

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6638

A bill to amend 1949 PA 208, entitled

"An act to authorize cities, villages and townships of this state to designate neighborhood areas for the purpose of planning and carrying out local public improvements for the prevention of blight within such areas; to authorize assistance in carrying out plans for local improvements by the acquisition and disposal of real property in such areas; to provide for the combining of neighborhood improvements that benefit the entire neighborhood into 1 improvement project; to provide for the establishment of local assessment districts coterminous with the neighborhood boundaries; to prescribe the methods of financing the exercise of these powers, and to declare the effect of this act,"

by amending sections 2 and 4 (MCL 125.942 and 125.944).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. ~~The following terms whenever used or referred to AS~~  
2 **USED** in this act: ~~shall have the following respective meanings,~~  
3 ~~unless a different meaning clearly appears from the context:~~  
4 ~~— Wherever appropriate the singular includes the plural and~~  
5 ~~plural includes the singular,~~

1           (A) "Neighborhood area" ~~shall mean~~ **MEANS** a portion of a  
 2 municipality ~~which~~ **THAT** has been delimited as a neighborhood unit  
 3 in a plan of neighborhoods adopted by the legislative body, which  
 4 plan ~~shall have~~ **HAS** the function of designating the service area  
 5 of elementary schools, playgrounds, or other local improvements. →

6           (B) "Real property" ~~shall include~~ **INCLUDES** land, building  
 7 improvements, land under water, waterfront property, and any and  
 8 all easements, franchises, and hereditaments, corporeal or  
 9 incorporeal, and every estate, interest, privilege, easement,  
 10 franchise, and right ~~therein~~ **TO THAT PROPERTY**, or appurtenant  
 11 ~~thereto~~ **TO THAT PROPERTY**, legal or equitable, including rights-of-  
 12 way, terms for years, and liens, charges, or incumbrances by  
 13 mortgage, judgment, or otherwise. →

14           (C) "Municipality" ~~shall mean any duly incorporated~~ **MEANS A**  
 15 city, village, or township. →

16           (D) "Legislative body" ~~shall mean~~ **MEANS** the city council,  
 17 city commission, ~~board of aldermen,~~ township board, or other  
 18 **LEGISLATIVE** body ~~having the power to pass ordinances or measures~~  
 19 ~~and to otherwise legislate concerning~~ **OF A** city, village, or  
 20 township. ~~affairs,~~

21           (E) "Public use", when used with reference to land reserved  
 22 for ~~such~~ **THAT** purpose, ~~shall mean~~ **MEANS** and ~~be deemed to~~  
 23 ~~relate~~ **RELATES** to ~~such~~ uses ~~as are~~ for the general benefit of  
 24 the public, such as schools, libraries, public institutions,  
 25 administration buildings, parks, boulevards, playgrounds, streets,  
 26 alleys, easements or sewers, public lighting, water, gas, or other  
 27 similar utilities, or improvements. →

1       (F) "Privately owned lands" ~~shall mean~~ **MEANS** all land not  
2 held by the municipal body, county, state, or federal government  
3 for public purposes. ~~→~~

4       (G) "Owner" ~~shall mean~~ **MEANS** any person ~~—~~ or persons,  
5 natural or corporate, owning a legal or equitable title to the  
6 land. ~~→~~

7       (H) "Project" ~~shall mean~~ **MEANS** all of the undertakings  
8 ~~herein~~ authorized **IN THIS ACT** for the improvement of a  
9 neighborhood area.

10       (I) "BLIGHTED PROPERTY" **MEANS** PROPERTY THAT MEETS ANY OF THE  
11 FOLLOWING CRITERIA:

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

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

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

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

23       (v) THE PROPERTY IS TAX REVERTED PROPERTY OWNED BY A  
24 MUNICIPALITY, BY A COUNTY, OR BY THIS STATE. THE SALE, LEASE, OR  
25 TRANSFER OF TAX REVERTED PROPERTY BY A MUNICIPALITY, A COUNTY, OR  
26 THIS STATE SHALL NOT RESULT IN THE LOSS TO THE PROPERTY OF  
27 ELIGIBILITY FOR ANY PROJECT AUTHORIZED FOR THE IMPROVEMENT OF A

1 NEIGHBORHOOD AREA UNDER THIS ACT, TAX OR SPECIAL ASSESSMENT  
 2 AUTHORIZED UNDER THIS ACT, OR TAX RELIEF OR ASSISTANCE, INCLUDING  
 3 FINANCIAL ASSISTANCE, AUTHORIZED UNDER THIS ACT OR ANY OTHER ACT.

