


David Whitaker, Esq.  
*Director*  
Irvin Corley, Jr.  
*Executive Policy Manager*  
Marcell R. Todd, Jr.  
*Director, City Planning*  
*Commission*  
Janese Chapman  
*Director, Historic Designation*  
*Advisory Board*

John Alexander  
LaKisha Barclift, Esq.  
Paige Blessman  
M. Rory Bolger, Ph.D., FAICP  
Victory Corley  
Lisa DiChiera  
Eric Fazzini, AICP  
Willene Green  
Christopher Gulock, AICP  
Marcel Hurt, Esq.  
Sandra L. Jeffers

**City of Detroit**  
**CITY COUNCIL**  
LEGISLATIVE POLICY DIVISION  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-4946 Fax: (313) 224-4336

Kimani Jeffrey  
Anthony W. L. Johnson  
Phillip Keller, Esq.  
Edward King  
Kelsey Maas  
Jamie Murphy  
Dolores Perales  
Analine Powers, Ph.D.  
W. Akilah Redmond  
Sabrina Shockley  
Renee Short  
Floyd Stanley  
Thomas Stephens, Esq.  
Timarie Szwed  
Theresa Thomas  
Janice Tillmon  
Ian Tomashik  
Emberly Vick  
Ashley A. Wilson

**TO:** Detroit City Council

**FROM:** David Whitaker, Director  
Legislative Policy Division 

**DATE:** July 10, 2025

**RE:** Detroit Land Bank Authority Properties – Taxes and Revenue

The Legislative Policy Division (LPD) has been requested by Council Member Mary Waters to provide a report regarding the property tax status and related revenue of the properties owned by the Detroit Land Bank Authority (DLBA). LPD has obtained the following information in response to the request and notes that the Office of the Assessor has also been requested to provide information related to this request.

In answering the questions presented below LPD notes that the DLBA is authorized to engage in the powers and actions set forth by statute in Public Act 258 of 2003, Land Bank Fast Tract Act, MCL 124.751 et seq. More specifically, MCL 124.773(5) provides:

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.

Additionally, MCL 124.754 *Powers*, provide in pertinent part:

(5) The property of an authority and its income and operations are exempt from all taxes, special assessments, and user fees imposed by this state or a local unit of government of this state as provided in section 13.

LPD further notes that the General Property Tax Act, MCL 211.7gg provides:

- (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.

Pursuant to the above referenced is provisions the DLBA is exempt from paying property taxes on property in which it holds title. Also, the owner of DLBA purchased property is not required to pay property taxes in the manner set forth under the General Property Tax Act and are exempt for five years after the purchase from the DLBA. However, the purchaser of a DLBA property is required to pay a tax reverted specific tax on property that has received a clean title from a land bank authority under the Tax Reverted Clean Title Act. MCL 211.1025 provides:

(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.

The taxes collected under the Tax Reverted Clean Title Act are required by law to be divided 50% to the taxing jurisdictions that collect taxes under the general property tax act and 50% to the eligible land bank authority that sold or conveyed the property under the land bank fast tract act. Pursuant to this MCL 211.1025, the DLBA is entitled by law to receive 50% of the property taxes collected on properties sold or conveyed.

With regard to the questions presented, LPD provides the following response.

**1. Taxed DLBA Properties**

- **How many DLBA-owned properties within the City of Detroit are currently on the tax roll and being taxed?**

Response: As indicated above, under MCL 124.754 the DLBA has the power of an authority under the Land Bank Fast Tract Act. Section 124.754(5) provides that the property of an authority and its income are exempt from all taxes. DLBA-owned properties are not placed on the property tax rolls and are not taxed in accordance with state law.

**2. Revenue Generation**

- **How much annual property tax revenue is generated from these DLBA-owned properties?**
- **Of that total revenue, how much is allocated to Wayne County?**

Response: As indicated above, Section 124.754(5) provides that the property of an authority and its income are exempt from all taxes. DLBA-owned properties are not placed on the property tax rolls and are not taxed in accordance with state law. Therefore no tax revenue is generated from DLBA-owned properties.

As no taxes are collected from DLBA-owned properties, no tax revenue is allocated to Wayne County.

**3. City Disbursements to DLBA**

- **Has the City of Detroit paid the DLBA its proportionate share of collected tax revenue?**
  - **If so, please provide a breakdown of how much has been paid each year.**
  - **If not, please explain why payments have not been made.**

Response: As indicated above the taxes collected on properties sold or conveyed by the DLBA for the first five years after the transaction are subject to the Tax Reverted Clean Title Act and 50% of the tax collected is to be distributed to the DLBA as a matter of law. According to the information LPD received:<sup>1</sup>

DLBA has reported that it has received the following amounts in 5/50 property tax revenue:

2019 \$909,526.

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<sup>1</sup> This information was provided to LPD from the DLBA in March of 2025.

2020 \$1,456,898.  
2021 \$1,821,942.  
2022 \$2,751,734.  
2023 \$3,095,012; and  
2024 \$3,191,127

The source of this revenue is the City of Detroit Assessor for current year's tax payments and Wayne County Treasurer for delinquent tax payments. In FY25, DLBA budgeted \$2,250,000 for property tax revenue, and year to date DLBA has received \$745,608 in delinquent property tax revenue.

**4. Total Disbursements to DLBA**

- **What is the total amount the City of Detroit has paid to the DLBA for tax revenue collected on its properties within Detroit's jurisdiction?**

Response: LPD does not have information that distinguishes between what each taxing jurisdiction's proportion was paid to the DLBA. As this request was also sent to the Office of the Assessor, they may be able to provide the total amount of tax revenue the City of Detroit provided to the DLBA in addition to other answers in response to these questions.

Please call upon us if we can be of further assistance.