

**SUBSTITUTE FOR  
SENATE BILL NO. 35**

A bill to amend 1909 PA 279, entitled  
"The home rule city act,"  
by amending section 4q (MCL 117.4q), as amended by 2008 PA 51.

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

1       Sec. 4q. (1) A city that has a population of 7,500 or more and  
2 is located in any county, or a city that has a population of 3,300  
3 or more and is located in a county that has a population of  
4 ~~2,000,000~~ **1,500,000** or more, may establish an administrative  
5 hearings bureau to adjudicate and impose sanctions for violations  
6 of the charter or ordinances designated in the charter or ordinance  
7 as a blight violation. The bureau may accept admissions of  
8 responsibility for blight violations. Pursuant to a schedule of  
9 civil fines and costs, the bureau may collect civil fines and costs

1 for blight violations.

2 (2) The expense of the operation of an administrative hearings  
3 bureau shall be borne by the city establishing the bureau.

4 (3) An administrative hearings bureau shall not have  
5 jurisdiction over criminal offenses, traffic civil infractions,  
6 municipal civil infractions, or state civil infractions. The bureau  
7 and its hearing officers shall not have the authority to impose a  
8 penalty of incarceration and may not impose a civil fine in excess  
9 of \$10,000.00. This section does not authorize a proceeding against  
10 a foreclosing governmental unit as defined under section 78 of the  
11 general property tax act, 1893 PA 206, MCL 211.78, or an authority  
12 created under the land bank fast track act, 2003 PA 258, MCL  
13 124.751 to 124.774. The city may waive a fine for a blight  
14 violation at an owner-occupied dwelling for a first time offender  
15 of a blight ordinance, if the offender has corrected the  
16 circumstances for the violation.

17 (4) A city that establishes an administrative hearings bureau  
18 under this section shall establish by ordinance the jurisdiction of  
19 the bureau for adjudicating alleged blight violations, making  
20 determinations of responsibility, and imposing sanctions upon those  
21 found responsible for a violation. The city may designate only a  
22 violation of any of the following types of ordinances as a blight  
23 violation:

24 (a) Zoning.

25 (b) Building or property maintenance.

26 (c) Solid waste and illegal dumping.

27 (d) Disease and sanitation.

1 (e) Noxious weeds.

2 (f) Vehicle abandonment, inoperative vehicles, vehicle  
3 impoundment, and municipal vehicle licensing.

4 (g) Right-of-way signage. For purposes of this subdivision,  
5 right-of-way signage violation means the placement of signage in a  
6 right-of-way without a proper permit from the city.

7 (h) An ordinance that is substantially the same as sections  
8 138 to 142 of the housing law of Michigan, 1917 PA 167, MCL 125.538  
9 to 125.542.

10 (5) To initiate a proceeding for a blight violation, the city  
11 shall issue and serve upon an alleged violator a written violation  
12 notice on which an authorized local official records the occurrence  
13 or existence of 1 or more blight violations by the person cited and  
14 which directs the named person to pay a civil fine for the  
15 violation or appear at the administrative hearings bureau as  
16 provided in this section. A violation notice to appear at an  
17 administrative hearings bureau shall be treated as made under oath  
18 if the violation alleged in the notice occurred in the presence of  
19 the authorized local official signing the violation notice and if  
20 the notice contains the following statement immediately above the  
21 date and signature of the official: "I declare under the penalties  
22 of perjury that the statements above are true to the best of my  
23 information, knowledge, and belief.". An authorized local official  
24 may issue a violation notice to appear if, based upon  
25 investigation, the official has reasonable cause to believe that  
26 the person is responsible for a blight violation and if the city  
27 attorney or an assistant city attorney approves in writing the

1 issuance of the violation notice.

2 (6) If a city has a rental inspection program with which a  
3 landlord must register in order to rent premises for residential  
4 purposes and if a landlord of premises rented in the city for  
5 residential purposes is registered with the city's rental  
6 inspection program, the city shall not issue a blight violation  
7 notice during an inspection of the premises unless either of the  
8 following occurs:

9 (a) The landlord is given a written correction notice of the  
10 violation and a reasonable opportunity to correct the circumstances  
11 before a reinspection of the premises or a date specified in the  
12 notice.

13 (b) The violation is a direct result of the landlord's action  
14 or inaction and creates an emergency that presents an immediate  
15 risk of harm to people or damage to property including, but not  
16 limited to, a flooded basement or premises without heat.

17 (7) A city that does not have a rental inspection program, or  
18 does not require a landlord to register as part of a rental  
19 inspection program, shall not issue a blight violation notice to a  
20 landlord of premises rented in the city for residential purposes  
21 during an inspection of the premises unless either of the following  
22 occurs:

23 (a) The landlord is given a written correction notice of the  
24 violation and a reasonable opportunity to correct the circumstances  
25 before a reinspection of the premises or a date specified in the  
26 notice.

27 (b) The violation is a direct result of the landlord's action

1 or inaction and creates an emergency that presents an immediate  
2 risk of harm to people or damage to property, including, but not  
3 limited to, a flooded basement or premises without heat.

