in section 1 of article XI of the state constitution of 1963, a member of the authority board shall enter the office and exercise the duties of the office. A member of the authority board may be removed by the governor as provided in section 10 of article V of the state constitution of 1963.

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

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

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

(6) A member of the authority board, officer, employee, or agent of the state authority shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties of his or her position, a member of the authority board or an officer, employee, or agent, when acting in good faith, may rely upon the opinion of counsel for the state authority, upon the report of an independent appraiser selected with reasonable care by the board, or upon financial statements of the authority represented to the member of the authority board or officer, employee, or agent of the state authority to be correct by the president or the officer of the state authority having charge of its books or account, or stated in a written report by a certified public accountant or firm of certified public accountants fairly to reflect the financial condition of the state authority.

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

Sec. 18. (1) The land bank fast track fund is created under the jurisdiction and control of the state authority and may be administered to secure any notes and bonds of the state authority.

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

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

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

(a) Costs to clear or quiet title to property held by the state authority.

(b) To repay a loan made to the state authority under section 2f of 1855 PA 105, MCL 21.142f.

(c) Any other purposes provided in this act.

(5) The state authority shall deposit into the fund all money it receives from the sale or transfer of property under this act, subject to section 8. The state authority shall credit to the fund the proceeds of the sale of notes or bonds to the extent provided for in the authorizing resolution of the state authority, and any other money made available to the state authority for the purposes of the fund.

Sec. 19. (1) The state authority may borrow money and issue bonds or notes for the following purposes:

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

(b) To refund bonds or notes of the state authority issued under this act, by the issuance of new bonds, whether or not the bonds or notes to be refunded have matured or are subject to prior redemption or are to be paid, redeemed, or surrendered at the time of the issuance of the refunding bonds or notes; and to issue bonds or notes partly to refund the bonds or notes and partly for any other purpose provided for by this section.

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

(2) The bonds and notes, including, but not limited to, commercial paper, shall be authorized by resolution adopted by the authority board, shall bear the date or dates, and shall mature at the time or times not exceeding 50 years from the date of issuance, as the resolution may provide. The bonds and notes shall bear interest at the rate or rates as may be set, reset, or calculated from time to time, or may bear no interest, as provided in the resolution. The bonds and notes shall be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be

transferable, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of prior redemption at the option of the state authority or the holders of the bonds and notes as the resolution or resolutions may provide. The bonds and notes of the state authority may be sold at public or private sale at the price or prices determined by the state authority. Bonds and notes may be sold at a discount.

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

(a) Made the subject of a put or agreement to repurchase by the state authority or others.

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

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

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

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

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

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

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

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

(5) Except as may otherwise be expressly provided by the state authority, every issue of its notes or bonds shall be general obligations of the state authority payable out of revenues, properties, or money of the state authority, subject only to agreements with the holders of particular notes or bonds pledging particular receipts, revenues, properties, or money as security for the notes or bonds.

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

(7) Bonds or notes issued by the state authority are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The issuance of bonds and notes under this act is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177. The bonds or notes issued by the state authority are not required to be registered. A filing of a bond or note of the state authority is not required under the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

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

Sec. 20. (1) The state administrative board may transfer to the state authority tax reverted property owned or under control of this state, on terms and conditions the state administrative board considers appropriate and consistent with the provisions of this act. A transfer of property by the state administrative board under this section is subject only to the terms and conditions imposed by the state administrative board and is not subject to section 2101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101.

(2) The state administrative board shall transfer and convey to the state authority, subject to the conditions and restrictions of this section, the surplus state real property described in this section, including all options, easements, rights-of-way, and all improvements to the property except as noted in this section. All of the following described state surplus real property shall be transferred to the state authority under this section:

(a) Land in the City of Southgate, Wayne County, Michigan, described as: That part of the southwest 1/4 and of the southeast 1/4 of section 35, town 3 south, range 10 east, City of Southgate, County of Wayne, State of Michigan, described as: Beginning at the south 1/4 corner of section 35, town 3 south, range 10 east; thence north 89 degrees 29 minutes 52 seconds west 377.03 feet along the south line of said section 35; thence north 00 degrees 07 minutes 38 seconds east 1950.98 feet to centerline of Frank and Poet Drain; thence south 63 degrees 23 minutes 08 seconds east 15.60 feet along centerline of Frank and Poet Drain; thence south 37 degrees 03 minutes 54 seconds east 61.06 feet along centerline of Frank and Poet Drain; thence south 54 degrees 43 minutes 11 seconds east 78.36 feet along centerline of Frank and Poet Drain; thence south 50 degrees 32 minutes 05 seconds east 47.65 feet along centerline of Frank and Poet Drain; thence south 35 degrees 20 minutes 50 seconds east 67.52 feet along centerline of Frank and Poet Drain; thence south 63 degrees 46 minutes 49 seconds east 32.66 feet along centerline of Frank and Poet Drain; thence south 45 degrees 25 minutes 00 seconds east 71.96 feet along centerline of Frank and Poet Drain; thence south 61 degrees 13 minutes 05 seconds east 61.73 feet along centerline of Frank and Poet Drain; thence south 50 degrees 50 minutes

08 seconds east 41.80 feet along centerline of Frank and Poet Drain; thence south 44 degrees 20 minutes 22 seconds east 33.12 feet along centerline of Frank and Poet Drain; thence south 29 degrees 37 minutes 15 seconds east 34.98 feet along centerline of Frank and Poet Drain; thence south 05 degrees 34 minutes 10 seconds east 49.66 feet along centerline of Frank and Poet Drain; thence south 28 degrees 00 minutes 22 seconds west 36.63 feet along centerline of Frank and Poet Drain; thence south 33 degrees 24 minutes 36 seconds east 119.14 feet along centerline of Frank and Poet Drain; thence north 67 degrees 59 minutes 35 seconds east 50.70 feet along centerline of Frank and Poet Drain; thence north 88 degrees 16 minutes 46 seconds east 484.63 feet along centerline of Frank and Poet Drain; thence south 80 degrees 13 minutes 42 seconds east 53.20 feet along centerline of Frank and Poet Drain to east line of west 1/2 of west 1/2 of southeast 1/4 of section 35; thence north 00 degrees 07 minutes 12 seconds east 106.82 feet along above noted east line; thence south 57 degrees 15 minutes 29 seconds east 449.51 feet to south 1/16 line of section 35; thence north 89 degrees 37 minutes 15 seconds west 50.00 feet along south 1/16 line of section 35; thence south 00 degrees 04 minutes 09 seconds west 1311.05 feet to south line of section 35; thence north 89 degrees 22 minutes 00 seconds west 989.22 feet along south line of section 35 to point of beginning.

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

(4) The governor may direct a department or agency of this state to prepare or record any documents necessary to evidence the transfer of property to the state authority under this section.

Sec. 21. If the state authority has completed the purposes for which it was organized, the authority board, by vote of at least 5 directors and with the written consent of the governor, may provide for the dissolution of the state authority and may provide for the transfer of any property held by the state authority to another authority or state agency. Upon the dissolution of the state authority, any remaining balance in the fund shall be transferred to the general fund of this state.

Sec. 22. The state authority shall report biennially to the legislature on the activities of the state authority.

Sec. 23. (1) An authority may enter into an intergovernmental agreement with the Michigan economic development corporation for the joint exercise of powers and duties under this act, of the powers and duties of the authority and the Michigan economic development corporation, and for the provision of economic development services related to the activities of the authority.

(2) An authority may enter into an intergovernmental agreement with the Michigan state housing development authority for the joint exercise of powers and duties under this act, of the powers and duties of the authority and the Michigan state housing development authority, and for the provision of redevelopment services related to the activities of the authority.

(3) A county, city, qualified city, township, or village may enter into an intergovernmental agreement with the state authority providing for the transfer to the authority of tax reverted property held by the county, city, township, or village, for title clearance, for the disposition of the proceeds from the sale of the property, and for other activities authorized under this act, including the return or transfer of property under the control of the authority to the county, city, township, or village. An intergovernmental agreement under this subsection may not provide for a separate legal or administrative entity to administer or execute the agreement under section 7 of the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.507.

(4) A county foreclosing governmental unit may, with the approval of the board of commissioners for that county and, if that county has an elected county executive, with the concurrence of the elected county executive, enter into an intergovernmental agreement with the state authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under this act and for the creation of a county authority to exercise those functions. If a county authority is created under this subsection, the treasurer of the county shall be a member of the authority board.

(5) 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 under this act and for the creation of a local authority to exercise those functions.

(6) An intergovernmental agreement under subsection (4) or (5) shall provide for all of the following:

(a) The incorporation of a county or local authority as a public body corporate.

(b) The name of the authority.

(c) The size of the initial governing body of the county or local authority, which shall be composed of an odd number of members.

(d) The qualifications, method of selection, and terms of office of the initial board members.

(e) A method for the adoption of articles of incorporation by the governing body of the county or local authority.

(f) A method for the distribution of proceeds from the activities of the county or local authority.

(g) A method for the dissolution of the local or county authority and for the withdrawal from the authority of any governmental agencies involved.

(h) Any other matters considered advisable by the participating governmental agencies, consistent with this act.

(7) If under the charter of a qualified city the qualified city collects delinquent city real property taxes and does not return the delinquent taxes to the treasurer of the county in which the qualified city is located under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, any of the following property held by the qualified city may be transferred to a local authority:

(a) Tax delinquent real property for which a lien has been deemed sold to a city department director under the charter or ordinances of the qualified city, except for property that was deeded to a department director less than 2 years before the proposed transfer to the local authority.

(b) Tax delinquent real property held by the city that has been foreclosed by the qualified city and for which title has vested in the city pursuant to procedures established under the charter or ordinances of the qualified city.

(c) Any tax reverted property owned or under the control of the qualified city.

(8) A qualified city may authorize the transfer with or without consideration of any real property or interest in real property to a local authority including, but not limited to, tax reverted property or interests in tax reverted property held or acquired after the creation of the local authority by the qualified city, with the consent of the local authority.

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

(a) Anything necessary or convenient to aid a local authority in fulfilling its purposes under this act.

(b) Lend, grant, transfer, appropriate, or contribute funds to a local authority in furtherance of its purposes.

(c) Lend, grant, transfer, or convey funds to a local authority that are received from the federal government or this state or from any nongovernmental entity in aid of the purposes of this act.

(10) A local authority may reimburse advances made by a qualified city under subsection (9) or by any other person for costs eligible to be incurred by the local authority with any source of revenue available for use of the local authority under this act and enter into agreements related to these reimbursements. A reimbursement agreement under this subsection is not subject to section 305 of the revised municipal finance act, 2001 PA 34, MCL 141.2305.

(11) A local authority may enter into agreements with the county treasurer of the county in which the qualified city is located for the collection of property taxes or the enforcement and consolidation of tax liens within that qualified city for any property or interest in property transferred to the local authority.

(12) Unless specifically reserved or conditioned upon the approval of the governing body of a qualified city, all powers granted under this act to a local authority may be exercised by the local authority without the approval of the governing body of the qualified city, notwithstanding any charter, ordinance, or resolution to the contrary.

(13) Prior to its effectiveness, an intergovernmental agreement under this section shall be filed with the county clerk of each county where a party to the agreement is located and with the secretary of state.

Sec. 24. (1) By resolution of its board, an authority created under section 23 may borrow money and issue bonds and notes, subject to limitations set forth in this section, for the purpose of achieving the purposes of and objectives incident to and necessary or convenient to carry out the purposes and objectives of the authority, including, but not limited to, necessary administrative and operational costs. The bonds or notes shall mature in not more than 30 years and shall bear interest and be sold and be payable in the manner and upon the terms and conditions determined, or within the parameters specified, by the authority in the resolution authorizing issuance of the bonds or notes. The bonds or notes may include capitalized interest, an amount sufficient to fund costs of the issuance of the bonds or notes, and a sum to provide a reasonable reserve for payment of principal and interest on the bonds or notes. Bonds or notes issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The resolution authorizing the obligations shall create a lien on revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds or notes may be issued of equal standing and parity of lien as to revenues pledged under the resolution.

(2) The qualified city or county which authorized the formation of an authority under section 23 may by a majority vote of its governing body make a limited tax pledge to support the authority's bonds or notes, or if authorized by the voters of the qualified city or county, may pledge its unlimited tax full faith and credit for the payment of principal of and interest on the authority's bonds or notes.

(3) The bonds or notes issued under this section shall be secured by 1 or more sources of revenue available to the authority, as provided by resolution of the authority, including revenues available to the authority under the tax reverted property clean title act.

(4) The bonds and notes of the authority may be invested in by the state treasurer and all other public officers, state agencies, and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by the state treasurer and all other public officers and the agencies and political subdivisions of this state for 1 or more of the purposes for which the deposit of bonds or notes is authorized. The authorization granted by this section is supplemental and in addition to all other authority granted by law.

(5) The net present value of the principal and interest to be paid on an obligation issued by or incurred by the authority to refund an obligation incurred under this section, including the cost of issuance, shall be less than the net present value of the principal and interest to be paid on the obligation being refunded as calculated using a method approved by the department of treasury.

(6) An obligation issued by an authority under this section shall not appreciate in principal amount or be sold at a discount of more than 10% unless the obligation of the authority is issued to this state, an agency of this state, the county, or the qualifying city.

(7) Bonds and notes issued by an authority under this section and the interest on and income from the bonds and notes are exempt from taxation by this state or a political subdivision of this state.

(8) This section does not apply to a loan under section 2f of 1855 PA 105, MCL 21.142f.

Enacting section 1. The tax reverted property emergency disposal act, 1999 PA 134, MCL 211.971 to 211.976, is repealed.

Enacting section 2. This act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

(a) House Bill No. 4480.

(b) House Bill No. 4481.

(c) House Bill No. 4482.

(d) House Bill No. 4484.

(e) House Bill No. 4488.

This act is ordered to take immediate effect.

Clerk of the House of Representatives

Secretary of the Senate

Approved _____

Governor

TAX REVERTED CLEAN TITLE ACT
Act 260 of 2003

AN ACT to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to clarify the ownership of certain parcels of property; to prescribe the powers and duties of certain local government officials; and to provide penalties.

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004.

The People of the State of Michigan enact:

211.1021 Short title.

Sec. 1. This act shall be known and may be cited as the "tax reverted clean title act".

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004.

211.1022 Definitions.

Sec. 2. As used in this act:

(a) "Authority" means a land bank fast track authority created under the land bank fast track act.

(b) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(c) "Eligible tax reverted property" means property that is exempt under section 7gg of the general property tax act, 1893 PA 206, MCL 211.7gg.

(d) "Eligible tax reverted property specific tax" means the specific tax levied under this act.

(e) "Principal residence" means that term as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(f) "Taxable value" means the taxable value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004.

