

# HOUSE BILL No. 4485

March 27, 2003, Introduced by Reps. Tobocman and Hunter and referred to the  
Committee on Land Use and Environment.

A bill to provide for the creation of local land banks to assist governmental entities in the assembly and clearance of title to property in a coordinated manner; to provide for the creation of boards to govern land banks; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; and to prescribe powers and duties of certain public officers and agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "Michigan land bank and community development authority act".

3           Sec. 2. The legislature finds that there exists in this  
4 state a continuing need to strengthen and revitalize the economy  
5 of this state and local units of government in this state and  
6 that it is in the best interests of this state and local units of  
7 government in this state to assemble or dispose of public

1 property, including tax reverted property, in a coordinated  
2 manner to foster the development of that property and to promote  
3 economic growth in this state, and local units of government in  
4 this state. It is declared to be a valid public purpose for a  
5 land bank created under this act to acquire, assemble, dispose  
6 of, and quiet title to property under this act. It is further  
7 declared to be a valid public purpose for a land bank created  
8 under this act to provide for the financing of the acquisition,  
9 assembly, disposition, and quieting of title to property, and for  
10 a land bank to exercise other powers granted to a land bank under  
11 this act. The legislature finds that a land bank created and  
12 powers conferred by this act constitute a necessary program and  
13 serve a necessary public purpose.

14 Sec. 3. As used in this act:

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

17 (b) "Casino" means a casino regulated by this state under the  
18 Michigan gaming control and revenue act, the Initiated Law of  
19 1996, MCL 432.201 to 432.226, or a casino at which gaming is  
20 conducted under the Indian gaming regulatory act, Public Law  
21 100-497, 102 Stat. 2467, and all property associated or  
22 affiliated with the operation of the casino, including, but not  
23 limited to, a parking lot, hotel, motel, or retail store.

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

27 (d) "Land bank" means a land bank authority created under

1 this act.

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

5 (f) "Metropolitan authority" means a metropolitan land bank  
6 authority created under this act as authorized by section 27 of  
7 article VII of the state constitution of 1963.

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

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

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

17 (ii) The property was conveyed to this state under section  
18 67a of the general property tax act, 1893 PA 206, MCL 211.67a,  
19 and subsequently was either redeemed by a local unit of  
20 government or transferred to a local unit of government under  
21 section 2101 or 2102 of the natural resources and environmental  
22 protection act, 1994 PA 451, MCL 324.2101 and 324.2102.

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

27 (A) Title to the property vested in a foreclosing

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

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

6 (iv) The property was obtained by this state under section  
7 78m(1) of the general property tax act, 1893 PA 206,  
8 MCL 211.78m.

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

12 (vi) Pursuant to the requirements of a city charter, the  
13 property was deeded to the city for unpaid delinquent real  
14 property taxes.

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

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

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

27 (c) Borrow money and issue bonds and notes according to the

1 provisions of this act.

2 (d) Enter into contracts and other instruments necessary,  
3 incidental, or convenient to the performance of its duties and  
4 the exercise of its powers, including, but not limited to,  
5 interlocal agreements under the urban cooperation act of 1967,  
6 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, for the joint  
7 exercise of powers under this act.

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

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

19 (g) Invest money of the land bank, at the discretion of the  
20 board of directors of the land bank, in instruments, obligations,  
21 securities, or property determined proper by the board of  
22 directors of the land bank, and name and use depositories for its  
23 money.

24 (h) Employ legal and technical experts, other officers,  
25 agents, or employees, permanent or temporary, paid from the funds  
26 of the land bank. The land bank shall determine the  
27 qualifications, duties, and compensation of those it employs.

1 The board of directors of a land bank may delegate to 1 or more  
2 members, officers, agents, or employees any powers or duties it  
3 considers proper. Members of the board of directors of a land  
4 bank shall serve without compensation but shall be reimbursed for  
5 actual and necessary expenses.

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

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

15 (k) Enter into contracts for the management of, the  
16 collection of rent from, or the sale of real property held by the  
17 land bank.

18 (l) Do all other things necessary or convenient to achieve  
19 the objectives and purposes of the land bank or other laws that  
20 relate to the purposes and responsibility of the land bank.

21 (2) The enumeration of a power in this act shall not be  
22 construed as a limitation upon the general powers of a land  
23 bank. The powers granted under this act are in addition to those  
24 powers granted by any other statute.

25 (3) A land bank, in its discretion, may contract with others,  
26 public or private, for the provision of all or a portion of the  
27 services necessary for the management and operation of the land

1 bank. A land bank shall adopt a code of ethics for its  
2 directors, officers, and employees.

