

Legislative Analysis



BANKRUPTCY SALES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4673

Sponsor: Rep. Pam Byrnes

Committee: Commerce

Complete to 5-25-07

A SUMMARY OF HOUSE BILL 4673 AS INTRODUCED 4-26-07

The bill would amend Public Act 39 of 1961 to allow the clerk of a local unit of government to waive the \$50 application fee for a bankruptcy sale if the applicant provides a copy of the order of a federal bankruptcy court approving or directing the holding of the sale. This applies to cities, villages, and townships.

[Public Act 39 regulates how certain kinds of sales can be conducted—sales such as "going out of business" sales, closeout sales, removal sales, liquidation sales, bankruptcy sales, or insurance sales. A license is required from the local unit of government good for up to 30 days. Such a license can be renewed only twice for up to 30 days each time, and only for the goods on the original sale inventory list. There is a \$50 fee for each license application and renewal application.]

MCL 442.216

FISCAL IMPACT:

The bill is permissive; it allows local units to waive revenue they otherwise would receive from bankruptcy sale application fees.

Legislative Analyst: Chris Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.