

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5060

A bill to amend 1911 PA 149, entitled

"An act to provide for the acquisition by purchase, condemnation and otherwise by state agencies and public corporations of private property for the use or benefit of the public, and to define the terms "public corporations," "state agencies" and "private property" as used herein,"

by amending section 3 (MCL 213.23).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) Any public corporation or state agency is
2 authorized to take private property necessary for a public
3 improvement or for the purposes of its incorporation or ~~for public~~
4 ~~purposes within the scope of its powers~~ for ~~the~~ **PUBLIC** use ~~or~~
5 ~~benefit of the public~~ and to institute and prosecute proceedings
6 for that purpose. When funds have been appropriated by the
7 legislature to a state agency, ~~or~~ **A** division ~~thereof or~~ **OF A**

1 **STATE AGENCY**, the office of the governor, or a division ~~thereof~~
2 **OF THE OFFICE OF THE GOVERNOR** for the purpose of acquiring lands or
3 property for a designated public ~~purpose, such~~ **USE, THE** unit **OF A**
4 **STATE AGENCY** to which the appropriation has been made is authorized
5 on behalf of the people of the state of Michigan to acquire the
6 lands or property either by purchase, condemnation, or otherwise.
7 For the purpose of condemnation, the unit **OF A STATE AGENCY** may
8 proceed under ~~the provisions of~~ this act.

9 (2) **THE TAKING OF PRIVATE PROPERTY BY A PUBLIC CORPORATION OR**
10 **A STATE AGENCY FOR TRANSFER TO A PRIVATE ENTITY IS NOT A PUBLIC USE**
11 **UNLESS THE PROPOSED USE OF THE PROPERTY IS INVESTED WITH PUBLIC**
12 **ATTRIBUTES SUFFICIENT TO FAIRLY DEEM THE ENTITY'S ACTIVITY**
13 **GOVERNMENTAL BY 1 OR MORE OF THE FOLLOWING:**

14 (A) **A PUBLIC NECESSITY OF THE EXTREME SORT EXISTS THAT**
15 **REQUIRES COLLECTIVE ACTION TO ACQUIRE PROPERTY FOR**
16 **INSTRUMENTALITIES OF COMMERCE, INCLUDING A PUBLIC UTILITY OR A**
17 **STATE OR FEDERALLY REGULATED COMMON CARRIER, WHOSE VERY EXISTENCE**
18 **DEPENDS ON THE USE OF PROPERTY THAT CAN BE ASSEMBLED ONLY THROUGH**
19 **THE COORDINATION THAT CENTRAL GOVERNMENT ALONE IS CAPABLE OF**
20 **ACHIEVING.**

21 (B) **THE PROPERTY OR USE OF THE PROPERTY WILL REMAIN SUBJECT TO**
22 **PUBLIC OVERSIGHT AND ACCOUNTABILITY AFTER THE TRANSFER OF THE**
23 **PROPERTY AND WILL BE DEVOTED TO THE USE OF THE PUBLIC, INDEPENDENT**
24 **FROM THE WILL OF THE PRIVATE ENTITY TO WHICH THE PROPERTY IS**
25 **TRANSFERRED.**

26 (C) **THE PROPERTY IS SELECTED ON FACTS OF INDEPENDENT PUBLIC**
27 **SIGNIFICANCE OR CONCERN, INCLUDING BLIGHT, RATHER THAN THE PRIVATE**

1 INTERESTS OF THE ENTITY TO WHICH THE PROPERTY IS EVENTUALLY
2 TRANSFERRED.

3 (3) AS USED IN SUBSECTION (1), "PUBLIC USE" DOES NOT INCLUDE
4 THE TAKING OF PRIVATE PROPERTY FOR THE PURPOSE OF TRANSFER TO A
5 PRIVATE ENTITY FOR EITHER GENERAL ECONOMIC DEVELOPMENT OR THE
6 ENHANCEMENT OF TAX REVENUE.

7 (4) IN A CONDEMNATION ACTION, THE BURDEN OF PROOF IS ON THE
8 CONDEMNING AUTHORITY TO DEMONSTRATE, BY THE PREPONDERANCE OF THE
9 EVIDENCE, THAT THE TAKING OF A PRIVATE PROPERTY IS FOR A PUBLIC
10 USE, UNLESS THE CONDEMNATION ACTION INVOLVES A TAKING OF PRIVATE
11 PROPERTY BECAUSE THE PROPERTY IS BLIGHTED, IN WHICH CASE THE BURDEN
12 OF PROOF IS ON THE CONDEMNING AUTHORITY TO DEMONSTRATE, BY CLEAR
13 AND CONVINCING EVIDENCE, THAT THE TAKING OF THAT PROPERTY IS FOR A
14 PUBLIC USE.

15 (5) IF PRIVATE PROPERTY CONSISTING OF AN INDIVIDUAL'S
16 PRINCIPAL RESIDENCE IS TAKEN FOR PUBLIC USE, THE AMOUNT OF
17 COMPENSATION MADE AND DETERMINED FOR THAT TAKING SHALL BE NOT LESS
18 THAN 125% OF THAT PROPERTY'S FAIR MARKET VALUE, IN ADDITION TO ANY
19 OTHER REIMBURSEMENT ALLOWED BY LAW. <<IN ORDER TO BE ELIGIBLE FOR
REIMBURSEMENT UNDER THIS SUBSECTION, THE INDIVIDUAL'S PRINCIPAL
RESIDENTIAL STRUCTURE MUST BE ACTUALLY TAKEN OR THE AMOUNT OF THE
INDIVIDUAL'S PRIVATE PROPERTY TAKEN LEAVES LESS PROPERTY CONTIGUOUS TO
THE INDIVIDUAL'S PRINCIPAL RESIDENTIAL STRUCTURE THAN THE MINIMUM LOT
SIZE IF THE LOCAL GOVERNING UNIT HAS IMPLEMENTED A MINIMUM LOT SIZE BY
ZONING ORDINANCE.>>