4 (vi) THE PROPERTY IS OWNED OR IS UNDER THE CONTROL OF A LAND  
 5 BANK FAST TRACK AUTHORITY UNDER THE LAND BANK FAST TRACK ACT, 2003  
 6 PA 258, MCL 124.751 TO 124.774. THE SALE, LEASE, OR TRANSFER OF THE  
 7 PROPERTY BY A LAND BANK FAST TRACK AUTHORITY SHALL NOT RESULT IN  
 8 THE LOSS TO THE PROPERTY OF THE ELIGIBILITY FOR ANY PROJECT  
 9 AUTHORIZED FOR THE IMPROVEMENT OF A NEIGHBORHOOD AREA UNDER THIS  
 10 ACT, TAX OR SPECIAL ASSESSMENT AUTHORIZED UNDER THIS ACT, OR TAX  
 11 RELIEF OR ASSISTANCE, INCLUDING FINANCIAL ASSISTANCE, AUTHORIZED  
 12 UNDER THIS ACT OR ANY OTHER ACT.

13 (vii) THE PROPERTY IS IMPROVED REAL PROPERTY THAT HAS REMAINED  
 14 VACANT FOR 5 CONSECUTIVE YEARS AND THAT IS NOT MAINTAINED IN  
 15 ACCORDANCE WITH APPLICABLE LOCAL HOUSING OR PROPERTY MAINTENANCE  
 16 CODES OR ORDINANCES.

17 (viii) THE PROPERTY HAS CODE VIOLATIONS POSING A SEVERE AND  
 18 IMMEDIATE HEALTH OR SAFETY THREAT AND HAS NOT BEEN SUBSTANTIALLY  
 19 REHABILITATED WITHIN 1 YEAR AFTER THE RECEIPT OF NOTICE TO  
 20 REHABILITATE FROM THE APPROPRIATE CODE ENFORCEMENT AGENCY OR FINAL  
 21 DETERMINATION OF ANY APPEAL, WHICHEVER IS LATER.

22 Sec. 4. (1) For the accomplishment of the purposes of this  
 23 act, the municipality may acquire fee simple title in real property  
 24 by purchase, gift, OR exchange —, AND MAY ACQUIRE UNDER THIS ACT  
 25 TITLE TO BLIGHTED PROPERTY BY condemnation. ~~or otherwise, and~~ THE  
 26 MUNICIPALITY shall THEN apply ~~such~~ THAT BLIGHTED PROPERTY  
 27 ACQUIRED BY CONDEMNATION UNDER THIS ACT AND OTHER real property

House Bill No. 6638 as amended December 14, 2006

1 ~~thereafter~~ **ACQUIRED BY OTHER MEANS** to the expressed purposes of  
2 this act.

3 (2) ~~The~~ **BY AUTHORITY OF THIS ACT FOR BLIGHTED PROPERTY<<, >>** OR BY  
4 **AUTHORITY OF OTHER STATE LAW AUTHORIZING THE CONDEMNATION OF**  
5 **PROPERTY FOR <<OTHER PUBLIC USES>>, THE** local legislative body may  
institute  
6 and prosecute proceedings under the power of eminent domain in  
7 accordance with **THE STATE CONSTITUTION OF 1963 AND THE** laws of the  
8 state or provisions of any local charter relative to condemnation.  
9 ~~The purposes contemplated by this act are hereby declared to be~~  
10 ~~public purposes within the meaning of the constitution, state laws~~  
11 ~~and charters relative to the power of eminent domain.~~