211.1023 Eligible tax reverted property; tax exemption.

Sec. 3. Eligible tax reverted property is exempt from ad valorem property taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, as provided under section 7gg of the general property tax act, 1893 PA 206, MCL 211.7gg.

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004.

211.1024 List of property sold; determination of value by local tax assessor.

Sec. 4. (1) Not later than December 31 of each year, an authority shall provide a list of all property sold by the authority in that calendar year to the assessor of each local tax collecting unit in which the property sold by the authority is located.

(2) The assessor of each local tax collecting unit in which there is eligible tax reverted property shall determine annually as of December 31 the value and taxable value of each parcel of eligible tax reverted property and shall furnish that information to the legislative body of the local tax collecting unit.

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004.

211.1025 Eligible tax reverted property specific tax.

Sec. 5. (1) Except as otherwise provided in section 5a, there is levied upon every owner of eligible tax reverted property a specific tax to be known as the eligible tax reverted property specific tax.

(2) The amount of the eligible tax reverted property specific tax in each year is the amount of tax that would have been collected on that parcel under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, if that parcel was not exempt under section 3. An owner of eligible tax reverted property that is a principal residence may claim an exemption for that portion of the specific tax attributable to the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an owner of that eligible tax reverted property claims or has claimed an exemption for the property as provided in section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc.

(3) The eligible tax reverted property specific tax shall be assessed, collected, and disbursed in accordance with this act.

(4) The eligible tax reverted property specific tax is an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, are

payable. The eligible tax reverted property specific tax is subject to the same collection fee and interest as taxes imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Except as otherwise provided in this section, the officer or officers shall disburse the eligible tax reverted property specific tax payments received by the officer or officers each year as follows:

(a) Fifty percent of the eligible tax reverted property specific tax to and among this state and cities, townships, villages, school districts, counties, or other taxing units, at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(b) Fifty percent of the eligible tax reverted property specific tax to the authority that sold or otherwise conveyed the property under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, which sale or conveyance caused the property to be eligible tax reverted property. The eligible tax reverted property specific tax disbursed under this subdivision shall only be used by the authority for 1 or more of the following:

(*i*) For the purposes authorized under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, including, but not limited to, costs to clear, quiet, or defend title to property held by the authority.

(*ii*) To repay a loan made to the authority under section 2f of 1855 PA 105, MCL 21.142f.

(5) For intermediate school districts receiving state aid under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount of eligible tax reverted property specific tax that would otherwise be disbursed to an intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(6) The amount of eligible tax reverted property specific tax described in subsection (2) that would otherwise be disbursed to a local school district for school operating purposes shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(7) The officer or officers shall send a copy of the amount of disbursement made to each unit under this section to the commission on a form provided by the commission.

(8) Eligible tax reverted property located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the eligible tax reverted property specific tax levied under this act to the extent and for the duration provided under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the eligible tax reverted property specific tax attributable to a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. The eligible tax reverted property specific tax calculated under this subsection shall be disbursed proportionately to the taxing unit or units that levied the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

(9) The eligible tax reverted property specific tax levied under this section becomes a lien on the eligible tax reverted property assessed on the same date that a tax becomes a lien on real property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. A lien for the eligible tax reverted property specific tax includes any applicable collection fee or interest. A lien under this subsection continues until paid.

(10) If the county treasurer consents, any unpaid eligible tax reverted property specific tax and any applicable collection fee or interest shall be returned as delinquent to the county treasurer at the same time taxes are returned as delinquent under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Except as otherwise provided in this subsection, eligible tax reverted property subject to an eligible tax reverted property specific tax returned as delinquent is subject to forfeiture, foreclosure, and sale at the same time and in the same manner as property subject to delinquent taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. If an eligible tax reverted property specific tax or any applicable collection fee or interest for an eligible tax reverted property has not been paid for 2 or more years on the date the eligible tax reverted property is returned as delinquent under this subsection, the eligible tax reverted property shall be forfeited to the county treasurer upon its return and is subject to foreclosure and sale at the same time and in the same manner as other property forfeited under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

History: 2003, Act 260, Imd. Eff. Jan. 5, 2004;—Am. 2012, Act 222, Imd. Eff. June 28, 2012;—Am. 2016, Act 151, Imd. Eff. June 9, 2016.

211.1025a Exemption.

Sec. 5a. (1) The authority may exempt eligible tax reverted property from the eligible tax reverted property specific tax if the exemption will assist in the creation of jobs, investment, or other economic development

benefits in the city, village, or township in which the eligible tax reverted property is located.

(2) Eligible tax reverted property exempt from the eligible tax reverted property specific tax under subsection (1) is subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

History: Add. 2012, Act 222, Imd. Eff. June 28, 2012.

211.1026 Repealed. 2012, Act 222, Imd. Eff. June 28, 2012.

Compiler's note: The repealed section pertained to unpaid eligible tax reverted property specific taxes not subject to return as delinquent taxes.

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7gg Property held by land bank fast track authority; exemption from taxes; "land bank fast track authority" defined.

Sec. 7gg. (1) Property, the title to which is held by a land bank fast track authority under the land bank fast track act, is exempt from the collection of taxes under this act.

(2) Except as otherwise provided in subsection (3), real property sold or otherwise conveyed by a land bank fast track authority under the land bank fast track act is exempt from the collection of taxes under this act beginning on December 31 in the year in which the property is sold or otherwise conveyed by the land bank fast track authority until December 31 in the year 5 years after the December 31 on which the exemption was initially granted under this subsection.

(3) Subsection (2) does not apply to property included in a brownfield plan under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, if all of the following conditions are satisfied:

(a) The brownfield plan for the property includes assistance provided to a land bank fast track authority authorized by section 2(*l*)(*iv*)(E) of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652.

(b) If the land bank fast track authority has issued bonds or notes, or has entered into a reimbursement agreement, pledging or dedicating the specific tax levied under the tax reverted property clean title act prior to the sale of the property to which the exemption under subsection (2) applies, the land bank fast track authority approves the release of the exemption provided under subsection (2).

(4) Property exempt from the collection of taxes under subsection (2) is subject to the specific tax levied under the tax reverted property clean title act.

(5) As used in this section, "land bank fast track authority" means a land bank fast track authority created under the land bank fast track act.

History: Add. 2003, Act 261, Imd. Eff. Jan. 5, 2004.

Popular name: Act 206

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Release Date: November 16, 2004
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State Tax Commission Bulletin No. 12 of 2004

DATE: October 28, 2004
TO: Assessors Equalization Directors
FROM: State Tax Commission

SUBJECT:

1) Exemption of Property Owned or Sold by a Land Bank Fast Track Authority

2) Specific Tax Levied Upon Owners of Eligible Tax Reverted Property

Public Acts (P.A.) 260 and 261 of 2003 were signed by Governor Granholm on January 5, 2004, with an effective date of January 5, 2004. Copies of these acts are available on the Internet at **www.michiganlegislature.org.** When you reach the site, click on **Public Acts** and enter the act number and the year **2003.**

P.A. 261 of 2003 provides for an exemption from taxation under the General Property Tax Act for the following:

1. Property whose title is held by a Land Bank Fast Track Authority.
2. Certain property conveyed by a Land Bank Fast Track Authority. This exemption is for a 5-year period.

The provisions of P.A. 261 of 2003 will be discussed in paragraph A of this bulletin.

P.A. 260 of 2003 provides for a specific tax to be levied upon the owners of Eligible Tax Reverted Property. The provisions of P.A. 260 of 2003 will be discussed in paragraph B of this bulletin.

NOTE: There are also 4 other related laws which will not be discussed in this bulletin. They are P.A. 258 of 2003, P.A. 259 of 2003, P.A. 262 of 2003, and P.A. 263 of 2003.

1. P.A. 258 of 2003 (HB 4483) authorizes the creation of Land Bank Fast Track Authorities.
2. P.A. 259 of 2003 (HB 4480) amends the Brownfield Redevelopment Financing Act.
3. P.A. 262 of 2003 (HB 4488) allows the State Treasurer to invest surplus funds in loans to a Land Bank Fast Track Authority or a Brownfield Redevelopment Authority.
4. P.A. 263 of 2003 (HB 4484) amends certain provisions of the General Property Tax Act dealing with notice requirements to delinquent property tax holders.

A) Exemption of Property Owned or Sold by a Land Bank Fast Track Authority.

P.A. 261 of 2003 exempts the following 2 groups of properties from the collection of taxes under the General Property Tax Act, STARTING IN 2005.

NOTE: The exemption for the second group listed below is for a period of 5 years.

1. Real property whose title is held by a Land Bank Fast Track Authority on December 31 of the prior year. 2005 is the first year that property held by a Land Bank Fast Track Authority can qualify to be exempt, provided that the title to the property was held by the Land Bank Fast Track Authority on 12-31-04.

   NOTE: Land Bank Fast Track Authorities, generally speaking, are authorized by P.A.258 of 2003 to acquire, quiet title to and dispose of tax-reverted property.

2. **For a period of 5 years,** real property (not including property discussed in the **Exception** below) sold or otherwise conveyed by a Land Bank Fast Track Authority. The 5 year exemption period starts in the assessment year following the year that the property is conveyed by the Land Bank Fast Track Authority and continues for an additional four years after that.

   EXCEPTION: The 5-year exemption for property sold or otherwise conveyed by a Land Bank Fast Track Authority does NOT include certain property included in a Brownfield Plan under the Brownfield Redevelopment Financing Act. Property in a Brownfield Plan shall NOT receive the 5-year exemption discussed above if BOTH of the following conditions are satisfied:

   (a) The brownfield plan for the property includes assistance provided to a Land Bank Fast Track Authority authorized by section 2(*l*)(*iv*)(E) of the brownfield redevelopment financing act, (MCL 125.2652).

   AND

   (b) If the land bank fast track authority has issued bonds or notes, or has entered into a reimbursement agreement, pledging or dedicating the specific tax levied under the Tax Reverted Property Clean Title Act prior to the sale of the property to which the 5-year exemption applies, the land bank fast track authority approves the release of the 5-year exemption.

B) The Specific Tax Levied Upon Owners of Eligible Tax Reverted Property.

P.A. 260 of 2003 (known as the Tax Reverted Clean Title Act) provides for the levy of a specific tax upon property sold or otherwise conveyed by a Land Bank Fast Track Authority which qualifies for the 5-year exemption discussed earlier in this bulletin. This specific tax is also referenced in P.A. 261 of 2003. The legal name for the tax is the **Eligible Tax Reverted Property Specific Tax.**

NOTE: While the State Tax Commission is not generally authorized to supervise the administration of specific taxes, the following information is being provided as a service to assessors.

IMPORTANT NOTE: The specific tax is not levied upon property still held by the Land Bank Fast Track Authority. It only applies to those properties sold or otherwise conveyed by a Land Bank Fast Track Authority AND exempt from regular property taxes for a 5-year period.

1) Determination of True Cash Value and Taxable Value by the

Assessor.

P.A. 260 of 2003 provides that a Land Bank Fast Track Authority shall provide to the assessor a list of all property sold or otherwise conveyed by the Land Bank Fast Track Authority in that calendar year. P.A. 260 of 2003 provides that this list must be provided no later than December 31 of each year.

P.A. 260 of 2003 further states that the assessor shall determine the true cash value and taxable value of these parcels in the same way that they are determined under the General Property Tax Act. This means that status day for the estimate is December 31 of the prior year. This also means that the same rules for capping and uncapping taxable value apply.

2) Homeowner's Principal Residence Exemption.

The amount of the specific tax in each year is the amount of tax that would have been collected on a parcel under the General Property Tax Act, if that parcel was not exempt. An owner of property subject to the specific tax, where the property is a homeowner's principal residence, may claim an exemption for that portion of the specific tax attributable to up to 18 mills of school operating tax to the extent that the exemption is available to properties assessed on the regular assessment roll. An owner of property subject to the specific tax must claim the homeowner's principal residence exemption in the same way and using the same forms as are required on the regular assessment roll.

3) Collection and Disbursement of the Specific Tax.

a. Collection.

The specific tax levied on certain properties sold or otherwise conveyed by a Land Bank Fast Track Authority is an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under the General Property Tax Act and the State Education Tax Act.

b. Disbursement.

The specific tax shall be disbursed as follows:

i. Fifty percent of the specific tax shall be disbursed to and among the State of Michigan, cities, townships, villages, school districts, counties, or other taxing units, at the same times and in the same proportions as required by law for the disbursement of taxes collected under the General Property

Tax Act.

ii. Fifty percent of the specific tax shall be disbursed to the authority that sold or otherwise conveyed the property under the Land Bank Fast Track Act.

iii. For intermediate school districts receiving state aid under sections 56, 62, and 81 of the State School Aid Act of 1979, all or a portion of the amount of specific tax that would otherwise be disbursed to an intermediate school district shall be paid to the state treasury to the credit of the state school aid fund. The amount to be paid to the state treasury is to be determined on the basis of the tax rates being utilized to compute the amount of state aid.

iv. The amount of specific tax that would otherwise be disbursed to a local school district for school operating purposes shall be paid instead to the state treasury and credited to the state school aid fund.

IMPORTANT NOTE: The officer or officers who make disbursements shall send a copy of the amount of disbursement made to each unit to the State Tax Commission on a form provided by the Commission. This form has not yet been completed. When it is completed, it will be placed on the Internet at www.michigan.gov/treasury. When you reach the site, click on **Forms**, then click on **Property Tax-Abatement/Exemption.**

4) Property Located in a Renaissance Zone.

Property located in a Renaissance Zone is exempt from the specific tax discussed in this bulletin to the extent and for the duration provided pursuant to the Michigan Renaissance Zone Act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the eligible tax reverted property specific tax attributable to a tax described in section 7ff(2) of the General Property Tax Act. The specific tax calculated under this subsection shall be disbursed proportionately to the taxing unit or units that levied the tax described in section 7ff(2) of the General Property Tax Act, 1893 PA 206, MCL 211.7ff.

5) Unpaid Specific Tax.

If unpaid, specific taxes discussed in this bulletin are not subject to return as delinquent taxes under the General Property Tax Act. The amount of the specific tax applicable to real property, until paid, is a lien upon that real property. Proceedings upon the lien as provided by law for the judicial foreclosure of mortgage liens upon real property may commence after the date that the taxes would have been returned as delinquent under the General Property Tax Act, if the property had not been exempt under the General Property Tax Act and

only upon the filing by the appropriate collecting officer of a certificate of nonpayment of the eligible tax reverted property specific tax applicable to the real property, together with an affidavit of proof of service of the certificate of nonpayment upon the owner of that property by certified mail, with the register of deeds of the county in which the property is situated.

OPEN MEETINGS ACT

HANDBOOK

Attorney General Dana Nessel

Additional copies available at mi.gov/foia-ag

The Handbook is intended to be a quick reference guide. It is not intended to be encyclopedic on every subject or resolve every situation that may be encountered.

