

PA 123
“Foreclosure Stabilization Fund”

MACT WINTER 2019 CONFERENCE
 SHERRY COMBEN, ANTRIM COUNTY TREASURER
 ANNE GIROUX, MARQUETTE COUNTY TREASURER

THERE ARE 330 CRAFT BREWERIES IN MICHIGAN

Michigan is 4th in the nation in number of craft breweries.

149 million pints of Michigan-produced microbrews were consumed in Michigan in 2017.

80% of Marquette County residents live within 10 miles of a microbrewery.

DINTS PRODUCED & CONSUMED PER CAPITA, 2017 (Age 20+)

MARQUETTE COUNTY 2040: YOUR COUNTY, YOUR PLAN
 Join the process and take our survey here: www.mqctoplan.org

Data Source: M LARA, US Census Bureau, Brewer Assoc.


Always refer to the MCL!!!!!!

Legislature.mi.gov

211.78m.....211.78m.....211.78m.....211.78m.....211.78m

Accounting for revenues & expenses within the Foreclosure Stabilization Fund

Michigan.gov/treasury



- ➔ Local Government
- ➔ Local Government Financial Services
- ➔ Accounting & Auditing – Numbered Letters

Balderman Numbered Letters:
2000-8 2001-5 2002-2

Revenues & Expenses– per Balderman numbered letters 2001-5 and 2000-8

DTRF – new fund every year

<p>Revenues</p> <ul style="list-style-type: none"> Admin fee Interest Inspection fee Publication fee Title work fee Sale of property <p>Expenses</p> <ul style="list-style-type: none"> Inspection expense Publication expense Title work expense Staff expense? Transfer to Land Bank? Transfer to GF Transfer to other? 	
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Revenues & Expenses– per practice by some Treasurers

DTRF	Foreclosure Stabilization
<p>Revenues</p> <ul style="list-style-type: none"> Admin fee Interest <p>Expenses</p> <ul style="list-style-type: none"> Misc. Transfer to GF Transfer to other? 	<p>Revenues</p> <ul style="list-style-type: none"> Inspection fee revenue Publication fee revenue Forfeiture fee revenue Sale of property <p>Expenses</p> <ul style="list-style-type: none"> Inspection expense Publication expense Title work expense Staff expense? Transfer to Land Bank?

Land Sales Proceeds Report 211.78m (8) (h)

- (h) In 2008 and each year after 2008, if the foreclosing governmental unit is not this state, not later than June 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall submit a written report to its board of commissioners identifying any remaining balance and any contingent costs of title or other legal claims described in subdivisions (a) through (f). All or a portion of any remaining balance, less any contingent costs of title or other legal claims described in subdivisions (a) through (f), may subsequently be transferred into the general fund of the county by the board of commissioners.

ANNUAL REPORT OF BALANCE IN LAND SALE PROCEEDS ACCOUNTS

In accordance with MCL 211.76m (8) (h), this written report is presented to the Board of Commissioners no later than June 30, the second calendar year after foreclosure.

Net Balance in Land Sale Proceeds Account

2003 Tax Year	\$58,776
2004 Tax Year	(\$11,138)
2005 Tax Year	\$14,450
2006 Tax Year	(\$25,452)
2007 Tax Year	\$5,120
2008 Tax Year	\$43,707
2009 Tax Year	(\$4,673)
2010 Tax Year	(\$4,578)
2011 Tax Year	(\$13,150)
2012 Tax Year	\$32,402
2013 Tax Year	\$33,818

Contingent Liabilities

2003 Tax Year	\$0
2004 Tax Year	\$0
2005 Tax Year	\$0
2006 Tax Year	\$0
2007 Tax Year	\$0
2008 Tax Year	\$0
2009 Tax Year	\$0
2010 Tax Year	\$0
2011 Tax Year	\$0
2012 Tax Year	\$0
2013 Tax Year	\$0

General reserve against potential claims, currently unknown: (\$100,000)

Subtotal Liabilities	(\$100,000)
Deduction in 2011 for brownfield support	(\$25,000)
Available for transfer to General Fund	\$168,776

This report is prepared by Anne Giroux, Marquette County Treasurer
Provided to the Marquette County Board of Commissioners June 5, 2018

NET PROCEEDS CALCULATIONS

Categories of claims against Land Sale Proceeds and Contingent Liabilities are specified in MCL 211.76 m(8). Simplified.

those categories are:

- pay all taxes, interest and fees to delinquent tax revolving fund
- pay all costs of advertising and running the auction
- pay all costs of the foreclosure and/or foreclosure proceedings for the year, such as, costs of mailing, publication, personal service, and any outside contracts, etc.
- reallocate any profits from previous years
- reallocate any maintenance costs including clean up, demolition, and/or environmental remediation
- if the foreclosing governmental unit is not this state, any of the following:
 - proceeds from delinquent years are the used to reimburse the state for current year
 - pay any costs for the defense of title action
 - pay any other administrative costs of appraisal, foreclosure and/or property sales and/or management

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Proceeds	\$132,219.03	\$15,304.08	\$100,705.00	\$37,791.00	\$44,030.00	\$105,820.00	\$95,730.00	\$44,030.00	\$100,101.16	\$91,969.99	\$287,111.27	
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Net Proceeds	\$68,776.00	\$11,137.61	\$74,465.02	\$35,491.50	\$6,136.60	\$48,707.11	(\$4,672.64)	(\$4,676.50)	(\$15,106.73)	\$63,969.72	\$53,818.44	\$166,911.27
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(8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year _____". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. Proceeds in that account shall only be used by the foreclosing governmental unit for the following purposes in the following order of priority:

- (a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.
- (b) All costs of the sale of property for the year shall be paid.
- (c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.
- (d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.
- (e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.
- (f) If the foreclosing governmental unit is not this state, any of the following:
 - (i) Any costs for the sale of property or foreclosure proceedings for any subsequent year that are not paid or reimbursed from that subsequent year's delinquent tax property sales proceeds shall be paid from any remaining balance in any prior year's delinquent tax property sales proceeds account.
 - (ii) Any costs for the defense of title actions.
 - (iii) Any costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.

Land Sales Proceeds Report, cont.

Regardless of how you are accounting for your Foreclosure Stabilization activity, you will likely need to extract the numbers that you report to the board.

- You do not need to report excess fee revenue
- You ought to set aside adequate funds for potential unknown claims; how do you determine this?

Which funds are restricted?

- Auction proceeds are restricted funds. After two years the county board can opt to transfer them to the general fund.
- What about excess fee revenue?
- The Treasurer determines the surplus in the DTRF. The surplus "is under the control of the board of commissioners. The surplus may be accumulated to reduce or avoid future borrowings, or expended for other purposes as authorized by the board of commissioners." (Balderman 2001-5)