4 (8) The person named in the violation notice shall appear on  
5 or before the time specified in the violation notice and may  
6 respond to the allegations in the notice, as follows:

7 (a) If the alleged violator wishes to admit responsibility for  
8 the blight violation, the person may do so by appearing in person,  
9 by representation, or by mail. If appearance is made by  
10 representation or mail, the administrative hearings bureau may  
11 accept the admission as though the person personally appeared. Upon  
12 acceptance of the admission, a hearing officer may order any of the  
13 sanctions permitted under this section.

14 (b) If the alleged violator wishes to deny responsibility for  
15 the blight violation, or admit responsibility with an explanation,  
16 the person may do so by appearing in person on the date scheduled  
17 for the administrative hearing for the purpose of adjudicating the  
18 alleged violation.

19 (c) If the alleged violator fails to appear, a decision and  
20 order of default may be entered.

21 (9) If an admission of responsibility is not made and the  
22 civil fine and costs, if any, prescribed by charter or ordinance  
23 for the violation are not paid at the administrative hearings  
24 bureau, and the alleged violator fails to appear at a hearing  
25 scheduled in accordance with this section, a final decision and  
26 order of responsibility in the amount of the prescribed civil fine  
27 and costs may be issued by the administrative hearings bureau.

1           (10) The city establishing an administrative hearings bureau  
2 shall establish rules and procedures for an alleged violator to set  
3 aside the entry of a decision and order of default.

4           (11) The ordinance establishing the bureau shall provide for  
5 adjudicatory hearings by hearing officers. Each hearing officer  
6 shall be an attorney licensed to practice law in this state for at  
7 least 5 years. Hearing officers shall be appointed in a manner  
8 consistent with the charter of the city for the appointment of  
9 other municipal officers or employees and shall only be removed for  
10 reasonable cause. Before conducting administrative adjudication  
11 proceedings, administrative hearing officers shall successfully  
12 complete a formal training program which includes all of the  
13 following:

14           (a) Instruction on the rules of procedure of the  
15 administrative hearings that they will conduct.

16           (b) Orientation to each subject area of the ordinance  
17 violations that they will adjudicate.

18           (c) Observation of administrative hearings.

19           (d) Participation in hypothetical cases, including ruling on  
20 evidence and issuing final orders.

21           (e) The importance of impartiality in the conduct of the  
22 administrative hearing and adjudication of the violation.

23           (f) Instructions on the preparation of a record that is  
24 adequate for judicial review.

25           (12) The authority and duties of a hearing officer shall  
26 include all of the following:

27           (a) Hearing testimony and accepting evidence that is relevant

1 to the existence of the blight violation.

2 (b) Issuing subpoenas directing witnesses to appear and give  
3 relevant testimony at the hearing, upon request of a party or a  
4 party's attorney.

5 (c) Preserving and authenticating the record of the hearing  
6 and all exhibits and evidence introduced at the hearing.

7 (d) Issuing a determination, based upon the evidence presented  
8 at the hearing, whether a blight violation exists. The  
9 determination shall be in writing and shall include written  
10 findings of fact, a decision, and an order. The city shall have the  
11 burden of establishing the responsibility of the alleged violator  
12 by a preponderance of the evidence. Unless the burden is met, the  
13 matter shall be dismissed. A decision and an order shall not be  
14 made except upon consideration of the record as a whole or a  
15 portion of the record as may be cited by any party to the  
16 proceeding and as supported by and in accordance with the  
17 competent, material, and substantial evidence. A decision and order  
18 finding the alleged violator responsible for the violation shall  
19 include the civil fine, if any, or any action with which the  
20 violator must comply, or both.

21 (e) Imposing reasonable and proportionate sanctions consistent  
22 with applicable ordinance provisions and assessing costs upon a  
23 finding that the alleged violator is responsible for the alleged  
24 violation. The maximum monetary civil fine allowed under this  
25 section excludes costs of enforcement or costs imposed to secure  
26 compliance with the city's ordinances and is not applicable to  
27 enforce the collection of any tax imposed and collected by the

1 city.

2 (13) In addition to fines and costs imposed under subsection  
3 (12), the hearing officer shall impose a justice system assessment  
4 of \$10.00 for each blight violation determination. Upon payment of  
5 the assessment, the city shall transmit the assessment collected to  
6 the state treasury to be deposited into the justice system fund  
7 created in section 181 of the revised judicature act of 1961, 1961  
8 PA 236, MCL 600.181.

9 (14) A party shall be provided with the opportunity for a  
10 hearing during which they may be represented by counsel, present  
11 witnesses, and cross-examine witnesses. A party may request the  
12 hearing officer to issue subpoenas to direct the attendance and  
13 testimony of relevant witnesses and the production of relevant  
14 documents. Hearings shall be scheduled with reasonable promptness,  
15 except that for hearings scheduled in all nonemergency situations  
16 the alleged violator if he or she requests shall have at least 14  
17 days after service of process to prepare for the hearing. For  
18 purposes of this subsection, "nonemergency situation" means any  
19 situation that does not reasonably constitute a threat to the  
20 public interest, safety, or welfare. If service is provided by  
21 first-class mail, the 14-day period begins to run on the day that  
22 the notice is deposited in the mail.

