

# HOUSE BILL No. 4028

January 25, 2001, Introduced by Reps. Richner and Cassis and referred to the Committee on Land Use and Environment.

A bill to establish procedures for municipalities to designate individual lots or structures as blighting; to purchase or condemn blighting property; and to transfer blighting property to developers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. As used in this act:

2       (a) "Blighting property" means any of the following struc-  
3       tures or lots, whether improved or unimproved:

4       (i) A structure or lot that, because of physical condition  
5       or use, is regarded as a public nuisance at common law or has  
6       been declared a public nuisance under the local housing, build-  
7       ing, plumbing, or fire codes.

8       (ii) A structure or lot that, because of physical condition,  
9       use, or occupancy, is considered an attractive nuisance to

1 children, including, but not limited to, abandoned wells, shafts,  
2 basements, and excavations, and unsafe fences or structures.

3 (iii) A structure that, because it is dilapidated, unsani-  
4 tary, unsafe, vermin infested, or lacking in facilities and  
5 equipment required by the housing code of the municipality, has  
6 been designated by the municipal agency responsible for enforce-  
7 ment of the code as unfit for usage.

8 (iv) A structure or lot that is a fire hazard or is other-  
9 wise dangerous to the safety of persons or property.

10 (v) A structure from which the utilities, plumbing, heating,  
11 sewerage, or other facilities have been disconnected, destroyed,  
12 removed, or rendered ineffective so that the property is unfit  
13 for its intended use.

14 (vi) A structure or lot that, by reason of neglect or lack  
15 of maintenance, has become a place for accumulation of trash or  
16 debris, or a haven for rodents or other vermin.

17 (vii) A residential structure that is vacant and has not  
18 been rehabilitated within 1 year of the receipt of notice to  
19 rehabilitate from the appropriate code enforcement agency.

20 (viii) A nonresidential structure that has not been rehabil-  
21 itated within 1 year of the receipt of notice to rehabilitate  
22 from the appropriate code enforcement agency.

23 (b) "Downtown development authority" means an authority cre-  
24 ated pursuant to 1975 PA 197, MCL 125.1651 to 125.1681.

25 (c) "Economic development corporation" means a corporation  
26 organized pursuant to the economic development corporations act,  
27 1974 PA 338, MCL 125.1601 to 125.1636.

1 (d) "Municipality" means a county, city, village, or  
2 township in this state.

3 (e) "Nonprofit organization" means any 1 of the following:

4 (i) A corporation organized under the nonprofit corporation  
5 act, 1982 PA 162, MCL 450.2101 to 450.3192.

6 (ii) A corporation to which sections 121 and 123 of the non-  
7 profit corporation act, 1982 PA 162, MCL 450.2121 and 450.2123,  
8 apply.

9 (iii) A group, society, organization, or association orga-  
10 nized to carry out any lawful purpose not involving pecuniary  
11 profit or gain for its officers, trustees, or members.

12 (f) "Tax increment finance authority" means an authority  
13 created pursuant to the tax increment finance authority act, 1980  
14 PA 450, MCL 125.1801 to 125.1830.

15 Sec. 2. A municipality may designate a structure or lot as  
16 blighting property and acquire fee simple title in the blighting  
17 property by purchase, gift, exchange, or condemnation under the  
18 procedures set forth in sections 3 and 4.

19 Sec. 3. (1) A municipality that proposes to designate a  
20 property as blighting property shall hold a hearing on the  
21 designation. The municipality shall provide notice of the hear-  
22 ing and the proposed designation under the procedures described  
23 in subsection (2).

24 (2) The municipality shall perform a thorough title search  
25 to identify all persons with a legal interest in the property.  
26 The municipality shall provide notice of the hearing in all of  
27 the following forms:

1 (a) By registered mail, with address correction requested,  
2 to all persons with a legal interest in the blighting property,  
3 including, but not limited to, the legal owner of the property,  
4 the person to whom taxes are levied, and all lienholders. The  
5 notice shall include an explanation of any incentives the munic-  
6 pality has adopted under section 4 to encourage the donation of  
7 blighting property.

8 (b) By posting a notice on the property and delivering a  
9 copy to the occupant or occupants. The notice shall be in a  
10 graphic form and of a sufficient size to draw attention.

11 (c) By placing the property on a proposed blighting proper-  
12 ties list that is readily available for inspection by the  
13 public.

14 (3) A person with a legal interest in the property may con-  
15 test the proposed designation at the hearing. If the municipal-  
16 ity determines, after notice and hearing, that the property is  
17 blighting property, it may offer to purchase the property at the  
18 fair market value or to acquire the property by donation or  
19 exchange. If the offer is rejected, the municipality may insti-  
20 tute and prosecute proceedings under the power of eminent domain  
21 in accordance with the laws of this state or provisions of any  
22 local charter relative to condemnation.

23 Sec. 4. (1) A municipality may by ordinance adopt any of  
24 the following incentives to encourage the donation of blighting  
25 property:

26 (a) Forgiving some or all fees or fines relating to the  
27 property that the owner owes to the municipality.

1 (b) Adoption of a special tax deduction for property  
2 owners.

3 (2) The owner of a blighting property who receives incen-  
4 tives from a municipality under this section to donate the prop-  
5 erty shall first offer the property to the municipality. If the  
6 municipality declines the property, the owner may donate it to an  
7 economic development corporation, downtown development authority,  
8 tax increment finance authority, or other nonprofit  
9 organization.

10 Sec. 5. A municipality may transfer a blighting property  
11 acquired under this act to a developer after it does all of the  
12 following:

13 (a) Develop and adopt a development plan for the rehabilita-  
14 tion of any blighting property that it acquires under section 3  
15 or 4.

16 (b) Require guarantees of the developer's financial ability  
17 to implement the development plan for the blighting property.

18 Sec. 6. The powers granted in this act are in addition to  
19 powers granted to municipalities under the statutes and local  
20 charters. Nothing contained in this act shall be construed to  
21 amend or repeal any of the provisions of 1933 (Ex Sess) PA 18,  
22 MCL 125.651 to 125.709c, or of 1945 PA 344, MCL 125.71 to  
23 125.84.