

Bulletin No. 6  
March 10, 1986  
FmHA Properties  
Taxable Status

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

**DEPARTMENT OF TREASURY**

ROBERT A. BOWMAN, State Treasurer

**STATE TAX COMMISSION**

4th Floor Treasury Building

Lansing, Michigan 48922 Telephone 517 373-0500

**COMMISSION MEMBERS**

WARD G. DEXEL

LEROY J. NELSON

ROBERT O. VANDERMARK

TO: Assessing Officers  
FROM: State Tax Commission  
RE: Farmers Home Administration  
Property Taxes

The Farmers Home Administration has written us the attached letter and Michigan Instruction 1955-B in response to our inquiry regarding the taxable status of property the agency acquires as a result of mortgage foreclosures or voluntary conveyances.

This specific Federal Agency has elected not to take advantage of the Michigan statutory exemption from taxation provided for property owned by the Federal Government or Federal Agencies.

See paragraph III of Michigan Instruction 1955-B which is attached. We emphasize that this policy affects only that Federal property acquired by the Farmers Home Administration.

We have not included the National Policy Instruction Bulletin "FmHA Instruction 1955-B"

Attachments



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

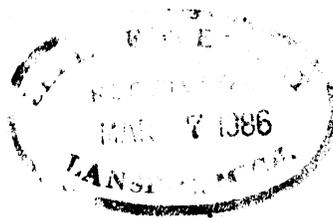
Room 209, 405 South Harrison Road  
East Lansing, Michigan 48823

STATE TAX COMMISSION

RECEIVED

MAR 7 1986

REFERRED TO



Mr. Emil Tahvonen, Administrator  
State Tax Commission  
4th Floor - Treasury Building  
Lansing, Michigan 48922

March 6, 1986

Dear Mr. Tahvonen:

Enclosed is information on the Farmers Home Administration (FmHA) authority for handling property taxes on farm properties which are acquired by the Government. Also enclosed is page 20 of FmHA Instruction 1955-B which is our National Instruction. Please read paragraph 1955.68 outlining payment of taxes on acquired properties. Michigan has supplemented that paragraph with the enclosed Michigan Instruction 1955-B. In that Instruction, paragraph III states FmHA will pay all real estate property taxes on acquired properties.

Please let me apologize for the delay in remitting the requested information. If you need further clarification, please contact Jon S. Moore at (517) 337-6620.

Sincerely,

CALVIN C. LUTZ  
State Director

Enclosures



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

MANAGEMENT OF PROPERTY

I PURPOSE: This Instruction supplements FmHA Instruction 1955-B, "Management of Property."

II PARAGRAPH 1955.61, EVICTION OF PERSONS: Advice in evicting persons from acquired property will be requested from OGC through the State Director.

A Once the property is acquired, either by foreclosure (after the redemption has expired), or by voluntary conveyance, (after the Warranty Deed is recorded) and it is still being occupied, send a Certified letter to the borrower/occupant advising them that Farmers Home Administration is now the owner of the property. Request them to vacate by a specified date.

B If the borrower/occupant continues to occupy the property, send the case file to the State Office with the original Promissory Note(s), requesting eviction action.

C The State Office will then proceed with the eviction processing.

D If at any time the property is vacated after requesting eviction action, notify the State Office immediately.

III PARAGRAPH 1955.68, PAYMENT OF TAXES: FmHA Michigan will pay all real estate taxes on inventory property as they are billed. Tax exemption for federally owned property will not be exercised by FmHA in Michigan.

IV PARAGRAPH NOTATIONS: Mark appropriate paragraphs in FmHA Instruction 1955-B as follows: "Supplemented by Michigan Instruction 1955-B".

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Property Management  
Real Estate and Chattel  
Properties

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