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OPEN MEETINGS ACT

THE BASICS

The Act – the Open Meetings Act (OMA) is 1976 PA 267, MCL 15.261 through 15.275. The OMA took effect January 1, 1977. In enacting the OMA, the Legislature promoted a new era in governmental accountability and fostered openness in government to enhance responsible decision making.[1]

Nothing in the OMA prohibits a public body from adopting an ordinance, resolution, rule, or charter provision that requires a greater degree of openness relative to public body meetings than the standards provided for in the OMA.[2]

What bodies are covered? – the OMA applies to all meetings of a public body.[3] A "public body" is broadly defined as:

> [A]ny state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, that is empowered by state constitution, statute, charter, ordinance, resolution, or rule to *exercise governmental or proprietary authority or perform a governmental or proprietary function*; a lessee of such a body performing an essential public purpose and function pursuant to the lease agreement.[4] [Emphasis added.]

As used in the OMA, the term "public body" connotes a collective entity and does not include an individual government official.[5] The OMA does not apply to private, nonprofit corporations.[6]

Public notice requirements – a meeting of a public body cannot be held unless public notice is given consistent with the OMA.[7] A public notice must contain the public body's name, telephone number, and address, and must be posted at its principal office and any other locations

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[1] *Booth Newspapers, Inc v Univ of Michigan Bd of Regents*, 444 Mich 211, 222-223; 507 NW2d 422 (1993).
[2] MCL 15.261.
[3] MCL 15.263. When the Handbook refers to a "board," the term encompasses all boards, commissions, councils, authorities, committees, subcommittees, panels, and any other public body.
[4] MCL 15.262(a). The provision in the OMA that includes a lessee of a public body performing an essential public purpose is unconstitutional because the title of the act does not refer to organizations other than "public bodies." OAG, 1977-1978, No 5207, p 157 (June 24, 1977). Certain boards are excluded "when deliberating the merits of a case." MCL 15.263(7). See also MCL 15.263(8) and (10).
[5] *Herald Co v Bay City*, 463 Mich 111, 129-133; 614 NW2d 873 (2000) – a city manager is not subject to the OMA. *Craig v Detroit Public Schools Chief Executive Officer*, 265 Mich App 572, 579; 697 NW2d 529 (2005). OAG, 1977-1978, No 5183A, p 97 (April 18, 1977).
[6] OAG, 1985-1986, No 6352, p 252 (April 8, 1986) – the Michigan High School Athletic Association is not subject to the OMA. See also *Perlongo v Iron River Cooperative TV Antenna Corp*, 122 Mich App 433; 332 NW2d 502 (1983).
[7] MCL 15.265(1). *Nicholas v Meridian Charter Twp*, 239 Mich App 525, 531; 609 NW2d 574 (2000).

the public body considers appropriate.[8] If a public body is a part of a state department, a public notice must also be posted in the principal office of the state department.[9]

Public notice requirements are specific to the type of meeting:

> (1) For regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.
>
> (2) For a change in schedule of regular meetings of a public body, there shall be posted within three days after the meeting at which the change is made, a public notice stating the new dates, times, and places of its regular meetings.
>
> (3) For a rescheduled regular or a special meeting of a public body, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting.
>
> (4) A meeting of a public body which is recessed for more than 36 hours shall be reconvened only after public notice has been posted at least 18 hours before the reconvened meeting.[10]

At their first meeting of the calendar or fiscal year, each board must set the dates, times, and places of the board's regular meetings for the coming year. The OMA does not require any particular number of meetings. The board's schedule of regular meetings is not, of course, set in stone. The board is free to cancel or reschedule its meetings.

The minimum 18-hour notice requirement is not fulfilled if the public is denied access to the notice of the meeting for any part of the 18 hours.[11] The requirement may be met by posting at least 18 hours in advance of the meeting using a method designed to assure access to the notice. For example, the public body can post the notice at the main entrance visible on the outside of the building that houses the principal office of the public body.[12]

A public body must send copies of the public notices by first class mail to a requesting party, upon the party's payment of a yearly fee of not more than the reasonable estimated cost of printing and postage. Upon written request, a public body, at the same time a public notice of a meeting is posted, must provide a copy of the public notice to any newspaper published in the state or any radio or television station located in the state, free of charge.[13]

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[8] MCL 15.264(a)-(c).
[9] MCL 15.264(c).
[10] MCL 15.265(2)-(5).
[11] OAG, 1979-1980, No 5724, p 840 (June 20, 1980).
[12] OAG No 5724.
[13] MCL 15.266.

Agendas and the OMA – while the OMA requires a public body to give public notice when it meets, it has no requirement that the public notice include an agenda or a specific statement as to the purpose of a meeting.[14] No agenda format is required by the OMA.[15]

Penalties for OMA violations – a public official who "intentionally violates" the OMA may be found guilty of a misdemeanor[16] and may be personally liable for actual and exemplary damages of not more than $500 for a single meeting.[17] The exemptions in the OMA must be strictly construed. The "rule of lenity" (i.e., courts should mitigate punishment when the punishment in the criminal statute is unclear) does not apply to construction of the OMA's exemptions.[18]

A decision made by a public body may be invalidated by a court, if the public body has not complied with the requirements of MCL 15.263(1), (2), and (3) [i.e., making decisions at a public meeting] or if failure to give notice in accordance with section 5 has interfered with substantial compliance with MCL 15.263(1), (2), and (3) and the court finds that the noncompliance has impaired the rights of the public under the OMA.

Lawsuits to compel compliance – actions must be brought within 60 days after the public body's approved minutes involving the challenged decision are made publicly available.[19] If the decision involves the approval of contracts, the receipt or acceptance of bids, or the procedures pertaining to the issuance of bonds or other evidences of indebtedness, the action must be brought within 30 days after the approved minutes are made publicly available.[20] If the decision of a state public body is challenged, venue is in Ingham County.[21]

Correcting non-conforming decisions – in any case where a lawsuit has been initiated to invalidate a public body's decision on the ground that it was not made in conformity with the OMA, the public body may, without being deemed to make any admission contrary to its interest, reenact the disputed decision in conformity with the OMA. A decision reenacted in this manner shall be effective from the date of reenactment and is not rendered invalid by any deficiency in its initial enactment.[22] If the board acts quickly, the reenactment may defeat a claim for attorney's fees, since plaintiffs would not be successful in "obtaining relief in the action" within the meaning of the OMA.[23]

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[14] OAG, 1993-1994, No 6821, p 199 (October 18, 1994). But, as discussed in OAG No 6821, other statutes may require a public body to state in its notice the business to be transacted at the meeting.
[15] *Lysogorski v Bridgeport Charter Twp*, 256 Mich App 297, 299; 662 NW2d 108 (2003).
[16] MCL 15.272.
[17] MCL 15.273.
[18] *People v Whitney*, 228 Mich App 230, 244; 578 NW2d 329 (1998).
[19] MCL 15.270(3)(a).
[20] MCL 15.270(3)(b).
[21] MCL 15.270(4).
[22] MCL 15.270(5).
[23] *Leemreis v Sherman Twp*, 273 Mich App 691, 700; 731 NW2d 787 (2007). *Felice v Cheboygan County Zoning Comm*, 103 Mich App 742, 746; 304 NW2d 1 (1981).

DECISIONS MUST BE MADE IN PUBLIC MEETINGS

All decisions must be made at a meeting open to the public – the OMA defines "decision" to mean "a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy."[24] The OMA provides that "[a]ll decisions of a public body shall be made at a meeting open to the public," and that, with limited exceptions, "[a]ll deliberations of a public body constituting a quorum of its members shall take place at a meeting open to the public."[25]

The OMA does not contain a "voting requirement" or any form of "formal voting requirement." A "consensus building process" that equates to decision-making would fall under the act.[26] For example, where board members use telephone calls or sub-quorum meetings to achieve the same intercommunication that could have been achieved in a full board or commission meeting, the members' conduct is susceptible to "round-the-horn" decision-making, which achieves the same effect as if the entire board had met publicly and formally cast its votes. A "round-the-horn" process violates the OMA.[27]

Meeting "informally" to discuss matters – while the OMA "does not apply to a meeting which is a social or chance gathering or conference not designed to avoid this act,"[28] a meeting of a public body must be open to the public. The OMA does not define the terms "social or chance gathering" or "conference," and provides little direct guidance as to the precise scope of this exemption.[29] To promote openness in government, however, the OMA is entitled to a broad interpretation and exceptions to conduct closed sessions must be construed strictly.[30] Thus, the closed session exception does not apply to a quorum of a public body that meets to discuss matters of public policy, even if there is no intention that the deliberations will lead to a decision on that occasion.[31]

Canvassing board members on how they might vote – an informal canvas by one member of a public body to find out where the votes would be on a particular issue does not violate the OMA,

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[24] MCL 15.262(d).
[25] MCL 15.263(2) and (3).
[26] *Booth Newspapers, Inc v Univ of Michigan Bd of Regents*, 444 Mich at 229.
[27] *Booth Newspapers, Inc*, 444 Mich at 229 – "any alleged distinction between the [public body's] consensus building and a determination or action, as advanced in the OMA's definition of 'decision,' is a distinction without a difference."
[28] MCL 15.263(10).
[29] OAG, 1981-1982, No 6074, p 662, 663 (June 11, 1982).
[30] *Wexford County Prosecutor v Pranger*, 83 Mich App 197, 201, 204; 268 NW2d 344 (1978).
[31] OAG, 1977-1978, No 5298, p 434, 435 (May 2, 1978). See also OAG, 1979-1980, No 5444, p 55, 56 (February 21, 1979) – anytime a quorum of a public body meets and considers a matter of public policy, the meeting must comply with the OMA's requirements. Compare OAG, 1979-1980, No 5437, p 36, 37 (February 2, 1979), where members of a public body constituting a quorum come together by chance, the gathering is exempt from the OMA; however, even at a chance meeting, matters of public policy may not be discussed by the members with each other.

so long as no decisions are made during the discussions and the discussions are not a deliberate attempt to the avoid the OMA.[32]

May a quorum of a board gather outside an open meeting without violating the OMA? – yes, in some instances. In addition to a purely social gathering or chance gathering[33] that does not involve discussions of public policy among the members of the board, a quorum may accept an invitation to address a civic organization,[34] listen to the concerns of a neighborhood organization, or observe demonstrations, if the board doesn't deliberate toward, or make, a decision.[35]

A board quorum also may meet for a workshop, seminar, informational gathering, or professional conference designed to convey, to the conference participants, information about areas of professional interest common to all conference participants.[36] These kinds of meetings involve a conference designed primarily to provide training or background information and involve a relatively broad focus upon issues of general concern, rather than a more limited focus on matters or issues of particular interest to a single public body.[37] However, when gatherings are designed to receive input from officers or employees of the public body, the OMA requires that the gathering be held at a public meeting.[38]

The OMA was not violated when several members of the board of county commissioners attended a public meeting of the county planning committee (which had more than fifty members, two who were county commissioners), which resulted in a quorum of the board being present at the meeting (without the meeting also being noticed as a county commission meeting), so long as the nonmember commissioners did not engage in deliberations or render decisions.[39]

Advisory committees and the OMA – the OMA does not apply to committees and subcommittees composed of less than a quorum of the full public body if they "are merely advisory or only capable of making 'recommendations concerning the exercise of governmental authority.'"[40]

Where, on the other hand, a committee or subcommittee is empowered to act on matters in such a fashion as to deprive the full public body of the opportunity to consider a matter, a decision of the committee or subcommittee "is an exercise of governmental authority which effectuates

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[32] *St Aubin v Ishpeming City Council*, 197 Mich App 100, 103; 494 NW2d 803 (1992).
[33] OAG, 1979-1980, No 5437, p 36 (February 2, 1979).
[34] OAG, 1977-1978, No 5183, p 21, 35 (March 8, 1977).
[35] OAG, 1977-1978, No 5364, p 606, 607 (September 7, 1978).
[36] OAG, 1979-1980, No 5433, p 29, 31 (January 31, 1979).
[37] OAG, 1981-1982, No 6074, at p 664.
[38] OAG No 5433 at p 31.
[39] OAG, 1989-1990, No 6636, p 253 (October 23, 1989), cited with approval in *Ryant v Cleveland Twp*, 239 Mich App 430, 434-435; 608 NW2d 101 (2000) and *Nicholas v Meridian Charter Twp*, 239 Mich App at 531-532. If, however, the noncommittee board members participate in committee deliberations, the OMA would be violated. *Nicholas*, 239 Mich App at 532.
[40] OAG, 1997-1998, No 6935, p 18 (April 2, 1997); OAG No 5183 at p 40.

public policy" and the committee or subcommittee proceedings are, therefore, subject to the OMA.[41]

If a joint meeting of two committees of a board (each with less than a quorum of the board) results in the presence of a quorum of the board, the board must comply in all respects with the OMA and notice of the joint meeting must include the fact that a quorum of the board will be present.[42]

Use of e-mail or other electronic communications among board members during an open meeting – e-mail, texting, or other forms of electronic communications among members of a board or commission during the course of an open meeting that constitutes deliberations toward decision-making or actual decisions violates the OMA, since it is in effect a "closed" session. While the OMA does not require that all votes by a public body must be by roll call, voting requirements under the act are met when a vote is taken by roll call, show of hands, or other method that informs the public of the public official's decision rendered by his or her vote. Thus, the OMA bars the use of e-mail or other electronic communications to conduct a secret ballot at a public meeting, since it would prevent citizens from knowing how members of the public body have voted.[43]

Moreover, the use of electronic communications for discussions or deliberations, which are not, at a minimum, able to be heard by the public in attendance at an open meeting are contrary to the OMA's core purpose – the promotion of openness in government.[44]

Using e-mail to distribute handouts, agenda items, statistical information, or other such material during an open meeting should be permissible under the OMA, particularly when copies of that information are also made available to the public before or during the meeting.

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[41] *Schmiedicke v Clare School Bd*, 228 Mich App 259, 261, 263-264; 577 NW2d 706 (1998); *Morrison v East Lansing*, 255 Mich App 505; 660 NW2d 395 (2003); and OAG, 1997-1998, No 7000, p 197 (December 1, 1998) – a committee composed of less than a quorum of a full board is subject to the OMA, if the committee is effectively authorized to determine whether items will or will not be referred for action by the full board, citing OAG, 1977-1978, No 5222, p 216 (September 1, 1977).

[42] OAG, 1989-1990, No 6636, at p 254.

[43] See *Esperance v Chesterfield Twp*, 89 Mich App 456, 464; 280 NW2d 559 (1979) and OAG, 1977-1978, No 5262, p 338 (January 31, 1978).