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

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

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

11 (7) A land bank shall not levy any tax or special  
12 assessment.

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

15 Sec. 5. (1) A land bank may acquire by gift, devise,  
16 transfer, exchange, foreclosure, purchase, or otherwise on terms  
17 and conditions and in a manner the land bank considers proper,  
18 own, lease as lessor, convey, demolish, relocate, or rehabilitate  
19 real or personal property, or rights or interests in real or  
20 personal property.

21 (2) Real property acquired by a land bank by purchase may be  
22 by purchase contract, lease purchase agreement, installment sales  
23 contract, land contract, or otherwise. The land bank may  
24 purchase real property or rights or interests in real property  
25 for any purpose the land bank considers necessary to carry out  
26 the purposes of this act, including, but not limited to, 1 or  
27 more of the following purposes:

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

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

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

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

13 (a) The department of natural resources under section 2101 or  
14 2102 of the natural resources and environmental protection act,  
15 1994 PA 451, MCL 324.2101 and 324.2102.

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

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

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

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

5 (6) A foreclosing governmental unit may not transfer property  
6 subject to forfeiture, foreclosure, and sale under sections 78 to  
7 78p of the general property tax act, 1893 PA 206, MCL 211.78 to  
8 211.78p, until after the property has been offered for sale or  
9 other transfer under section 78m of the general property tax act,  
10 1893 PA 206, MCL 211.78m, and the foreclosing governmental unit  
11 has retained possession of the property under section 78m(7) of  
12 the general property tax act, 1893 PA 206, MCL 211.78m.

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

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

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

27 (c) Pay any tax or special assessment due on property

1 acquired or owned by the land bank.

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

7 (e) Remediate environmental contamination on any property  
8 held by the land bank.

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

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

20 (4) A land bank may not accept under subsection (3) a deed in  
21 lieu of foreclosure or sale of the tax lien attributable to taxes  
22 levied by a local unit of government or other taxing jurisdiction  
23 without the written approval of all taxing jurisdictions and the  
24 foreclosing governmental unit that would be affected. Upon  
25 approval of the affected taxing jurisdictions and the foreclosing  
26 governmental unit, all of the unpaid general ad valorem taxes and  
27 specific taxes levied on the property, whether recorded or not,

1 shall be extinguished. The land bank shall record proof of the  
2 acceptance by the affected taxing jurisdictions under this  
3 subsection and the deed in lieu of foreclosure with the register  
4 of deeds for the county in which the property is located.

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

17 Sec. 7. (1) On terms and conditions, and in a manner and  
18 for an amount of consideration a land bank considers proper,  
19 fair, and valuable, including for no monetary consideration, the  
20 land bank may convey, sell, transfer, exchange, lease as lessor,  
21 or otherwise dispose of property or rights or interests in  
22 property in which the land bank holds a legal interest to any  
23 public or private person for value determined by the land bank.  
24 The transfer and use of property under this section and the  
25 exercise by the land bank of powers and duties under this act  
26 shall be considered a necessary public purpose and for the  
27 benefit of the public.

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

4 (3) Except as otherwise provided in this act, as required by  
5 other law, as required under the provisions of a deed, or as a  
6 land bank otherwise agrees, any proceeds received by the land  
7 bank may be retained by the land bank for the purposes of this  
8 act.

9 (4) A document, including, but not limited to, a deed,  
10 evidencing the transfer under this act of 1 or more parcels of  
11 property to a land bank by this state or a political subdivision  
12 of this state may be recorded with the register of deeds office  
13 in the county in which the property is located without the  
14 payment of a fee.

15 Sec. 8. Money received by a land bank as payment of taxes,  
16 penalties, or interest, or from the redemption or sale of  
17 property subject to a tax lien of any taxing unit shall be  
18 returned to the local tax collecting unit in which the property  
19 is located for distribution on a pro rata basis to the  
20 appropriate taxing units in an amount equal to delinquent taxes,  
21 penalties, and interest owed on the property, if any. Any money  
22 in excess of delinquent taxes, interest, and penalties shall be  
23 retained by the land bank and may be used for purposes authorized  
24 by this act.

