



Senate Fiscal Agency
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House Bill 4675 (Substitute H-2 as passed by the House)
House Bill 4679 (as passed by the House)
Sponsor: Representative Kristian Grant
House Committee: Tax Policy
Senate Committee: Finance, Insurance, and Consumer Protection

Date Completed: 12-11-24

CONTENT

House Bill 4675 (H-2) would amend the Land Bank Fast Track Act to exempt a land bank authority's property, income, and operations from all taxes, special assessments, and user fees imposed by the State or a local unit of government.

House Bill 4679 would amend the Revenue Bond Act to allow a public improvement to provide a free service to a land bank authority.

House Bill 4675 (H-2)

The Land Bank Fast Track Act establishes land bank 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; and to promote economic growth. The property of an authority and its income and operations are exempt from all taxation by the State or a local unit of government. The bill would expand the exemption to all taxes, special assessments, and user fees imposed by the State or a local unit of government.

Under the bill, property of the authority and its income and operation would be exempt from any user fees imposed by a local unit of government of the State. The bill would not prevent an authority from contracting with a local unit of government for services. If an authority, or its tenant, entered an express contract for services with a local unit of government, a user fee could be charged for those services. A local unit of government could not provide services to an authority, or its tenant, unless an express contract was entered into for those services.

House Bill 4679

The Act prohibits any free service from being furnished by a public improvement to a person, firm, or corporation, public or private, or to a public agency or instrumentality. The reasonable cost and value of any service rendered to a public corporation, including the borrower, by a public improvement must be charged against the public corporation. The bill would allow a public improvement to provide a free service to a land bank authority.

MCL 124.754 et al. (H.B. 4675)
141.118 (H.B. 4679)

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bills would likely have a positive fiscal impact on the State and a mixed fiscal impact on local government units. Overall, there would likely be a net-zero fiscal impact as funds would shift between various State and local government units. The State would likely benefit from

decreased costs and local land banks would benefit from lower costs as well. This would come as a decrease in revenue for local governments that imposed these fees or taxes.

The bills would have a positive fiscal impact on the State Land Bank Authority to the extent that the Authority received free public improvement services that otherwise would not have been allowed under current law. The extent to which is unknown.

Fiscal Analyst: Bobby Canell
Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.