[44] See *Booth Newspapers, Inc*, 444 Mich at 229; *Schmiedicke*, 228 Mich App at 263, 264; and *Wexford County Prosecutor*, 83 Mich App at 204.

CLOSED SESSIONS

Meeting in closed session – a public body may meet in a closed session *only* for one or more of the permitted purposes specified in section 8 of the OMA.[45] The limited purposes for which closed sessions are permitted include, among others[46]:

> (1) To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, a public officer, employee, staff member, or individual agent, *if the named person requests a closed hearing*.[47]
>
> (2) For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement *if either negotiating party requests a closed hearing*.[48]
>
> (3) To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.[49]
>
> (4) To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, *but only if* an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.[50]
>
> (5) To review and consider the contents of an application for employment or appointment to a public office *if the candidate requests that the application remain confidential.* However, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting pursuant to this act.[51]
>
> (6) To consider material exempt from discussion or disclosure by state or federal statute.[52] But note – a board is not permitted to go into closed session to discuss an attorney's oral opinion, as opposed to a written legal memorandum.[53]

A closed session must be conducted during the course of an open meeting – section 2(c) of the OMA defines "closed session" as "a meeting or part of a meeting of a public body that is

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[45] MCL 15.268. OAG, 1977-1978, No 5183, at p 37.
[46] The other permissible purposes deal with public primary, secondary, and post-secondary student disciplinary hearings – section 8(b); state legislature party caucuses – section 8(g); compliance conferences conducted by the Michigan Department of Community Health – section 8(i); and public university presidential search committee discussions – section 8(j).
[47] MCL 15.268(a) (Emphasis added.)
[48] MCL 15.268(c) (Emphasis added.)
[49] MCL 15.268(d).
[50] MCL 15.268(e) (Emphasis added.)
[51] MCL 15.268(f) (Emphasis added.)
[52] MCL 15.268(h).
[53] *Booth Newspapers, Inc v Wyoming City Council*, 168 Mich App 459, 467, 469-470; 425 NW2d 695 (1988).

closed to the public."[54] Section 9(1) of the OMA provides that the minutes of an open meeting must include "the purpose or purposes for which a closed session is held."[55]

Going into closed session – section 7(1) of the OMA[56] sets out the procedure for calling a closed session:

> A 2/3 roll call vote of members elected or appointed and serving is required to call a closed session, except for the closed sessions permitted under section 8(a), (b), (c), (g), (i), and (j). The roll call vote and the purpose or purposes for calling the closed session shall be entered into the minutes of the meeting at which the vote is taken.

Thus, a public body may go into closed session only upon a motion duly made, seconded, and adopted by a 2/3 roll call vote of the members appointed and serving[57] during an open meeting for the purpose of (1) considering the purchase or lease of real property, (2) consulting with their attorney, (3) considering an employment application, or (4) considering material exempt from disclosure under state or federal law. A majority vote is sufficient for going into closed session for the other OMA permitted purposes.

We suggest that every motion to go into closed session should cite one or more of the permissible purposes listed in section 8 of the OMA.[58] An example of a motion to go into closed session is:

> I move that the Board meet in closed session under section 8(e) of the Open Meetings Act, to consult with our attorney regarding trial or settlement strategy in connection with [the name of the specific lawsuit].

Another example is the need to privately discuss with the public body's attorney a memorandum of advice as permitted under section 8(h) of the OMA – "to consider material exempt from discussion or disclosure by state or federal statute."[59] The motion should cite section 8(h) of the OMA and the statutory basis for the closed session, such as section 13(1)(g) of the Freedom of Information Act, which exempts from public disclosure "[i]nformation or records subject to the attorney-client privilege."[60]

Leaving a closed session – the OMA is silent as to how to leave a closed session. We suggest that you recommend a motion be made to end the closed session with a majority vote needed for

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[54] MCL 15.262(c).
[55] MCL 15.269(1).
[56] MCL 15.267(1).
[57] And not just those attending the meeting. OAG No 5183 at p 37.
[58] MCL 15.268.
[59] MCL 15.268(h). Proper discussion of a written legal opinion at a closed meeting is, with regard to the attorney-client privilege exemption to the OMA, limited to the meaning of any strictly legal advice presented in the written opinion. *People v Whitney*, 228 Mich App at 245-248.
[60] MCL 15.243(1)(g).

approval. Admittedly, this is a decision made in a closed session, but it certainly isn't a decision that "effectuates or formulates public policy."

When the public body has concluded its closed session, the open meeting minutes should state the time the public body reconvened in open session and, of course, any votes on matters discussed in the closed session must occur in an open meeting.

Decisions must be made during an open meeting, not the closed session – section 3(2) of the OMA requires that "[a]ll decisions of a public body shall be made at a meeting open to the public."[61] Section 2(d) of the OMA defines "decision" to mean "a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy."[62]

Avoid using the terms "closed session" and "executive session" interchangeably – we suggest that a public body not use the term "executive session" to refer to a "closed session." The term "executive session" does not appear in the OMA, but "closed session" does. "Executive session" is more of a private sector term and is often used to describe a private session of a board of directors, which is not limited as to purpose, where actions can be taken, and no minutes are recorded.

Staff and others may join the board in a closed session – a public body may rely upon its officers and employees for assistance when considering matters in a closed session. A public body may also request private citizens to assist, as appropriate, in its considerations.[63]

Forcibly excluding persons from a closed session – a public body may, if necessary, exclude an unauthorized individual who intrudes upon a closed session by either (1) having the individual forcibly removed by a law enforcement officer, or (2) by recessing and removing the closed session to a new location.[64]

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[61] MCL 15.263(2). *St Aubin v Ishpeming City Council*, 197 Mich App at 103. See also, OAG, 1977-1978, No 5262, at p 338-339 – the OMA prohibits a voting procedure at a public meeting which prevents citizens from knowing how members of the public body have voted and OAG, 1979-1980, No 5445, p 57 (February 22, 1979) – a public body may not take final action on any matter during a closed meeting.

[62] MCL 15.262(d).

[63] OAG, 1979-1980, No 5532, p 324 (August 7, 1979).

[64] OAG, 1985-1986, No 6358, p 268 (April 29, 1986), citing *Regents of the Univ of Michigan v Washtenaw County Coalition Against Apartheid*, 97 Mich App 532; 296 NW2d 94 (1980).

PUBLIC ATTENDING OPEN MEETINGS

Excluding individuals – no one may be excluded from a meeting otherwise open to the public except for a breach of the peace actually committed at the meeting.[65]

Identifying public attendees – no one may be required to register or otherwise provide his or her name or other information or otherwise to fulfill a condition precedent to attend a public meeting.[66]

Building security at the meeting site may cause issues. Members of the public might object, based on the OMA, to signing in to gain access to the building where a public meeting is being held.[67] We, therefore, recommend that public bodies meet in facilities or areas not subject to public access restrictions.

If the public body wishes the members of the public to identify themselves at the meeting, we suggest the board chair announce something like this:

> The Board would appreciate having the members of the public attending the meeting today identify themselves and mention if they would like the opportunity to speak during the public comment period. However, you do not need to give your name to attend this meeting. When the time comes to introduce yourself and you do not want to do so, just say pass.

Since speaking at the meeting is a step beyond "attending" the public meeting and the OMA provides that a person may address the public body "under rules established and recorded by the public body," the board may establish a rule requiring individuals to identify themselves if they wish to speak at a meeting.[68]

Limiting public comment – a public body may adopt a rule imposing individual time limits for members of the public addressing the public body.[69] In order to carry out its responsibilities, the board can also consider establishing rules allowing the chairperson to encourage groups to designate one or more individuals to speak on their behalf to avoid cumulative comments. But a rule limiting the period of public comment may not be applied in a manner that denies a person the right to address the public body, such as by limiting all public comment to a half-hour period.[70]

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[65] MCL 15.263(6).
[66] MCL 15.263(4).
[67] In addition, "[a]ll meetings of a public body . . . shall be held in a place available to the general public." MCL 15.263(1).
[68] MCL 15.263(5). OAG, 1977-1978, No 5183, at p 34.
[69] OAG, 1977-1978, No 5332, p 536 (July 13, 1978). The rule must be duly adopted and recorded. OAG, 1977-1978. No 5183, at p 34.
[70] OAG No 5332 at p 538.

Meeting location – the OMA only requires that a meeting be held "in a place available to the general public;" it does not dictate that the meeting be held within the geographical limits of the public body's jurisdiction.[71] However, if a meeting is held so far from the public which it serves that it would be difficult or inconvenient for its citizens to attend, the meeting may not be considered as being held at a place available to the general public. Whenever possible, the meeting should be held within the public body's geographical boundaries.

Timing of public comment – a public body has discretion under the OMA when to schedule public comment during the meeting.[72] Thus, scheduling public comment at the beginning[73] or the end[74] of the meeting agenda does not violate the OMA. The public has no right to address the commission during its deliberations on a particular matter.[75]

Taping and broadcasting – the right to attend a public meeting includes the right to tape-record, videotape, broadcast live on radio, and telecast live on television the proceedings of a public body at the public meeting.[76] A board may establish reasonable regulations governing the televising or filming by the electronic media of a hearing open to the public in order to minimize any disruption to the hearing, but it may not prohibit such coverage.[77] And the exercise of the right to tape-record, videotape, and broadcast public meetings may not be dependent upon the prior approval of the public body.[78]

[71] OAG, 1979-1980, No 5560, p 386 (September 13, 1979). Of course, local charter provisions or ordinances may impose geographical limits on public body meetings.
[72] MCL 15.263(5).
[73] *Lysogorski v. Bridgeport Charter Twp*, 256 Mich App at 302.
[74] OAG, 1979-1980, No 5716, p 812 (June 4, 1980).
[75] OAG, 1977-1978, No 5310, p 465, 468 (June 7, 1978).
[76] MCL 15.263(1).
[77] OAG, 1987-1988, No 6499, p 280 (February 24, 1988).
[78] MCL 15.263(1).

MINUTES

What must be in the minutes – at a minimum, the minutes must show the date, time, place, members present, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes must include all roll call votes taken at the meeting.[79] The OMA does not prohibit a public body from preparing a more detailed set of minutes of its public meetings if it chooses to do so.[80]

When must the minutes be available – proposed minutes must be made available for public inspection within eight days after the applicable meeting. Approved minutes must be made available for public inspection within five days after the public body's approval.[81]

When must the minutes be approved – at the board's next meeting.[82] Corrected minutes must show both the original entry and the correction (for example, using a "strikethrough" word processing feature).

Closed session minutes – a separate set of minutes must be taken for closed sessions. While closed session minutes must be approved in an open meeting (with contents of the minutes kept confidential), the board may meet in closed session to consider approving the minutes.[83]

Closed session minutes shall only be disclosed if required by a civil action filed under sections 10, 11, or 13 of the OMA.[84] The board secretary may furnish the minutes of a closed session of the body to a board member. A member's dissemination of closed session minutes to the public, however, is a violation of the OMA, and the member risks criminal prosecution and civil penalties.[85] An audiotape of a closed session meeting of a public body is part of the minutes of the session meeting and, thus, must be filed with the clerk of the public body for retention under the OMA.[86]

Closed session minutes may be destroyed one year and one day *after approval of the minutes of the regular meeting at which the closed session occurred*.[87]

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[79] MCL 15.269(1).

[80] Informational letter to Representative Jack Brandenburg from Chief Deputy Attorney General Carol Isaacs dated May 8, 2003.

[81] MCL 15.269(3).

[82] MCL 15.269(1)

[83] OAG, 1985-1986, No 6365, p 288 (June 2, 1986). This, of course, triggers the need for more closed session minutes.

[84] MCL 15.270, 15.271, and 15.273; *Local Area Watch v Grand Rapids*, 262 Mich App 136, 143; 683 NW2d 745 (2004); OAG, 1985-1986 No 6353, p 255 (April 11, 1986).

[85] OAG, 1999-2000, No 7061, p 144 (August 31, 2000).

[86] *Kitchen v Ferndale City Council*, 253 Mich App 115; 654 NW2d 918 (2002).

[87] MCL 15.267(2).

Inadvertent omissions from the minutes – the OMA does not invalidate a decision due to a simple error in the minutes, such as inadvertently omitting the vote to go into closed session from a meeting's minutes.[88]

[88] *Willis v Deerfield Twp*, 257 Mich App 541, 554; 669 NW2d 279 (2003).

PARLIAMENTARY PROCEDURES

Core principle – for the actions of a public body to be valid, they must be approved by a majority vote of a quorum, absent a controlling provision to the contrary, at a lawfully convened meeting.[89]

QUORUM

Quorum – is the minimum number of members who must be present for a board to act. Any substantive action taken in the absence of a quorum is invalid. If a public body properly notices the meeting under OMA, but lacks a quorum when it actually convenes, the board members in attendance may receive reports and comments from the public or staff, ask questions, and comment on matters of interest.[90]

What is the quorum? – look to the statute, charter provision, or ordinance creating the board. On the state level, the Legislature in recent years has taken care to set the board quorum in the statute itself. The statute will often provide that "a majority of the board appointed and serving shall constitute a quorum." For a 15-member board, that means eight would be the quorum, assuming you have 15 members appointed and serving. Without more in the statute, as few as five board members could then decide an issue, since they would be a majority of a quorum.[91] But, be careful, recent statutes often provide that "voting upon action taken by the board shall be conducted by majority vote of the members appointed and serving." In that instance, the board needs at least eight favorable votes to act.[92] The Legislature has a backstop statute, which provides that any provision that gives "joint authority to 3 or more public officers or other persons shall be construed as giving such authority to a majority of such officers or other persons, unless it shall be otherwise expressly declared in the law giving the authority."[93]

Disqualified members – a member of a public body who is disqualified due to a conflict of interest may not be counted to establish a quorum to consider that matter.[94]

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[89] OAG, 1979-1980, No 5808, p 1060 (October 30, 1980). Robert's Rules of Order Newly Revised (RRONR) (10th ed.), p 4. We cite to Robert's Rules in this Handbook as a leading guide on parliamentary procedures. This is not to imply that public bodies are, as a general rule, bound by Robert's Rules.

[90] OAG, 2009-2010, No 7235, p (October 9, 2009).

[91] See OAG, 1977-1978, No 5238, p 261 (November 2, 1977).

[92] See OAG, 1979-1980, No 5808, at p 1061.

[93] MCL 8.3c. *Wood v Bd of Trustees of the Policemen and Firemen Retirement System of Detroit*, 108 Mich App 38, 43; 310 NW2d 39 (1981).

[94] OAG, 1981-1982, No 5916, p 218 (June 8, 1981). But see MCL 15.342a, which provides a procedure for disqualified public officials to vote in some limited circumstances where a quorum is otherwise lacking for a public body to conduct business.