25 Sec. 9. (1) A land bank may initiate an expedited quiet  
26 title and foreclosure action under this section to quiet title to  
27 real property held by the land bank or interests in tax reverted

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

22 (2) After recording the notice under subsection (1), a land  
23 bank shall initiate a search of records identified in this  
24 subsection to identify the owners of a property interest in the  
25 property who are entitled to notice of the foreclosure hearing  
26 under this section. The land bank may enter into a contract with  
27 or may request from 1 or more authorized representatives a title

1 search or other title product to identify the owners of a  
2 property interest in the property as required under this  
3 subsection or to perform the other functions set forth in this  
4 section required for the collection of delinquent taxes under  
5 this act. The owner of a property interest is entitled to notice  
6 under this section if that owner's interest was identifiable by  
7 reference to any of the following sources before the date that  
8 the land bank records the notice under subsection (1):

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

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

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

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

14 (3) A land bank may file a single petition with the clerk of  
15 the circuit court in which property subject to expedited  
16 foreclosure under this section is located listing all property  
17 subject to expedited foreclosure by the land bank and for which  
18 the land bank seeks to quiet title. If available to the land  
19 bank, the list of properties shall include a legal description  
20 of, a tax parcel identification number for, and the street  
21 address of each parcel of property. The petition shall seek a  
22 judgment in favor of the land bank against each property listed  
23 and shall include a date, within 90 days, on which the land bank  
24 requests a hearing on the petition. The petition shall request  
25 that a judgment be entered vesting absolute title in the land  
26 bank, without right of redemption for each parcel of property  
27 listed, as provided in this section. Prior to the entry of

1 judgment under this section, the land bank may request the court  
2 to remove property erroneously included in the petition, or any  
3 tax delinquent properties redeemed prior to the hearing.

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

11 (5) After completing the records search under subsection (2),  
12 a land bank shall determine the address or addresses reasonably  
13 calculated to inform those owners of a property interest in  
14 property subject to expedited foreclosure under this section of  
15 the pendency of the foreclosure hearing under subsection (11).  
16 If, after conducting the title search, the land bank is unable to  
17 determine an address reasonably calculated to inform persons with  
18 a property interest in property subject to expedited tax  
19 foreclosure or the notice under subsection (6) is returned as  
20 undeliverable, the following shall be deemed reasonable steps by  
21 the land bank to ascertain the addresses of persons with a  
22 property interest in the property subject to expedited  
23 foreclosure:

24 (a) For an individual, a search of records of the county  
25 probate court.

26 (b) For an individual, a search of the qualified voter file  
27 established under section 509o of the Michigan election law, 1954

1 PA 116, MCL 168.509o, which is authorized by this subdivision.

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

4 (d) For a business entity other than a partnership, a search  
5 of business entity records filed with the department of consumer  
6 and industry services.

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

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

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

20 (7) Not less than 30 days before the quiet title and  
21 foreclosure hearing under subsection (11), the land bank or its  
22 authorized representative shall visit each parcel of property  
23 subject to expedited foreclosure and post conspicuously on the  
24 property notice of the hearing. In addition to the requirements  
25 of subsection (8), the notice shall also include the following  
26 statement: "THIS PROPERTY HAS BEEN TRANSFERRED TO THE  
27 \_\_\_\_\_ LAND BANK AND IS SUBJECT TO AN EXPEDITED

1 QUIET TITLE AND FORECLOSURE ACTION. PERSONS WITH INFORMATION  
2 REGARDING THE PRIOR OWNER OF THE PROPERTY ARE REQUESTED TO  
3 CONTACT THE LAND BANK AT \_\_\_\_\_."

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

6 (a) The date on which the land bank recorded under subsection  
7 (1) notice of the pending expedited quiet title foreclosure  
8 action.

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

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

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

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

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

22 (g) The name, address, and telephone number of the land  
23 bank.

24 (h) A statement that persons with information regarding the  
25 prior owner of any of the properties are requested to call the  
26 land bank.

27 (9) If the land bank is unable to ascertain the address

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

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

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

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

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

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

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

1 (g) The name, address, and telephone number of the land  
2 bank.

3 (h) A statement that persons with information regarding the  
4 prior owner of any of the properties are requested to contact the  
5 land bank.

6 (10) If prior to the foreclosure hearing under subsection  
7 (11) the land bank discovers any deficiency in the provision of  
8 notice under this section, the land bank shall take reasonable  
9 steps in good faith to correct the deficiency before the  
10 hearing.

