June 25, 2010

Mr. Rick Ballard
Director
Office of Community Development
Michigan State Housing Development Authority
735 East Michigan Avenue
P O Box 30044
Lansing, MI 48909

RE: LEGAL STATUS OF A COUNTY LAND BANK AUTHORITY

Dear Mr. Ballard,

The Center for Community Progress on behalf of the NSP2 Michigan Consortium asked whether a county land bank authority is an entity distinct from the county which approves the intergovernmental agreement between the county treasurer acting as foreclosing governmental unit and the State land bank authority. I was also asked to address the response to you. In my opinion a county land bank authority is distinct from the county.

A county land bank authority is formed pursuant to an intergovernmental agreement between a county treasurer acting as the county’s foreclosing governmental unit\(^1\) and the State land bank authority.\(^2\) The agreement, to which the county is not a party, requires the approval of the county board of commissioners and the concurrence of the county executive if one exists.\(^3\) The intergovernmental agreement must provide, *inter alia*, for the incorporation of the county land bank authority as a public body corporate.\(^4\) As an incorporated body it has a legal existence distinct from that of the foreclosing governmental unit and State authority which created it and also distinct from the county that approved its creation.

\(^1\) MCL 124.753(f)
\(^2\) MCL 124.765
\(^3\) MCL 124.773(5)
\(^4\) MCL 124.773(6)(a)
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This distinction is recognized in the intergovernmental agreement which invariably contains language to the effect that "The County Authority is established as a separate legal entity and public body corporate to be known as the "_____" for the purposes of acting as an authority under the Land Bank Act and administering and executing this Agreement."

If you wish to discuss this matter further please feel contact me.

Sincerely,

Peter Goodstein

Cc: Amy Hovey