Losing a quorum – even if a meeting begins with a quorum present, the board loses its right to conduct substantive action whenever the attendance of its members falls below the necessary quorum.[95]

Resigned members – the common law rule in Michigan is that a public officer's resignation is not effective until it has been accepted by the appointing authority (who, at the state level, is usually the governor). Acceptance of the resignation may be manifested by formal acceptanceor by the appointment of a successor.[96] Thus, until a resignation is formally accepted or a successor appointed, the resigning member must be considered "appointed and serving," be counted for quorum purposes, and be permitted to vote.

[95] RRONR (10th ed.), p 337-338.
[96] OAG, 1985-1986, No 6405, p 429, 430 (December 9, 1986), citing *Clark v Detroit Bd of Education*, 112 Mich 656; 71 NW 177 (1897).

VOTING

Abstain – means to refuse to vote. Thus, a board member does not "vote" to abstain. If a vote requires a majority or a certain percentage of the members present for approval, an abstention has the same effect as a "no" vote.[97]

Adjourning the meeting - a presiding officer cannot arbitrarily adjourn a meeting without first calling for a vote of the members present.[98]

Chairperson voting – perhaps as a spillover from the well-known constitutional rule that the vice president can only vote to break a tie in the United States Senate[99] or that a legislative presiding officer usually refrains from voting unless his or her vote affects the result,[100] some believe that a board's presiding officer (usually, the chairperson) can only vote to break a tie. However, absent a contrary controlling provision, all board members may vote on any matter coming before a board.[101] A board's presiding officer can't vote on a motion and then, if the vote is tied, vote to break the tie unless explicitly authorized by law.[102]

Expired-term members – look first to the statute, charter provision, or ordinance creating the public body. Many statutes provide that "a member shall serve until a successor is appointed." Absent a contrary controlling provision, the general rule is that a public officer holding over after his or her term expires may continue to act until a successor is appointed and qualified.[103]

Imposing a greater voting requirement – where the Legislature has required only a majority vote to act, public bodies can't impose a greater voting requirement, such as requiring a two-thirds vote of its members to alter certain policies or bylaws.[104]

Majority – means simply "more than half."[105] Thus, on a 15-member board, eight members constitute a majority.

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[97] RRONR (10th ed.), p 390-395.
[98] *Dingwall v Detroit Common Council*, 82 Mich 568, 571; 46 NW 938 (1890),
[99] US Const, art I, §3.
[100] RRONR (10th ed.), p 392-393 – an assembly's presiding officer can break or create a tie vote.
[101] See OAG, 1981-1982, No 6054, p 617 (April 14, 1982).
[102] *Price v Oakfield Twp Bd*, 182 Mich 216; 148 NW 438 (1914).
[103] OAG, 1979-1980, No 5606, p 493 (December 13, 1979), citing *Greyhound Corp v Public Service Comm*, 360 Mich 578, 589-590; 104 NW2d 395 (1960). See also, *Cantwell v City of Southfield*, 95 Mich App 375; 290 NW2d 151 (1980).
[104] OAG, 1979-1980, No 5738, p 870 (July 14, 1980). OAG, 2001-2002, No 7081, p 27 (April 17, 2001), citing *Wagner v Ypsilanti Village Clerk*, 302 Mich 636; 5 NW2d 513 (1942).
[105] RRONR (10th ed.), p 387.

Proxy voting – the OMA requires that the deliberation and formulation of decisions effectuating public policy be conducted at open meetings.[106] Voting by proxy effectively forecloses any involvement by the absent board member in the board's public discussion and deliberations before the board votes on a matter effectuating public policy.[107] Without explicit statutory authority, this practice is not allowed.[108]

Roll call vote – there is no bright line rule for conducting a roll call vote.[109] We suggest some rules of thumb. When a voice vote reveals a divided vote on the board (i.e., more than one no vote), a roll call vote should be conducted to remove doubt about the vote's count. When the board is acting on matters of significance, such as, contracts of substantial size or decisions that will have multi-year impacts, a roll call vote is the best choice.

Round-robin voting – means approval for an action outside of a public meeting by passing around a sign-off sheet. This practice has its roots in the legislative committee practice of passing around a tally sheet to gain approval for discharging a bill without a committee meeting. "Round-robining" defeats the public's right to be present and observe the manner in which the body's decisions are made and violates the letter and the spirit of the OMA.[110]

Rule of necessity – if a state agency's involvement in prior administrative or judicial proceedings involving a party could require recusal of all of its board members or enough of them to prevent a quorum from assembling, the common law rule of necessity precludes recusing all members, if the disqualification would leave the agency unable to adjudicate a question.[111] But the rule of necessity may not be applied to allow members of a public body to vote on matters that could benefit their private employer.[112]

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[106] *Esperance v Chesterfield Twp*, 89 Mich App at 464, quoting *Wexford County Prosecutor v Pranger*, 83 Mich App 197; 268 NW2d 344 (1978).

[107] Robert's Rules concur: "Ordinarily it [proxy voting] should neither be allowed nor required, because proxy voting is incompatible with the essential characteristics of a deliberative assembly in which membership is individual, personal, and nontransferable." RRONR (10th ed.), p 414. The Michigan House and Senate do not allow proxy voting for their members.

[108] OAG, 2009-2010, No 7227, p (March 19, 2009). OAG, 1993-1994, No 6828, p 212 (December 22, 1994), citing *Dingwall*, 82 Mich at 571, where the city council counted and recorded the vote of absent members in appointing election inspectors. The Michigan Supreme Court rejected these appointments, ruling that "the counting of absent members and recording them as voting in the affirmative on all questions, was also an inexcusable outrage."

[109] "The fact that the Open Meetings Act prohibits secret balloting does not mean that all votes must be roll call votes." *Esperance v Chesterfield Twp*, 89 Mich App at 464 n 9. The OMA does provide that votes to go into closed session must be by roll call. MCL 15.267.

[110] OAG, 1977-1978, No 5222, at p 218. See also, *Booth Newspapers,* 444 Mich at 229, which concluded that "round-the-horn" deliberations can constitute decisions under the OMA.

[111] *Champion's Auto Ferry, Inc v Michigan Public Service Comm*, 231 Mich App 699; 588 NW2d 153 (1998). The Court noted that the PSC members did not have any personal financial interest in the matter. *Id.* at 708-709.

[112] OAG, 1981-1982, No 6005, p 439, 446 (November 2, 1981). After OAG No 6005 was issued, the Legislature amended section 2a of 1973 PA 196, MCL 15.342a, to provide a procedure for voting by public officials in some limited circumstances where a quorum is otherwise lacking for a public entity to conduct business.

Secret ballot – the OMA requires that all decisions and deliberations of a public body must be made at an open meeting and the term "decision" is defined to include voting.[113] The OMA prohibits a "voting procedure at a public meeting that prevents citizens from knowing how members of a public body have voted."[114] Obviously, the use of a secret ballot process would prevent this transparency. All board decisions subject to the OMA must be made by a public vote at an open meeting.[115]

Tie vote – a tie vote on a motion means that the motion did not gain a majority. Thus, the motion fails.[116]

[113] See MCL 15.262(d) and 15.263(2) and (3).
[114] OAG, 1977-1978, No 5262, at p 338-339.
[115] *Esperance*, 89 Mich App at 464.
[116] *Rouse v Rogers*, 267 Mich 338; 255 NW 203 (1934). RRONR (10th ed.), p 392.

2012 ANNUAL REPORT

MARQUETTE COUNTY LAND BANK AUTHORITY

Anne Giroux, Chairperson
Charles Bergdahl, Vice Chairperson
Deborah Pellow, Secretary/Treasurer

The Marquette County Land Bank Authority, which was created on May 21, 2009, has acquired 55 parcels since its inception. Of those 55 parcels, all but 10 have been disposed of and returned to tax-producing status. Chairperson Giroux attended the Michigan Land Bank Conference in Kalamazoo, and was a speaker at both the Building Michigan Communities conference in Lansing as well as the Kansas Housing Conference in Manhattan, Kansas. Marquette County's Land Bank continues to serve as a model for many rural land banks in Michigan, as well as other states. The Authority submitted two grant proposals to the 2012 Blight Elimination Program; one for a project at KI Sawyer and one joint application with the City of Marquette. Announcements were made in February 2013 that the KI Sawyer project was preliminarily funded.

The mission of the Marquette County Land Bank Authority is to work collaboratively with local governmental units and community organizations, in finding the best way to return tax-foreclosed properties to the tax roll.

Sisters, Pat Jerry and Penny Aldrich purchased a duplex at Sawyer through the Land Bank in 2012 and remodeled both sides of the duplex. "Living at KI Sawyer is an affordable opportunity to live in the heart of the UP and experience all it has to offer right out our back door. Working with the Land Bank was great - they helped us through the seamless process of purchasing a home at KI." - Pat Jerry. (Photos provide by Pat Jerry)

Year	Number of parcels acquired	Blighted structures demolished	Side lot transfers to adjoining property owners	Sales to private ownership	Transfers to local units of government	Retained by Land Bank/ Available for sale
2009	7	3	2	2	2	1
2010	18	6	6	11	0	1
2011	19	6	3	7	2	5
2012	11	4	7	3	0	3

Marquette County Land Bank Authority 234 W. Baraga Ave. Marquette, MI 49855 906-225-8425 Fax 906-225-8432

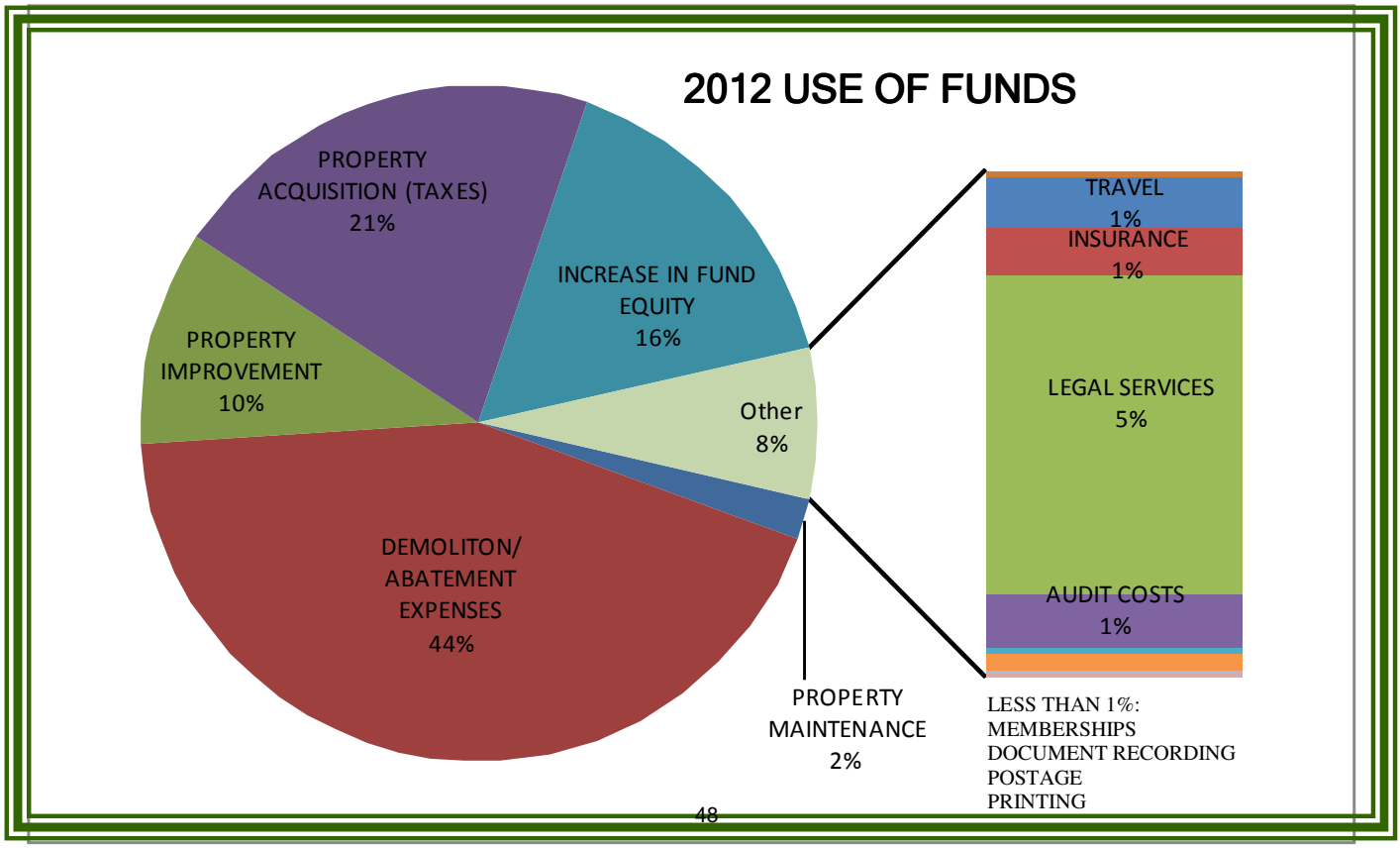
MARQUETTE COUNTY LAND BANK AUTHORITY 2012 PRELIM. ACTUAL RESULTS	
	YTD
REVENUE	
SALE OF PROPERTY	$91,695
FROM FORECLOSURE FUND	$25,000
INTEREST—LAND CONTRACT	$614
TAX CAPTURE	$4,217
TOTAL REVENUE	**$121,525**
EXPENSES	
DELQ/CURRENT TAXES PAID	$23,306
INSURANCE	$748
LEGAL SERVICES	$5,097
ADMINISTRATIVE. EXPENSE	$4,605
DUE BROWNFIELD	$9,666
PROF/CONT SERVICES	
Champion Twp.	$4,635
Ishpeming Twp.	$11,500
Ishpeming City	$540
Michigamme Twp.	$468
Forsyth Twp.	$32,036
Republic Twp.	$8,295
Ely Twp.	$2,500
TOTAL EXPENSES	**$103,396**
NET	**$18,129**
2011 FUND BALANCE	**$84,066**
2012 PROJECTED FUND BALANCE	**$102,195**

BUDGETARY ACCOMPLISHMENTS

- Almost half of total budget expended on demolition and abatement activities
- 16% of budget set aside in fund equity and available for future projects
- Only 8% of budget spent on administrative expenditures, 5% of which relate to legal expenditures
- No additional staff hired; all support provided by County Treasurer, and assistance from County Planning Dept.