11 (11) If a petition for expedited quiet title and foreclosure  
12 is filed under subsection (3), before the hearing, the land bank  
13 shall file with the clerk of the circuit court proof of service  
14 of notice by certified mail under subsection (6), proof of notice  
15 by posting on the property under subsection (7), and proof of  
16 notice by publication, if applicable. A person claiming an  
17 interest in a parcel of property set forth in the petition for  
18 foreclosure who desires to contest that petition shall file  
19 written objections with the clerk of the circuit court and serve  
20 those objections on the land bank before the date of the  
21 hearing. The circuit court may appoint and utilize as the court  
22 considers necessary a special master for the resolution of any  
23 objections to the foreclosure or questions regarding the title to  
24 property subject to foreclosure. If the court withholds property  
25 from foreclosure, a land bank's ability to include the property  
26 in a subsequent petition for expedited quiet title and  
27 foreclosure is not prejudiced. No injunction shall issue to stay

1 an expedited quiet title and foreclosure action under this  
2 section. The circuit court shall enter judgment on a petition to  
3 quiet title and foreclosure filed under subsection (3) not more  
4 than 10 days after the conclusion of the hearing. The circuit  
5 court's judgment shall specify all of the following:

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

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

12 (c) That all liens against the property, including any lien  
13 for unpaid taxes or special assessments, except future  
14 installments of special assessments and liens recorded by this  
15 state or the land bank under the natural resources and  
16 environmental protection act, 1994 PA 451, MCL 324.101 to  
17 324.90106, are extinguished.

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

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

27 (f) A finding that all persons entitled to notice and an

1 opportunity to be heard have been provided that notice and  
2 opportunity.

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

11 (13) A land bank or a person claiming to have a property  
12 interest under subsection (2) in property foreclosed under this  
13 section may within 21 days of the entry of the judgment under  
14 subsection (12) appeal the circuit court's order or the circuit  
15 court's judgment foreclosing property to the court of appeals.  
16 An appeal under this subsection is limited to the record of the  
17 proceedings in the circuit court under this section. The circuit  
18 court's judgment foreclosing property shall be stayed until the  
19 court of appeals has reversed, modified, or affirmed that  
20 judgment. If an appeal under this subsection stays the circuit  
21 court's judgment foreclosing property, the circuit court's  
22 judgment is stayed only as to the property that is the subject of  
23 that appeal and the circuit court's judgment foreclosing other  
24 property that is not the subject of that appeal is not stayed.

25 (14) The land bank shall record a notice of judgment for each  
26 parcel of foreclosed property in the office of the register of  
27 deeds for the county in which the foreclosed property is located

1 in a form prescribed by the department of treasury. If a land  
2 bank records a notice of judgment in error, the land bank may  
3 subsequently record a certificate of error. A notice under this  
4 subsection need not be notarized and may be authenticated by a  
5 digital signature or other electronic means.

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

24 (16) The owner of a property interest with notice of the  
25 foreclosure hearing under subsection (11) may not assert any of  
26 the following:

27 (a) That notice to the owner was insufficient or inadequate

1 in any way because some other owner of a property interest in the  
2 property was not notified.

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

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

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

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

24 (18) The failure of a land bank to comply with any provision  
25 of this section shall not invalidate any proceeding under this  
26 section if a person with a property interest in property subject  
27 to foreclosure was accorded the minimum due process required

1 under the state constitution of 1963 and the constitution of the  
2 United States.

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

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

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

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

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

27 (d) A person with demonstrated experience in the field of

1 searching land title records, as determined by the land bank.

2       Sec. 10. For purposes of part 201 of the natural resources  
3 and environmental protection act, 1994 PA 451, MCL 324.20101 to  
4 324.20142, a land bank shall be considered a local unit of  
5 government. The acquisition or control of property through  
6 bankruptcy, tax delinquent forfeiture, foreclosure, or sale,  
7 abandonment, transfer from a lender, court order, foreclosure,  
8 forfeiture, circumstances in which the land bank has acquired  
9 title or control by virtue of the performance of any function  
10 permitted by the land bank under this act, or by transfer of the  
11 property to the land bank by this state, an agency or department  
12 of this state, or any local unit of government of this state  
13 shall not subject the land bank to liability under the natural  
14 resources and environmental protection act, 1994 PA 451,  
15 MCL 324.101 to 324.90106, unless the land bank is responsible for  
16 an activity causing a release on the property. This section  
17 shall not be considered to restrict or diminish any protection  
18 from liability under the natural resources and environmental  
19 protection act, 1994 PA 451, MCL 324.101 to 324.90106, that is  
20 otherwise available under law to the land bank.

21       Sec. 11. (1) A land bank may institute a civil action to  
22 prevent, restrain, or enjoin the waste of or unlawful removal of  
23 any property from tax reverted property or other real property  
24 held by the land bank.

