

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6639**

A bill to amend 1945 PA 344, entitled

"An act to authorize counties, cities, villages and townships of this state to adopt plans to prevent blight and to adopt plans for the rehabilitation of blighted areas; to authorize assistance in carrying out such plans by the acquisition of real property, the improvement of such real property and the disposal of real property in such areas; to prescribe the methods of financing the exercise of these powers; and to declare the effect of this act,"

by amending sections 2, 3, and 5 (MCL 125.72, 125.73, and 125.75), sections 2 and 3 as amended by 1986 PA 320.

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

1       Sec. 2. As used in this act:

2       (a) "Blighted area" means a portion of a municipality,  
3       developed or undeveloped, improved or unimproved, with business or  
4       residential uses, marked by a demonstrated pattern of deterioration  
5       in physical, economic, or social conditions, and characterized by

1 such conditions as functional or economic obsolescence of buildings  
2 or the area as a whole, physical deterioration of structures,  
3 substandard building or facility conditions, improper or  
4 inefficient division or arrangement of lots and ownerships and  
5 streets and other open spaces, inappropriate mixed character and  
6 uses of the structures, deterioration in the condition of public  
7 facilities or services, or any other similar characteristics which  
8 endanger the health, safety, morals, or general welfare of the  
9 municipality, and which may include any buildings or improvements  
10 not in themselves obsolescent, and any real property, residential  
11 or nonresidential, whether improved or unimproved, the acquisition  
12 of which is considered necessary for rehabilitation of the area. It  
13 is expressly recognized that blight is observable at different  
14 stages of severity, and that moderate blight unremedied creates a  
15 strong probability that severe blight will follow. Therefore, the  
16 conditions that constitute blight are to be broadly construed to  
17 permit a municipality to make an early identification of problems  
18 and to take early remedial action to correct a demonstrated pattern  
19 of deterioration and to prevent worsening of blight conditions.

20 (B) "BLIGHTED PROPERTY" MEANS PROPERTY THAT MEETS ANY OF THE  
21 FOLLOWING CRITERIA:

22 (i) THE PROPERTY HAS BEEN DECLARED A PUBLIC NUISANCE IN  
23 ACCORDANCE WITH A LOCAL HOUSING, BUILDING, PLUMBING, FIRE, OR OTHER  
24 RELATED CODE OR ORDINANCE.

25 (ii) THE PROPERTY IS AN ATTRACTIVE NUISANCE BECAUSE OF PHYSICAL  
26 CONDITION OR USE.

27 (iii) THE PROPERTY IS A FIRE HAZARD OR IS OTHERWISE DANGEROUS TO

1 THE SAFETY OF PERSONS OR PROPERTY.

2 (iv) THE PROPERTY HAS HAD THE UTILITIES, PLUMBING, HEATING, OR  
3 SEWERAGE DISCONNECTED, DESTROYED, REMOVED, OR RENDERED INEFFECTIVE  
4 FOR A PERIOD OF 1 YEAR OR MORE SO THAT THE PROPERTY IS UNFIT FOR  
5 ITS INTENDED USE.

6 (v) THE PROPERTY IS TAX REVERTED PROPERTY OWNED BY A  
7 MUNICIPALITY, BY A COUNTY, OR BY THIS STATE. THE SALE, LEASE, OR  
8 TRANSFER OF TAX REVERTED PROPERTY BY A MUNICIPALITY, A COUNTY, OR  
9 THIS STATE SHALL NOT RESULT IN THE LOSS TO THE PROPERTY OF  
10 ELIGIBILITY FOR ANY PROJECT AUTHORIZED UNDER THIS ACT FOR THE  
11 REHABILITATION OF A BLIGHTED AREA, PLATTING AUTHORIZED UNDER THIS  
12 ACT, OR TAX RELIEF OR ASSISTANCE, INCLUDING FINANCIAL ASSISTANCE,  
13 AUTHORIZED UNDER THIS ACT OR ANY OTHER ACT.

14 (vi) THE PROPERTY IS OWNED OR IS UNDER THE CONTROL OF A LAND  
15 BANK FAST TRACK AUTHORITY UNDER THE LAND BANK FAST TRACK ACT, 2003  
16 PA 258, MCL 124.751 TO 124.774. THE SALE, LEASE, OR TRANSFER OF THE  
17 PROPERTY BY A LAND BANK FAST TRACK AUTHORITY SHALL NOT RESULT IN  
18 THE LOSS TO THE PROPERTY OF ELIGIBILITY FOR ANY PROJECT AUTHORIZED  
19 UNDER THIS ACT FOR THE REHABILITATION OF A BLIGHTED AREA, PLATTING  
20 AUTHORIZED UNDER THIS ACT, OR TAX RELIEF OR ASSISTANCE, INCLUDING  
21 FINANCIAL ASSISTANCE, AUTHORIZED UNDER THIS ACT OR ANY OTHER ACT.