HISTORY OF FUND BALANCE

2009	$ 609
2010	$ 62,432
2011	$ 84,066
2012	$102,196

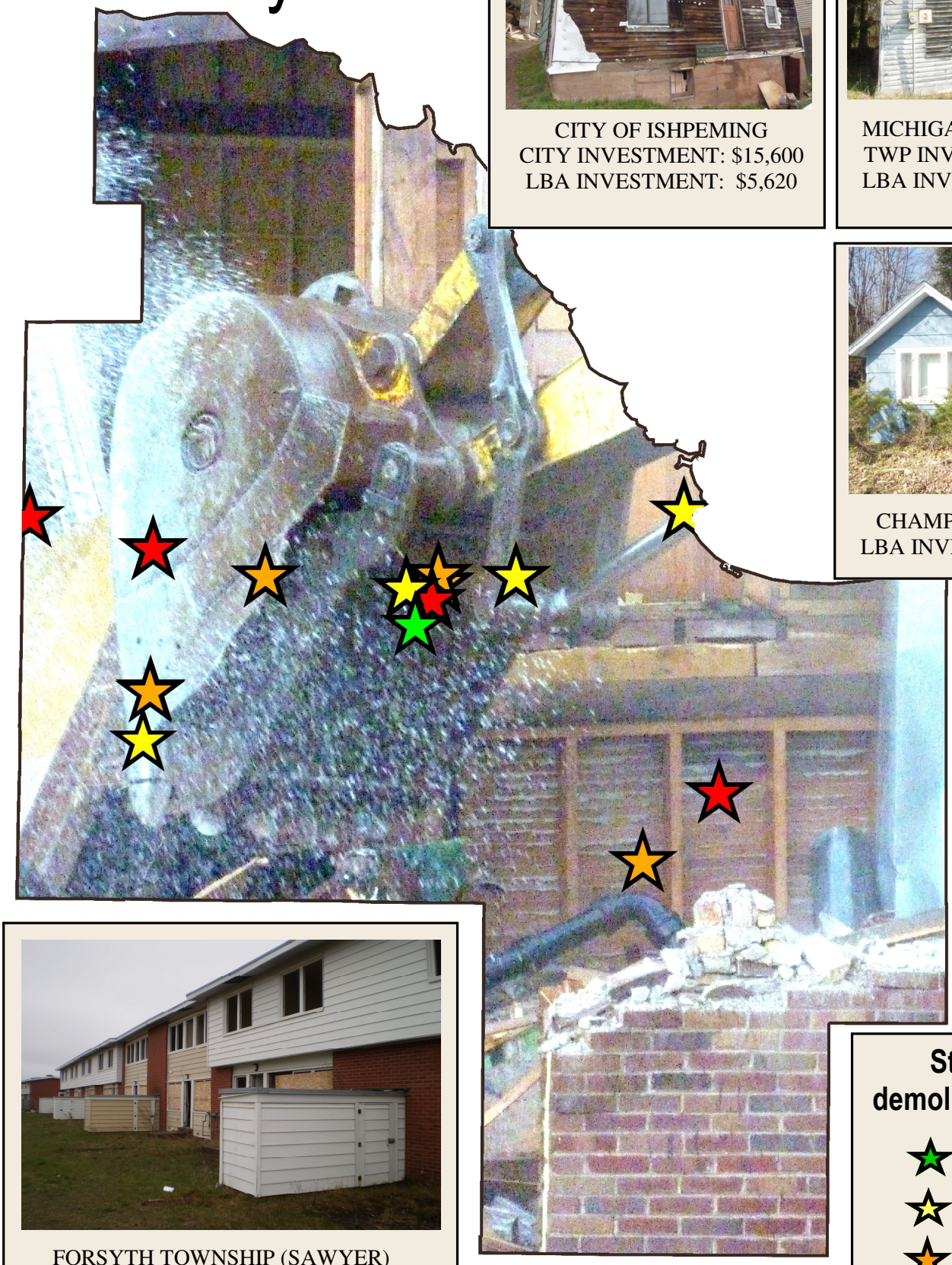


Demolition Activity

CITY OF ISHPEMING
CITY INVESTMENT: $15,600
LBA INVESTMENT: $5,620

MICHIGAMME TOWNSHIP
TWP INVESTMENT: $1,000
LBA INVESTMENT: $3,800

CHAMPION TOWNSHIP
LBA INVESTMENT: $6,000



FORSYTH TOWNSHIP (SAWYER)
LBA INVESTMENT: $53,000

Structures demolished by year

- 2009
- 2010
- 2011
- 2012

Former West Ishpeming School Site

Plans for the redevelopment of the site continued in 2012. The site was surveyed, and the Land Bank and Township split the cost of extending the sanitary sewer line through the development. Two lots were sold to adjoining property owners and a purchase agreement was signed with Habitat for Humanity for three lots. The sale of those lots is expected in early 2013 with complete construction of two homes in 2013 and the third completed in 2014. The Marquette County Planning Department continued to assist the Land Bank with conceptual drawings as well as facilitation of a community meeting in September where options for preserving some green space at the site were discussed. In 2013 the Land Bank hopes to market the remaining sites to the general public and work with Habitat for Humanity on any additional lots that they are able to purchase.

MARQUETTE COUNTY LAND BANK AUTHORITY

2018 Annual Report

TRANSFORMING NEIGHBORHOODS.....

In 2018 the Land Bank Authority facilitated the purchase, clean up and ultimate sale of a Brownfield site in the City of Ishpeming at 1400 N. Third Street. The Authority purchased the property and secured a $200,000 grant from the Michigan Department of Environmental Quality. After removing the three underground storage tanks on the site, removing contaminated soils and demolishing the blighted structure, the property is ready to be developed and will be transferred to the purchaser in early 2019.

..... AND CHANGING LIVES

This tax foreclosed property on Bluff Street in the City of Marquette had a failing roof system and water damage throughout the house. Demolition was the only viable option. The Land Bank sold the property to Habitat for Humanity, partnered on the demolition of the house and Habitat built a new house while retaining the existing garage. A very happy family moved into their new home in late November. With three bedrooms, a two car garage and a view of Lake Superior from the second story, they are sure to enjoy this home for years to come.

Year	Number of parcels acquired	Blighted structures demolished	Side lot transfers to adjoining property owners	Sales to private ownership	Transfers to local units of government	Current Land Bank Inventory
2009	7	3	2	2	2	1
2010	18	6	6	11	0	6
2011	19	6	3	7	2	10
2012	11	4	7	3	0	10
2013	8	17	0	2	0	12
2014	15	1	5	1	0	16
2015	15	12	3	4	0	20
2016	25	8	5	3	0	35
2017	**23**	**22**	**6**	**9**	**0**	**55**
2018	**21**	**10**	**7**	**9**	**0**	**46**
TOTAL	**141**	**89**	**44**	**51**	**4**	

2018 DEMOLITION PROGRAM PARTNERS

Twp/City	Number of structures	Investment
Forsyth	1	Land Bank $16,505 Township $8,257
Michigamme	1	Land Bank $14,715 Township $5,000
Ishpeming City	7	Land Bank $62,469 State $80,304

$220,000 ADDITIONAL HARDEST HIT FUNDING In late 2018 the Land Bank was awarded additional funds for blight elimination in the City of Ishpeming. These funds were awarded due to meeting spending and timeline goals from an earlier round of funding. Most of the work related to this grant will be done in 2019.

In October 2018, the Land Bank completed work on a $138,000 grant award from the Michigan State Housing Development Authority. 12 properties were demolished in Ishpeming and Negaunee with this funding.

TOTAL GRANT FUNDING RECEIVED FOR BLIGHT ELIMINATION EFFORTS SINCE 2013 = $1,389,000.

MARQUETTE COUNTY LAND BANK AUTHORITY
2018 PRELIMINARY RESULTS

	12/31/18 ACTUAL
REVENUE	
SALE OF PROPERTY	$76,005
STATE GRANT (RECEIVABLE)	$237,705
FROM FORECLOSURE FUND	$25,000
CONTRIBUTIONS (IHS PROJECT)	$10,000
BROWNFIELD REIMBURSEMENT	$2,403
LAND BANK SPECIFIC TAX (5/50)	$39,134
PRIOR YEAR ADJUSTMENT - MSHDA BLIGHT 2 GRANT	$7,395
TOTAL REVENUE	**$397,642**
EXPENSES	
ADMINISTRATIVE SERVICES	$8,000
MEMBERSHIPS	$500
TRAVEL	$2,438
INSURANCE	$1,208
LEGAL SERVICES	$3,160
TITLE & RECORDING SERVICES	$3,268
AUDIT COSTS	$1,044
MISC. EXPENSE	$135
FORECLOSED TAXES	$68,248
CURRENT TAXES	$2,044
2018 DEMOLITION	$23,693
MAINTENANCE EXP ON PROPERTIES	$917
GROUNDS EXPENSE	$2,316
BLIGHT GRANT EXPENSE (2016)	$1,737
BLIGHT GRANT EXPENSE (2017)	$58,036
BLIGHT GRANT EXPENSE (2018)	$72,197
PROJECTS	
IHS PROJECT EXPENSE	$22,539
207 MAPLE -HABITAT PROJECT	$1,166
430 W BLUFF - MQT - HABITAT	$5,500
1400 N THIRD ISHPEMING	$191,958
TOTAL EXPENSES	**$470,104**
NET	**($72,462)**
2017 FUND BALANCE (per audit)	**$222,472**
2018 PROJECTED FUND BALANCE	**$150,010**

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MARQUETTE COUNTY
LAND BANK AUTHORITY

PRIORITIES, POLICIES AND PROCEDURES

As approved by the Board of Directors on March 23, 2010
As revised by the Board of Directors on October 5, 2010

Contents

1. Policies Governing the Acquisition of Properties

The acquisition and disposition of properties acquired by the Treasurer of Marquette County through tax foreclosure procedures in accordance with 1893 P.A. 206, as amended by 1999 P.A. 123, MCL §211.1 et. seq., and properties that are owned by the Marquette County Land Bank Fast Track Authority (the "LBA"), shall be governed by the following basic priorities and policies.

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the Constitution of Michigan, the laws of the state of Michigan, the Intergovernmental Agreement between the Marquette County Treasurer and the Michigan Land Bank Fast Track Authority June 2, 2009, the articles of incorporation and bylaws of the Marquette County Land Bank Authority, and the public purposes set forth therein.

A. Policies Governing the Acquisition of Tax-Foreclosed Properties

In determining which, if any, properties shall be acquired by purchase or bundling that become available through the tax foreclosure processes for acquisition by the Marquette County Land Bank Authority (LBA), the Treasurer shall give consideration to the following factors:

1. Blighted, vacant and/or nuisance properties that are either the subject of an existing order for demolition meet the criteria for demolition.
2. Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
3. Proposals and requests by nonprofit corporations that identify specific properties for ultimate acquisition and redevelopment.
4. Vacant properties that could be transferred to an adjoining property owner.
5. Properties that will generate operating resources for the functions of the Land Bank Authority.
6. Residential rental properties that are occupied or are available for immediate occupancy without need for substantial rehabilitation.

The Treasurer may combine properties from one or more of the foregoing categories in structuring the terms and conditions of the statutorily required auctions of tax-foreclosed properties, and may acquire any such properties prior to auctions, at such auctions, or subsequent to auctions as authorized by law. In determining the nature and extent of the properties to be acquired, the Treasurer shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions, the operational capacity of the LBA, and the projected length of time for transfer of such properties to the ultimate transferees.

B. Policies Governing the Acquisition of Non Tax-Foreclosed Properties

The Land Bank Fast Track Act, 2003 PA 258, MCL 124.755 et seq allows for the direct purchase of property. While the foundation of the Land Bank property is acquired through the tax foreclosure process, there may be opportunities for direct purchase of properties that represent the mission of the Land Bank. Policies and Procedures to carry out these Priorities are:

1. Accumulate property information including assessment data, map location, photos, code violation information and other pertinent information regarding the property.

2. Personal inspection of the interior/exterior of the property.

3. Contact the local jurisdiction and receive a written evaluation of the property relative to their community/neighborhood plan.

4. Request a rehabilitation/redevelopment appraisal or market value estimate from professional service staff.

5. Professional staff will prepare a financial and policy analysis, and present the information to the board to establish purchase price and approval.

In addition to direct purchase, the LBA may be willing to receive title to properties from community development corporations and other entities, and hold title to such properties pending future use by the LBA, by the transferor of the property, or by other third parties. The receipt by the LBA of any and all conveyances of real property shall at all times be solely within the discretion of the LBA, and nothing in this policy shall be deemed to require the LBA to take title to any properties nor to limit the discretion of the LBA in negotiating the terms of its acquisition of any property, whether as donated transfers or otherwise.

All conveyances received by the LBA in its land banking capacity will be reviewed and considered by the LBA in accordance with the following procedures:

1. The transferor of any proposed conveyance to the LBA in its land banking capacity shall prepare a written proposal containing the following information:

   (a) A legal description of the property.
   (b) A title report, or other similar evidence, indicating that the property is free of all liens and encumbrances specified in Part A.
   (c) A description of the transferor's intended uses of the property and the time frame for use and development of the property by the transferor.

2. Following receipt of the proposal, the LBA shall review the proposal and notify the transferor of its approval or disapproval, and of any changes or additions that may be necessary as determined by the LBA in its sole discretion.

2. Priorities Concerning the Disposition of Properties

The disposition of properties shall be based upon a combination of three different factors. The first factor involves the intended or planned use of the property. The second factor considers the nature and identity of the transferee of the property. The third factor addresses the impact of the property transfer on the short and long term neighborhood and community development plans. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize priorities within these three factors.

Priorities for Use of Property

1. Homeownership and affordable housing.
2. Neighborhood revitalization.
3. Return of the property to productive tax paying status.
4. Provision of financial resources for operating functions of the LBA.

Priorities as to the Nature of the Transferee

1. Governmental entities.
2. Qualified nonprofit corporations that will hold title to the property on a long-term basis (primarily rental properties) or hold title to the property for purposes of subsequent reconveyance to private third parties for homeownership.
3. Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporations and a private for-profit entity.
4. Individuals who own and occupy property adjacent to the property (side-lot transfer).

Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the Treasurer shall be ineligible to be the transferee of such property from the Treasurer.

Priorities Concerning Neighborhood and Community Development

1. The preservation of existing stable and viable neighborhoods.
2. Neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration.
3. Geographic areas which are predominantly non-viable for purposes of residential or commercial development.

3. Factors in Determining Consideration Due Upon Transfers

The following factors shall constitute general guidelines for determination of the consideration to be received by the LBA for the transfer of properties. In each and every transfer of real property the LBA shall require good and valuable consideration in an amount determined by the LBA in its sole discretion. The LBA will consider both the fair market value of the property and the Property Costs in its determination of consideration for each property. "Property Costs" shall mean the aggregate costs and expenses of the LBA attributable to the specific property in question, including costs of acquisition, maintenance, repair, demolition, marketing of the property and indirect costs of the operations of the LBA allocable to the property.

The consideration to be provided by the transferee to the LBA may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.

