

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

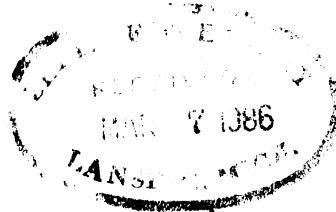
Farmers
Home
Administration

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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DISTRIBUTION: S,D,C

Property Management
Real Estate and Chattel
Properties

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