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

1           Sec. 12. A land bank shall be made a party to any action or  
2 proceeding instituted for the purpose of setting aside title to  
3 property held by the land bank or setting aside an expedited  
4 foreclosure under section 9. A hearing in any such proceeding  
5 shall not be held until the land bank is served with process and  
6 proper proof of service is filed.

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

17           Sec. 14. (1) This act shall be construed liberally to  
18 effectuate the legislative intent and the purposes as complete  
19 and independent authorization for the performance of each and  
20 every act and thing authorized by this act, and all powers  
21 granted shall be broadly interpreted to effectuate the intent and  
22 purposes and not as a limitation of powers. In the exercise of  
23 its powers and duties under this act and its powers relating to  
24 property held by the land bank, the land bank shall have complete  
25 control as fully and completely as if it represented a private  
26 property owner and shall not be subject to restrictions imposed  
27 on the land bank by the charter, ordinances, or resolutions of a

1 local unit of government.

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

8 Sec. 15. (1) A local unit of government may, by resolution  
9 of its legislative governing body and, if that local unit has a  
10 chief executive officer, with the concurrence of the chief  
11 executive officer, create a land bank with all of the powers and  
12 duties of a land bank allowed under this act.

13 (2) Two or more cities, villages, townships, or counties may  
14 enter into an intergovernmental agreement providing for the  
15 creation of a metropolitan authority.

16 (3) An intergovernmental agreement under subsection (2) shall  
17 provide for all of the following:

18 (a) The incorporation of the land bank as a public body  
19 corporate.

20 (b) The size of the initial board of directors of the land  
21 bank, which shall be composed of an odd number of members; the  
22 qualifications, method of selection, and terms of office of the  
23 initial board members.

24 (c) A method for the adoption of articles of incorporation by  
25 the board of directors of the land bank.

26 (4) If a metropolitan authority created under this section  
27 authorizes the sale or other conveyance of property located

1 within a qualified city and a land bank authority has been  
2 created in the qualified city, the land bank authority of the  
3 qualified city may exercise a right of first refusal to purchase  
4 the property at a price and on terms authorized by the county  
5 metropolitan authority.

6       Sec. 16. (1) The purposes, powers, and duties of a land  
7 bank created under this act are vested in and shall be exercised  
8 by a board of directors.

9       (2) The board of directors of a land bank authority shall  
10 adopt articles of incorporation for the authority, which shall  
11 provide for all of the following:

12       (a) The name of the land bank.

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

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

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

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

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

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

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

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

7 Sec. 17. (1) A land bank created under this chapter may  
8 borrow money and issue bonds or notes under the revised municipal  
9 finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

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

15 (3) Upon the initial appointment of the members to the board  
16 of directors under section 15, all of the following property or  
17 interests in property held by the qualified city are transferred  
18 to the land bank, except as provided in subsection (4):

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

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

1 which the qualified city is located under the general property  
2 tax act, 1893 PA 206, MCL 211.1 to 211.157, all of the following  
3 property held by the qualified city:

4 (i) Tax delinquent real property for which a lien has been  
5 deemed sold to a city department director under the charter or  
6 ordinances of the qualified city, except for property that was  
7 deeded to a department director less than 2 years before the  
8 appointment of the members to the board under section 15.

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

13 (4) If the chief executive officer of a qualified city  
14 objects to the transfer of property or interests in property  
15 under subsection (3) to the land bank created under this act,  
16 within 60 days of the transfer, the chief executive may issue an  
17 executive order rescinding the transfer of any parcel or  
18 parcels.

19 (5) Within 60 days of the transfer of property to a land bank  
20 under subsection (3), the qualified city shall compile and  
21 provide the land bank with an inventory of all property  
22 transferred to the land bank. The qualified city, and its  
23 officials and employees shall actively cooperate with and  
24 facilitate the compilation and provision of the inventory to the  
25 land bank and shall take any actions and execute any documents  
26 necessary to facilitate the transfer of the property to the land  
27 bank under this section. Revenue generated by the sale of tax

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

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

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

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

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

19 (c) Lend, grant, transfer, or convey funds to the land bank  
20 that are received from the federal government or this state or  
21 from any nongovernmental entity in aid of the purposes of this  
22 act.

23 (8) A metropolitan authority may reimburse advances made by a  
24 municipality under subsection (7) or by any other person for  
25 costs eligible to be incurred by the metropolitan authority with  
26 any source of revenue available for use of the authority under  
27 this act and enter into agreements related to these

1 reimbursements.