1. Transfers to Governmental Entities.

   (a) To the extent that transfers of property to governmental entities are designed to be held by such governmental entities in perpetuity for governmental purposes, the aggregate consideration for the transfer shall be based upon deed restrictions upon the use of the property.

(b) To the extent that transfers of property to governmental entities are anticipated as conduit transfers by such governmental entities to third parties, the consideration shall consist of not less than Property Costs, to be paid in cash. The difference between the Property Costs and the fair market value may be included in consideration depending upon the relationship between the anticipated uses and the governing priorities of the LBA.

2. Transfers to Nonprofit entities for affordable housing.

   (a) Transfers of property to nonprofit entities for the development, operation or maintenance of affordable housing shall require consideration not less than the Property Costs.

   (b) Consideration shall be established at a level between the Property Costs and fair market value of the property.

3. Side Lot Transfers

   (a) Parcels of property that are not capable of independent development may be transferred for nominal consideration.

(b) Parcels of property that are capable of independent development shall be transferred for consideration in an amount not less than the amount of the costs incurred in acquisition, demolition and maintenance of the lot.

4. Transfers of Property at Open Market Conditions.

(a) Property that is transferred on the open real estate market, whether through auction or negotiated transfers, without restrictions as to future use, shall be based upon consideration not less than Property Costs, to be paid in cash. The difference between the Property Costs and the fair market value may be included in consideration depending upon the relationship between the anticipated uses and the governing priorities of the LBA. Such consideration shall be paid in full at the time of the transfer.

(b) Property that is transferred on the open real estate market, whether through auction or negotiated transfers, with restrictions as to future use, shall be based upon consideration equal to the fair market value of the property. Such consideration shall be paid in full at the time of the transfer.

4. Property Transfers

Individual parcels of property may be acquired by the Land Bank Authority and transferred to individuals in accordance with the following policies.

A. Transferees

1. The transferee must not own any real property that has any unremediated citation of violation of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).
4. The transferee must not have been the prior owner of any real property in Marquette County that was transferred to the Treasurer or to a local government as a result of tax foreclosure proceedings unless the LBA approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.
5. The transferee must agree to pay future property taxes from time of transfer.

B. Use of Property

1. The use of transferred property must give consideration to the Community/Neighborhood Plan (if one is in place) and received a letter of comment from the appropriate planning groups.
2. All development projects should be started and completed within a time frame negotiated with the LBA.
3. A precise narrative description of future use of the property is required.
4. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
5. The proposed use must be consistent with current zoning requirements or a waiver for non-conforming use is a condition precedent to the transfer.

C. Procedures

1. The prospective transferee must submit the following documents to the LBA:

   (1) List of currently owned property
   (2) Project Description – property use must be consistent with current zoning requirements
   (3) Rehabilitation / Improvement Specifications
   (4) Time Line for Rehabilitation / Improvement Completion (if applicable)
   (5) Project Financing (Pre-Qualification Letter for Lender) (if applicable)
   (6) Development Budget (if applicable)
   (7) A Picture Identification
   (8) Proof of Social Security Number if needed for identification and/or tax compliance
   (9)Corporate transferees must provide most recent audited financial statement

2. Within a 60-day period of receiving a complete request packet, staff will complete a basic analysis and present it to the Land Bank Authority board for approval. Additional information may be required of the transferee prior to final approval. The Board of Directors will approve all transfers.

3. Once the project has been approved, staff will compile the closing documents for property transfer and complete the transaction with the transferee.

5. Rehabilitation of Properties

These policies apply to the disposition by the LBA of improved real property which is rehabilitated by or on behalf of the LBA prior to its disposition to a transferee.

A. Rehabilitation and Marketing

1. The LBA may undertake, in its sole discretion, rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the LBA in its sole discretion.

1. At the commencement of rehabilitation a sign shall be placed on the property indicating that the property is owned by the LBA.

2. A real estate agent, or realtor, shall be selected in accordance with LBA guidelines to assist in the marketing of the property. A listing agreement will normally be signed with such agent approximately two months prior to completion of the rehabilitation. Marketing of the property will normally commence at this point. The LBA staff will make available information on the property and on the procedures to be followed by parties interested in the possible acquisition of the property.

B. Sale of Rehabilitated Properties

1. A nonrefundable escrow deposit shall be required for all contracts for the disposition of property rehabilitated by the LBA. Such deposit shall be in an amount established by the LBA, but shall not be less than $500 for a purchase price less than $30,000, and $1000 for a purchase price greater than $30,000.

2. A sales contract shall be submitted to staff for review, and must comply with all policies and procedures of the LBA. The sales contract shall not be binding upon the LBA until approved by the Board of Directors.

3. Closing of the transfer shall occur with the assistance of a title company selected and approved in accordance with the LBA guidelines.

Policies Governing the Acquisition of Properties

In determining which (if any) properties shall be acquired* by the Benzie County Land Bank Authority, the following considerations shall be made:

- Acquisition of properties supports the mission of the Benzie County Land Bank Authority.
- Proposals and requests by governmental, nonprofit and for-profit entities that identify specific properties for ultimate acquisition and redevelopment, which: a) act as catalyst for economic development; b) is part of a comprehensive development plan; or c) need environmental remediation. In particular, acquisition will be prioritized where the land bank participation is necessary to complete the redevelopment.
- Proposals and requests by governmental, nonprofit and for-profit entities that identify specific properties for ultimate use and redevelopment, including but not limited to infrastructure, public space and parking projects. In the case of municipal involvement, inter-local agreements (if required for development or maintenance) must be in place prior to acquisition.
- Properties that are available for immediate occupancy without need for substantial rehabilitation, and will generate operating resources for the functions of the Land Bank.
- Properties that meet the criteria for demolition, and such demolition will support blight elimination and local plans. This activity is contingent upon the funding available for the Land Bank to facilitate demolition.
- Vacant, non-conforming, or undevelopable properties that could be placed into a Side Lot Disposition Program or support a planned development.
- All properties must be absent of any financial liabilities.
- The Land Bank must be aware of any environmental conditions. If any adverse conditions are determined, a remediation plan must be in place.
- Properties with a specific end-use in place.
- Properties that are environmentally contaminated where funds have been secured for the clean-up and reuse of the property.
- Properties that will result in a planned development that benefits the community, and are supported by the local government. Properties near schools, senior centers, or high visibility areas that may pose safety issues to the community.
- Properties that would allow for the creation or expansion of green or community space.
- Properties for which title issues are preventing the property from being developed to its highest and best use.

- Any exception to the policies governing property acquisition shall be taken to the governing body of the Land Bank for approval.

**Acquisition is defined by the following methods: tax foreclosure; mortgage foreclosure; donation; purchase.*

In determining the nature and extent of the properties to be acquired the Benzie County Land Bank Authority shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions and/or ongoing management, the operational capacity of the Land Bank, and the projected length of time for transfer of such properties to the ultimate transferees.

Land Bank Issued Financing

- Land Bank financing will be a contract between the Benzie County Land Bank and the buyer of real property in which the Land Bank provides the financing to buy the property for an agreed-upon purchase price and the buyer repays the loan in installments. In this arrangement, the Land Bank retains the legal title to the property, while permitting the buyer to take possession of it for most purposes other than legal ownership. The sale price will be paid in periodic installments, often with a balloon payment at the end to make the time-length of payments shorter than a corresponding fully amortized loan without a final balloon payment. When the full purchase price has been paid, including any interest determined by policy or affordability, the Land Bank will then convey legal title to the property to the buyer. The initial downpayment amount shall be an amount equal to (i) 10% of the sales price (ii) all expenditures of the Land Bank (whether made directly by the Land Bank or through payments to a third party contractor) in connection with the subject property that were incurred subsequent to the date of conveyance or (iii) a minimum of $2,000. The legal status of this form of financing may vary from region to region. As well, funding used in the acquisition and redevelopment of subject properties may not allow for Land Bank financed sales.

Installment payments

The installment payments of the purchase price will be similar to mortgage payments in amount and effect. The amount is often determined according to a mortgage amortization schedule. In effect, each installment payment is partially payment of the purchase price and partially payment of interest on the unpaid purchase price. This is similar to mortgage payments which are part repayment of the principal amount of the mortgage loan and part interest. As the buyer pays off more of the principal of the loan, his (her) equitable title or interest in the property will increase. For example, if a buyer pays a $2,000 down payment and loans $8,000 for a $10,000 parcel of land, and pays off in installments another $4,000 of this loan (not including interest), the buyer has $6,000 of equity in the land or 60% of the equitable title, but the Land Bank holds legal title to the land as recorded in documentation (deeds) in a government recorder's office until the loan is completely paid off. However, if the buyer defaults on installment payments, the Land Bank may consider the failure to timely pay installments a breach of contract and the land equity may be forfeited to the Land Bank, depending on the contract provisions.

The following policies shall establish the instances when the Land Bank will consider selling its property through alternative financing (*i.e. Land Contract*) rather than cash sale. All exceptions to this policy shall be decided by governing body of the Land Bank.

- Land Bank financing may be used when the property being sold is as an affordable owner-occupied-single residential structure. The contract terms (down-payment amount, interest rate, amortization schedule and length of contract) will be determined by the governing body of the Land Bank.
- The contract terms will include a down payment of an amount equal to (i) 10% of the sales price (ii) all expenditures of the Land Bank (whether made directly by the Land Bank or through payments to a third party contractor) in connection with the subject property that were incurred subsequent to the date of conveyance or (iii) a minimum of $2,000 *with interest rate charged at 2% under the New York Prime. A minimum interest rate of 4% will be charged,* and the length of land contract will be up to five (5) *years* with the option to renegotiate.
- Land Bank financing may be used as a means to enforce a development agreement. The contract shall be based upon consideration equal to the fair market value of the property. Properties with an SEV greater than $50,000 fair market value shall be determined by an appraisal approved by the Land Bank that is no older than 365 days from the date of property application. The contract will have, at a minimum, a length equal to or greater than the development schedule sited in the development agreement.
- All terms of the contact may be renegotiated between the Land Bank and the buyer based on approvals from the governing body of the Land Bank.

Acceptance of Donated Property

Donated Property Policies

- Properties with adverse environmental conditions will not be accepted without a satisfactory funded plan for remediation approved by the Land Bank.
- Properties with immediate maintenance requirements will not be accepted without a funding source secured for such maintenance.
- Properties with outstanding liens will not be accepted without a satisfactory funding source secured to cover such liens.
- The Land Bank may require all donated property to have title insurance proving clear title.
- The Land Bank will not determine the value of the donated property for the purpose of tax benefits, but will provide a letter describing the property donated.
- All donated property must be acquired through the Land Bank Board of Directors approval.
- All other land acquisition policies apply.

Land Banking Policies

The Land Bank is able to receive title to properties from nonprofit organizations, community development corporations, and government agencies, and hold title to such properties pending future use by the Land Bank, by the transferor of the property, or by other third parties. The receipt by the Land Bank of any and all conveyances of real property shall at all times be solely within the discretion of the Land Bank. Nothing in this policy shall be deemed to require the Land Bank to take title to any properties nor to limit the discretion of the Land Bank in negotiating the terms of its acquisition of any property, whether as donated transfers or otherwise. All conveyances received by the Land Bank in its land banking capacity must comply with the requirements and in accordance with the procedures set forth below. If the transfer is approved by the Land Bank, the Land Bank shall hold the subject property, and may use or convey the subject property or any interest in the subject project, subject only to the right of repurchase set forth below. Following the transfer of any properties to the Land Bank in accordance with this policy, the Land Bank shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the subject property and perform any and all other tasks and services with respect to the subject property as the Land Bank may deem necessary and appropriate in its sole discretion.

Requirements for Conveyances to the Land Bank in its Land Banking Capacity

- Property that is intended to be conveyed to the Land Bank and to be held by the Land Bank in its land banking capacity shall be clearly designated as such in the proposal for the transfer, and in the records of the Land Bank.
- No property shall be transferred to the Land Bank pursuant to this land banking policy unless the transferor is a either a private nonprofit entity or a governmental entity.
- The subject property must be located in within the Land Bank service area of Benzie County.
- The subject property must not be occupied by any party or parties as of the date of transfer to the Land Bank.
- The subject property must, as of the date of the transfer to the Land Bank, be free or released of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.

- The subject property must, as of the date of the transfer to the Land Bank, be free or released of all outstanding mortgages and security instruments.
- Properties will be held for a maximum of five (5) years unless the Land Bank extends this time period.

Right of Repurchase by the Transferor

- The transferor shall have a right to repurchase the subject property from the Land Bank at any time within a timeline determined by the Land Bank on a case-by case basis by giving notice to the Land Bank.
- The right of repurchase may be exercised by the transferor upon payment to the Land Bank of the Purchase Price. The Purchase Price shall be an amount equal to (i) all expenditures of the Land Bank (whether made directly by the Land Bank or through payments to a third party contractor) in connection with the subject property that were incurred subsequent to the date of conveyance and (ii) an amount determined by the Land Bank as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.

Factors in Determining Consideration Due Upon Transfers

The following factors shall constitute general guidelines for determination of the consideration to be received by the Land Bank for the transfer of properties. In each and every transfer of real property the Land Bank shall require good and valuable consideration in an amount determined by the Land Bank in its sole discretion. The Land Bank will consider both the fair market value of the property and the property costs in its determination of consideration for each property. "Property Costs" shall mean the aggregate costs and expenses of the Land Bank attributable to the specific property in question, but not limited to including costs of acquisition, maintenance, repair, demolition, marketing of the property and, indirect costs of the operations of the Land Bank applicable to the property.

- The consideration to be provided by the transferee to the Land Bank may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.
- All property that is transferred shall be based upon consideration equal to the fair market value of the property or, at minimum, the Property Costs. Properties with an SEV greater than $50,000, fair market value shall be determined by an appraisal or a recent appraisal approved by the Land Bank that has been completed within 365 days from the date of property request. Such consideration shall be paid in full at the time of the transfer.
- Any exception to the policies governing consideration shall be taken to the governing body of the Land Bank for approval.

Transfers using the Side Lot Disposition Program

- The pricing policies applicable to the Side Lot Disposition Program shall be as set forth in the policies and procedures applicable to the Side Lot Disposition Program, and depending on the source of funds that have been used to pay Project Costs, may require compliance with associated funding sources.

Priorities Concerning the Disposition of Properties

The disposition of properties shall be based upon a combination of two different factors. The first factor involves the intended or planned use of the property. The second factor considers the nature and identity of the transferee of the property. Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The Board and Staff of the Benzie County Land Bank Authority shall, at all times, retain flexibility in evaluating the appropriate balancing of the priorities for development or use of the property and the considerations for the conveyance of those properties.