22 (vii) THE PROPERTY IS IMPROVED REAL PROPERTY THAT HAS REMAINED  
23 VACANT FOR 5 CONSECUTIVE YEARS AND THAT IS NOT MAINTAINED IN  
24 ACCORDANCE WITH APPLICABLE LOCAL HOUSING OR PROPERTY MAINTENANCE  
25 CODES OR ORDINANCES.

26 (viii) THE PROPERTY HAS CODE VIOLATIONS POSING A SEVERE AND  
27 IMMEDIATE HEALTH OR SAFETY THREAT AND HAS NOT BEEN SUBSTANTIALLY

1 REHABILITATED WITHIN 1 YEAR AFTER THE RECEIPT OF NOTICE TO  
2 REHABILITATE FROM THE APPROPRIATE CODE ENFORCEMENT AGENCY OR FINAL  
3 DETERMINATION OF ANY APPEAL, WHICHEVER IS LATER.

4 (C) ~~—(b)—~~ "Municipality" means a county, city, village, or  
5 township in the state.

6 (D) ~~—(e)—~~ "Development plan" means a plan for the  
7 rehabilitation of all or any part of a blighted area.

8 (E) ~~—(d)—~~ "Development area" means that portion of a blighted  
9 area to which a development plan is applicable.

10 (F) ~~—(e)—~~ "Real property" means land, buildings, improvements,  
11 land under water, waterfront property, and any and all easements,  
12 franchises and hereditaments, corporeal or incorporeal, and every  
13 estate, interest, privilege, easement, franchise and right therein,  
14 or appurtenant thereto, legal or equitable, including rights of  
15 way, terms for years, and liens, charges, or incumbrances by  
16 mortgage, judgment, or otherwise.

17 (G) ~~—(f)—~~ "Local taxes" means state, county, city, village,  
18 township and school taxes, any special district taxes, and any  
19 other tax on real property, but does not include special assessment  
20 for local benefit improvements.

21 (H) ~~—(g)—~~ "Public use" when used with reference to land  
22 reserved for public use means only such uses as are for the general  
23 use and benefit of the public as a whole, such as schools,  
24 libraries, public institutions, administration buildings, parks,  
25 boulevards, playgrounds, streets, alleys, or easements for sewers,  
26 public lighting, water, gas, or other similar utilities.

27 (I) ~~—(h)—~~ "Project" means all of the undertakings authorized

House Bill No. 6639 as amended December 14, 2006

in this act for the rehabilitation of a blighted area.

Sec. 3. A municipality may bring about the rehabilitation of blighted areas and the prevention, reduction, or elimination of blight, blighting factors, or causes of blight, and for that purpose may ~~acquire~~ **DO ANY OF THE FOLLOWING:**

(A) **ACQUIRE** real property by purchase, gift, **OR** exchange. ~~or~~

(B) **ACQUIRE UNDER THIS ACT BLIGHTED PROPERTY BY** condemnation. ~~, and may lease,~~

(C) **LEASE**, sell, renovate, improve, or exchange ~~such~~ **BLIGHTED PROPERTY OR OTHER** real property **ACQUIRED BY OTHER MEANS** in accordance with the ~~provisions of~~ **STATE CONSTITUTION OF 1963 AND** this act.

Sec. 5. (1) For the accomplishment of the purposes of this act, the municipality shall acquire fee simple title in real property by purchase, gift, **OR** exchange, **AND MAY ACQUIRE UNDER THIS ACT TITLE TO BLIGHTED PROPERTY BY** condemnation. ~~or otherwise, and~~ **THE MUNICIPALITY** shall **THEN** apply ~~such~~ **THAT BLIGHTED PROPERTY ACQUIRED BY CONDEMNATION UNDER THIS ACT AND OTHER** real property ~~thereafter~~ **ACQUIRED BY OTHER MEANS** to the expressed purposes of this act.

(2) ~~The~~ **BY AUTHORITY OF THIS ACT FOR BLIGHTED PROPERTY<<, >>** **OR BY AUTHORITY OF OTHER STATE LAW AUTHORIZING THE CONDEMNATION OF PROPERTY FOR <<OTHER PUBLIC USES>>, THE** local legislative body may institute and prosecute proceedings under the power of eminent domain in accordance with the **STATE CONSTITUTION OF 1963 AND THE** laws of the state or provisions of any local charter relative to condemnation.

1 ~~The purposes contemplated by this act are hereby declared to be~~  
2 ~~public purposes within the meaning of the constitution, state laws~~  
3 ~~and charters relative to the power of eminent domain. No~~ **A**  
4 resident owner in a development area may **NOT** be dispossessed after  
5 condemnation under the provisions of this act until other adequate  
6 housing accommodations are available, to the people displaced.