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HOUSE FISCAL AGENCY

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HB4028 SUBSTITUTE
H-3

Sponsor
Committee

Rep. Andrew Richner
LAND USE AND ENVIRONMENT

Analyst(s) Schneider, Bob

Completed 5/9/01

State Fiscal Impact

Cost None
Revenues None

Local Fiscal Impact

Cost Indeterminate/Increase
Revenues Indeterminate

The bill would allow a city, village, or township to designate a structure or lot within its jurisdiction as "blighting property" as defined in the bill. The municipality could then acquire title to such property by purchase, gift, exchange, or condemnation procedures. A municipality electing to take this action would be required to conduct a thorough title search to identify all those with a legal interest in the property and would have to hold a public hearing on the issue after noticing affected parties. Persons with legal interests in the property would be allowed to contest the designation or to make necessary improvements on the property to avoid the designation. The bill also allows persons with legal interest to appeal a municipality's designation to the circuit court and to collect costs related to the appeal from the municipality if successful in the appeal.

Under the bill, municipalities would be allowed to offer incentives to encourage the donation or transfer of blighting property, including the forgiveness of unpaid property taxes and fine revenue levied against the property or its owner. Municipalities acquiring blighted property through the bill's provisions would be required to establish a development plan for the property or to transfer the property for reasonable and valuable consideration to a transferee that presents a development plan for the property and demonstrates the financial ability to implement the plan. Finally, the bill provides that the act is to sunset five years after its effective date.

Since the bill only opens up the option of using the blighting property designation to municipalities and does not make specific requirements of municipalities, the bill would have no definite fiscal impact on either the state or local units of government. To the extent that municipalities opted to utilize the bill's provisions, local costs related to administering the designation process would increase. Future local revenues could also decrease in municipalities that choose to forgive unpaid property tax or fines on a property to the extent that the revenue would have been collected at some point in time.