20 (6) A TAKING OF PRIVATE PROPERTY FOR PUBLIC USE, AS ALLOWED
21 UNDER THIS SECTION, DOES NOT INCLUDE A TAKING FOR A PUBLIC USE THAT
22 IS A PRETEXT TO CONFER A PRIVATE BENEFIT ON A KNOWN OR UNKNOWN
23 PRIVATE ENTITY. <<FOR PURPOSES OF THIS SUBSECTION, THE TAKING OF PRIVATE
PROPERTY FOR THE PURPOSES OF A DRAIN PROJECT BY A DRAINAGE DISTRICT AS
ALLOWED UNDER THE DRAIN CODE OF 1956, 1956 PA 40, MCL 280.1 TO 280.630,
DOES NOT CONSTITUTE A PRETEXT TO CONFER A PRIVATE BENEFIT ON A PRIVATE
ENTITY.>>

24 (7) ANY EXISTING RIGHT, GRANT, OR BENEFIT AFFORDED TO PROPERTY

House Bill No. 5060 as amended June 21, 2006

25 OWNERS AS OF DECEMBER 22, 2006, WHETHER PROVIDED BY THE STATE
26 CONSTITUTION OF 1963, BY THIS SECTION OR OTHER STATUTE, OR
27 OTHERWISE, SHALL BE PRESERVED AND SHALL NOT BE ABROGATED OR

1 IMPAIRED BY THE 2006 AMENDATORY ACT THAT ADDED THIS SUBSECTION.

2 (8) AS USED IN THIS SECTION:

3 (A) "BLIGHTED" MEANS PROPERTY THAT MEETS ANY OF THE FOLLOWING
4 CRITERIA:

5 (i) HAS BEEN DECLARED A PUBLIC NUISANCE IN ACCORDANCE WITH A
6 LOCAL HOUSING, BUILDING, PLUMBING, FIRE, OR OTHER RELATED CODE OR
7 ORDINANCE.

8 (ii) IS AN ATTRACTIVE NUISANCE BECAUSE OF PHYSICAL CONDITION OR
9 USE.

10 (iii) IS A FIRE HAZARD OR IS OTHERWISE DANGEROUS TO THE SAFETY
11 OF PERSONS OR PROPERTY.

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

16 (v) IS TAX REVERTED PROPERTY OWNED BY A QUALIFIED LOCAL
17 GOVERNMENTAL UNIT, BY A COUNTY, OR BY THIS STATE. THE SALE, LEASE,
18 OR TRANSFER OF TAX REVERTED PROPERTY BY A QUALIFIED LOCAL
19 GOVERNMENTAL UNIT, COUNTY, OR THIS STATE SHALL NOT RESULT IN THE
20 LOSS TO THE PROPERTY OF THE STATUS AS BLIGHTED FOR PURPOSES OF THIS
21 ACT.

22 (vi) IS PROPERTY OWNED OR UNDER THE CONTROL OF A LAND BANK FAST
23 TRACK AUTHORITY UNDER THE LAND BANK FAST TRACK ACT, 2003 PA 258,
24 MCL 124.751 TO 124.774, WHETHER OR NOT LOCATED WITHIN A QUALIFIED
25 LOCAL GOVERNMENTAL UNIT. THE SALE, LEASE, OR TRANSFER OF THE
26 PROPERTY BY A LAND BANK FAST TRACK AUTHORITY SHALL NOT RESULT IN
27 THE LOSS TO THE PROPERTY OF THE STATUS AS BLIGHTED FOR PURPOSES OF

1 THIS ACT.

2 (vii) IS IMPROVED REAL PROPERTY THAT HAS REMAINED VACANT FOR 5
3 CONSECUTIVE YEARS AND THAT IS NOT MAINTAINED IN ACCORDANCE WITH
4 APPLICABLE LOCAL HOUSING OR PROPERTY MAINTENANCE CODES OR
5 ORDINANCES.

6 (viii) ANY PROPERTY THAT HAS CODE VIOLATIONS POSING A SEVERE AND
7 IMMEDIATE HEALTH OR SAFETY THREAT AND THAT HAS NOT BEEN
8 SUBSTANTIALLY REHABILITATED WITHIN 1 YEAR AFTER THE RECEIPT OF
9 NOTICE TO REHABILITATE FROM THE APPROPRIATE CODE ENFORCEMENT AGENCY
10 OR FINAL DETERMINATION OF ANY APPEAL, WHICHEVER IS LATER.

11 (B) "QUALIFIED LOCAL GOVERNMENTAL UNIT" MEANS THAT TERM AS
12 DEFINED IN SECTION 2 OF THE BROWNFIELD REDEVELOPMENT FINANCING ACT,
13 1996 PA 381, MCL 125.2652.

14 Enacting section 1. This amendatory act takes effect December
15 23, 2006.

16 Enacting section 2. This amendatory act does not take effect
17 unless both of the following occur:

18 (a) Senate Bill No. 693 of the 93rd Legislature is enacted
19 into law.

20 (b) Senate Joint Resolution E of the 93rd Legislature becomes
21 part of the state constitution of 1963 as provided in section 1 of
22 article XII of the state constitution of 1963.