Priorities for Use of Property

- Economic Development
- Partnering with Local Organizations
- Commercial and retail development
- Affordable housing development
- Public health and safety
- Eliminating environmental liabilities
- Preserving recreational resources
- Demolition
- Get back on tax roll
- Provide opportunities to grow the community

Priorities as to the Nature of the Transferee

- Businesses that will own and occupy the commercial property
- Individuals who will own and occupy residential property
- Landlords or Qualified real estate investors (unless the landlord has any judgments against them during the past 5 years regarding a landlord/tenant issue)
- Local government entities for public purpose use
- Qualified real estate developers; Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporations and a private for-profit entity.
- Qualified nonprofit corporations that will hold title to the property for the purposes of subsequent redevelopment and re-conveyance

NOTE: The Benzie County Land Bank Authority reserves the right to transfer properties to third parties not solely based on cash considerations, but also taking into account community and public benefit at the discretion of the Board of Directors.

Policies Governing the Disposition of Properties (Land Transfer)

In determining the requirements for property disposition by the Benzie County Land Bank Authority, the following considerations shall be made:

- The transferee must not own any real property that: a) has any un-remediated citation or violation of the state and local codes and ordinances; or b) is tax delinquent; c) was transferred to a local, state, or federal government as a result of tax foreclosure proceedings.
- All tax incentives and financing necessary for the development to be completed must be committed to the development and prescribed in the development agreement prior to actual disposition.
- The Land Bank will consider alternative financing options (*i.e. land contract*) as a method of disposition in any transactions.
- Options to purchase real estate may be available for a specified percentage of the purchase price with a negotiated time frame to be determined by the Land Bank. This fee will be credited to the parcel price at closing. If closing does not occur, the fee is forfeited. All option agreements are subject to all policies and procedures of the Land Bank pertaining to property transfers.
- All development projects should require a 'development agreement,' and be started and completed within the negotiated time-frame. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the local unit of government and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
- A precise narrative description of future use of the property is required in the proposal from the developer. The future use must be in-line with local development plans. The development agreement shall apply to stated use.
- If code or ordinance violations exist with respect to the property at the time of the transfer, the development or transfer agreements shall specify a maximum period of time for elimination or correction of such violations. The period of time to be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
- The proposed use must be consistent with current zoning requirements or a waiver for non-conforming use is a condition precedent to the transfer.
- The transferee must agree to pay future property taxes from time of transfer.

- The Land Bank may undertake, in its sole discretion, rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the Land Bank Board of Directors in its sole discretion.
- Any non-full time residents or entities of the State of Michigan may acquire Land Bank property only with an enforceable plan to place the property into immediate productive use (meaning the property is to be occupied immediately or with the immediate commencement of some form of development project that fits the stated mission of the Land Bank) and must have a local agent (i.e. real estate, legal). This applies to all real property.

Side Lot Disposition Program

Individual parcels of property may be acquired by the Benzie County Land Bank, and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Disposition Program is subject to override by higher priorities as established by the Land Bank.

Side Lot Disposition Policies

Parcels of property eligible for inclusion in the Side Lot Disposition Program shall meet the following minimum criteria:

- The property shall be vacant unimproved real property except for outbuildings, wells and septic tanks that the Land Bank deems of value to the property.
- The property shall be less than 1 acre in size.
- The property shall be physically contiguous to adjacent occupied (owner) residential property with not less than a 75% common boundary line on one side (left or right).
- Initial priority shall be given to the disposition of properties of insufficient size to permit independent development.
- No more than one lot may be transferred per contiguous lot.
- Intended use for lot must be disclosed in the application.

Transferees

- All transferees must hold title on the contiguous property. Priority is given to Transferees who personally occupy the contiguous property.
- The transferee must not own any real property (including both the contiguous lot and all other property within the county) that is subject to any un-remediated citation or violation of the state and local codes and ordinances.
- The transferee must not own any real property (including both the contiguous lot and all other property in the county) that is tax delinquent.
- The transferee must not have been the prior owner of any real property in that was transferred to the Treasurer or to a local, state, or federal government as a result of tax foreclosure proceedings.
- All other land transfer policies apply.

Pricing

Parcels of property will be transferred for a minimum of $25. Title insurance is not included as part of the Project Costs.

Additional Requirements

- In the event that multiple adjacent property owners desire to acquire the same side-lot, the lot shall-be transferred to the property owner who has the largest percentage of common boundary line with the subject side lot.
- In the event that multiple adjacent property owners (with the same percentage of common boundary line) desire to acquire the same side lot, the lot shall be transferred to the highest bidder for the property.
- In the event that a contiguous property needs land for a driveway or other local code compliance issues this subsection will rule.
- The land bank must disclose that the side lot property cannot be combined for a minimum of 5 years after the purchase in the quit claim deed.

QUIT CLAIM DEED

Anne Giroux, acting in official capacity as the **MARQUETTE COUNTY TREASURER**, of 234 West Baraga Avenue, Marquette MI 49855

QUIT CLAIMS to
MARQUETTE COUNTY, of
234 W. Baraga Ave.
Marquette, MI 49855

The following lands situated in Ely Township, County of Marquette, and State of Michigan, to wit:
SEC. 1 T46N R28W PART OF NW 1/4 OF NE 1/4 BEG AT INT OF E ROW OF CO RD 581 & N LINE OF SAID SUB TH E 112' TH S 133' TH W 112' TO ROW TH N TO POB. (#1). 52-03-101-026-00

The following lands situated in Republic Township, County of Marquette, and State of Michigan, to wit:
SEC. 19 T46N R29W PART OF SE 1/4 OF NW 1/4 BEG AT INT OF S LINE OF SAID SUB & W R/W OF CO. RD. LE TH NW'LY 125' TH W 125' TH SE'LY PAR TO SAID R/W 125' TH E 125' TO POB. 52-12-019-017-00

The following lands situated in the City of Ishpeming, County of Marquette, and State of Michigan, to wit:
NELSON'S ADDITION E 1/2 OF LOT 98. 52-51-250-098-00

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, for the sum of $0.00 and no other consideration.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

This instrument is exempt from Michigan Real Estate transfer taxes pursuant to MCL 207.505(h) and MCL 207.526(h)(i) for County and State tax respectively. This form is issued under the authority of MCL 211.78 (m).

Dated June 4, 2019

_____
Anne Giroux
Marquette County Treasurer

STATE OF MICHIGAN
COUNTY OF MARQUETTE

The foregoing instrument was acknowledged before me this June 4, 2019 by Anne Giroux, acting in official capacity as the Marquette County Treasurer, known to me to be the person who executed the same of their own free will._____

Notary Public, Marquette County,
State of Michigan.
My commission expires / / .

Drafted by and Return to:
Marquette County Treasurer
234 West Baraga Avenue,
Marquette MI 49855

QUIT CLAIM DEED

Gerald O. Corkin, acting in official capacity as the **CHAIR OF THE MARQUETTE COUNTY BOARD OF COMMISSIONERS**, of 234 West Baraga Avenue, Marquette MI 49855

QUIT CLAIMS to

MARQUETTE COUNTY LAND BANK AUTHORITY, of
234 W. Baraga Ave.
Marquette, MI 49855

The following lands situated in Ely Township, County of Marquette, and State of Michigan, to wit:
SEC. 1 T46N R28W PART OF NW 1/4 OF NE 1/4 BEG AT INT OF E ROW OF CO RD 581 & N LINE OF SAID SUB TH E 112' TH S 133' TH W 112' TO ROW TH N TO POB. (#1). 52-03-101-026-00

The following lands situated in Republic Township, County of Marquette, and State of Michigan, to wit:
SEC. 19 T46N R29W PART OF SE 1/4 OF NW 1/4 BEG AT INT OF S LINE OF SAID SUB & W R/W OF CO. RD. LE TH NW'LY 125' TH W 125' TH SE'LY PAR TO SAID R/W 125' TH E 125' TO POB. 52-12-019-017-00

The following lands situated in the City of Ishpeming, County of Marquette, and State of Michigan, to wit:
NELSON'S ADDITION E 1/2 OF LOT 98. 52-51-250-098-00

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, for the sum of $15,250.60 and no other consideration.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

This instrument is exempt from Michigan Real Estate transfer taxes pursuant to MCL 207.505(h) and MCL 207.526(h)(i) for County and State tax respectively. This form is issued under the authority of MCL 211.78 (m).

Dated June 4, 2019

STATE OF MICHIGAN
COUNTY OF MARQUETTE

_____
Gerald O. Corkin
Chair, Marquette County Board of Commissioners

The foregoing instrument was acknowledged before me this June 4, 2019 by Gerald O. Corkin, acting in official capacity as the Chair of the Marquette County Board of Commissioners, known to me to be the person who executed the same of their own free will.

Drafted by and Return to:

Marquette County Treasurer
234 West Baraga Avenue,
Marquette MI 49855

_____
Notary Public, Marquette County,
State of Michigan
My commission expires / /

QUIT CLAIM DEED

Anne Giroux, acting in official capacity as chairperson of the **MARQUETTE COUNTY LAND BANK AUTHORITY**, of 234 West Baraga Avenue, Marquette MI 49855

QUIT CLAIMS to

Roberta A. Betker and Phillip A. Betker, of
227 Yalmer Road
Skandia, MI 49885

The following lands situated in the Skandia Township, County of Marquette, and State of Michigan, to wit:
SEC. 6 T46N R23W 4.5 A THE W 208.7' OF S 1043.33' OF SE 1/4 OF SE 1/4 EXC THE E 120.7' OF S 208.7' THEREOF.
Further identified as permanent parcel ID number 52-15-106-017-00

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, for the sum of $500.00 and no other consideration.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

This instrument is exempt from Michigan Real Estate transfer taxes pursuant to MCL 207.505(h) and MCL 207.526(h)(i) for County and State tax respectively. This form is issued under the authority of MCL 211.78 (m).

Dated January 22, 2019

_____

Anne Giroux
ITS Chairperson

STATE OF MICHIGAN
COUNTY OF MARQUETTE

The foregoing instrument was acknowledged before me this January 22, 2019 by Anne Giroux, acting in official capacity as the Chairperson of the Marquette County Land Bank Authority, known to me to be the person who executed the same of their own free will.

_____

Notary Public, Marquette County,
State of Michigan.

My commission expires / / .

Drafted by:
Anne Giroux, Marquette County Treasurer
234 W. Baraga Ave.
Marquette, MI 49855

WAYNE COUNTY '19 SEP 30 PM 2:00

Bernard J. Youngblood
Wayne County Register of Deeds
2019276391 L: 55302 P: 764
09/30/2019 02:00 PM QCD Total Pages: 1

QUIT CLAIM DEED

STATUTORY FORM

Eric R. Sabree, Treasurer of the Charter County of Wayne, Michigan, hereinafter called the Grantor/Treasurer whose address is 400 Monroe, Suite 520 Detroit, MI 48226, authority of Act 206 of Public Acts of 1893, as amended by Act 123 of Public Acts of 1999, as amended, conveys and quit claims to: The Wayne County Land Bank Corporation, a public body corporate and politic, organized and now existing pursuant to Public Act 258 of 2003 of Michigan, as amended.

Whose street number and post office address is 500 Griswold Street, 31st Floor Detroit, MI 48226

The following described premises situated in the Van Buren Township, County of Wayne and State of Michigan.

Legal Description: 05A34 LOT 34 DENTON HOMES SUB T3S R8E L46 P34 WCR

Tax I.D. #83018010034000

Commonly known 0 Hancock Ave, Van Buren Township, MI 48111

Together with all singular tenements; herediaments and appurtenances thereunto belonging or in anywise appertaining, for the sum of One Dollar ($1.00). **Exempt under MSA 7.456(5) (a) MCL 207.526 (6) (a)**

Dated this 30 day of September, 2019 A.D.,

Signature

Eric R. Sabree
Wayne County Treasurer

STATE OF Michigan)
COUNTY OF Wayne) SS

The foregoing instrument was acknowledged before me this 30th day of September, 2019 by Eric R. Sabree, Wayne County Treasurer

Notary Public, acting in Wayne County
My commission expires
11/28/2023

Drafted by: Wayne County Treasurer, Eric R. Sabree
400 Monroe Fifth Floor
Detroit, MI 48226

JOHN FITZGERALD KRAVITZ
Notary Public, State of Michigan
County of Macomb
My Commission Expires 11-28-2023
Acting in the County of Wayne

2018064302 L: 54275 P: 76 QCD
03/21/2018 06:17:19 PM Total Pages: 1
Bernard J. Youngblood, Register of Deeds - Wayne County, MI
ELECTRONICALLY RECORDED

WAYNE COUNTY TREASURER
QUIT CLAIM DEED
(Issued under Act 206 Public Act of 1893, as Amended by Act 123 of Public Acts of 1999)

Eric R. Sabree, Treasurer of the Charter County of Wayne, Michigan, hereinafter called the Grantor/Treasurer whose address is 400 Monroe, Suite 520, Detroit, Michigan 48226, by authority of Act 206 of Public Acts of 1893, as amended by Act 123 of Public Acts of 1999, as amended, conveys and quit claims to:

WAYNE COUNTY LAND BANK

hereinafter called the Grantee, whose address is:

500 GRISWOLD 31ST FLOOR DETROIT , MI 48226 the following described premises located in the **CITY OF ROMULUS, WAYNE COUNTY, MI**

Tax Parcel I.D. #: **80100010141302**

Legal Description:

25A141B S 6 FT OF LOT 141 ALSO W 1/2 ADJ VAC ALLEY TAYLOR RD SUB T3SR9E L50 P54 WCR

Commonly known as: VACANT NEW YORK ROMULUS, MI 48174

For the full consideration of **$0.00** Dollars. Date: **March 21, 2018**

Pursuant to the provisions of Section 78k(5)(c) and 78k(5)(e) parcels are subject to visible or recorded easements and rights of way; private deed restrictions; building restrictions of record; all future installments of special assessments and liens recorded by the State or the foreclosing governmental unit or restrictions or other governmental interests imposed pursuant to the Natural Resources and Environmental Protection Act being Public Act 451 of 1994. This conveyance is exempt from taxes pursuant to MCL 207.505(h)(1) and MCL 207.526(h)(I).

In Witness Whereof the Grantor, has signed and affixed the seal of the Wayne County Treasurer the day and year first above written.

Eric R. Sabree
Wayne County Treasurer

STATE OF MICHIGAN)
)ss
COUNTY OF WAYNE)

The foregoing instrument was acknowledged before me on this **21** day of **March**, **2018** by Eric R. Sabree, Wayne County Treasurer.

JENNIFER A WRIGHT
Notary Public - Michigan
Wayne County
My Commission Expires May 4, 2018
Acting in the County of WAYNE

Notary Public, Wayne County Michigan

Prepared by Wayne County Treasurer
400 Monroe Street, Detroit, Michigan 48226

When recorded return to: Grantor
Send subsequent tax bills to: Grantee