23 (15) In an administrative hearing under this section, the  
24 rules of evidence as applied in a nonjury civil case in circuit  
25 court shall be followed as far as practicable, but the hearing  
26 officer may admit and give probative effect to evidence of a type  
27 commonly relied upon by reasonably prudent persons in the conduct

1 of their affairs. Irrelevant, immaterial, or unduly repetitious  
2 evidence may be excluded. Effect shall be given to the rules of  
3 privilege recognized by law. Objections to offers of evidence may  
4 be made and shall be noted in the record. Subject to these  
5 requirements, the hearing officer, for the purpose of expediting  
6 hearings and when the interests of the parties will not be  
7 substantially prejudiced thereby, may provide in an administrative  
8 hearing or by rule for submission of all or part of the evidence in  
9 written form.

10 (16) Any final decision by a hearing officer that a blight  
11 violation does or does not exist constitutes a final decision and  
12 order for purposes of judicial review and may be enforced in the  
13 same manner as a judgment entered by a court of competent  
14 jurisdiction.

15 (17) A party may file an appeal within 28 days after entry of  
16 the decision and order by the hearing officer. An appeal of a final  
17 decision and order of an administrative hearing officer is to the  
18 circuit court.

19 (18) An alleged violator who appeals a final decision and  
20 order to circuit court shall post with the administrative hearings  
21 bureau, at the time the appeal is taken, a bond equal to the fine  
22 and costs imposed. A party who has paid the fine and costs is not  
23 required to post a bond. If a party who has posted a bond fails to  
24 comply with the requirements of supreme court rules for an appeal  
25 to the circuit court, the appeal may be considered abandoned, and  
26 the bureau may dismiss the appeal on 7 days' notice to the parties.  
27 The administrative hearings bureau must promptly notify the circuit

1 court of a dismissal, and the circuit court shall dismiss the claim  
2 of appeal. If the appeal is dismissed or the decision and order are  
3 affirmed, the administrative hearings bureau may apply the bond to  
4 the fine and costs. An appeal by the city must be asserted by the  
5 city's attorney and a bond is not required.

6 (19) An appeal to circuit court shall be a review by the court  
7 of the certified record provided by the administrative hearings  
8 bureau. Pending appeal, and subject to the bond requirement under  
9 subsection (18), the hearing officer may stay the order and any  
10 sanctions or costs imposed. Once an appeal is filed, and subject to  
11 the bond requirement under subsection (18), the court may stay the  
12 order and any sanctions or costs imposed. The court, as  
13 appropriate, may affirm, reverse, or modify the decision or order,  
14 or remand the matter for further proceedings. The court shall hold  
15 unlawful and set aside a decision or order of the hearing officer  
16 if substantial rights of an alleged violator have been prejudiced  
17 because the decision or order is any of the following:

18 (a) In violation of the constitution or a statute, charter, or  
19 ordinance.

20 (b) In excess of the authority or jurisdiction of the agency  
21 as conferred by statute, charter, or ordinance.

22 (c) Made upon unlawful procedure resulting in material  
23 prejudice to a party.

24 (d) Not supported by competent, material, and substantial  
25 evidence on the whole record.

26 (e) Arbitrary, capricious, or clearly an abuse or unwarranted  
27 exercise of discretion.

1 (f) Affected by other substantial and material error of law.

2 (20) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (21), IF THE  
3 CIVIL FINE AND COSTS IMPOSED AGAINST A PERSON UNDER THIS SECTION  
4 ARE \$1,000.00 OR MORE AND THE PERSON DOES NOT PAY THE CIVIL FINE  
5 AND COSTS IMPOSED WITHIN 30 DAYS AFTER A FINAL DECISION AND ORDER  
6 OF THE HEARING OFFICER OR OF THE CIRCUIT COURT UNDER THIS SECTION,  
7 THE PERSON IS SUBJECT TO THE FOLLOWING:

8 (A) FOR A FIRST VIOLATION, THE PERSON IS RESPONSIBLE FOR A  
9 STATE CIVIL INFRACTION AND MAY BE ORDERED TO PAY A CIVIL FINE OF  
10 NOT MORE THAN \$500.00.

11 (B) FOR A SECOND VIOLATION, THE PERSON IS GUILTY OF A  
12 MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 93 DAYS OR  
13 A FINE OF NOT MORE THAN \$500.00, OR BOTH.

14 (C) FOR A THIRD OR SUBSEQUENT VIOLATION, THE PERSON IS GUILTY  
15 OF A MISDEMEANOR AND MAY BE IMPRISONED FOR NOT MORE THAN 1 YEAR AND  
16 SHALL BE FINED \$500.00.

17 (21) SUBSECTION (20) DOES NOT APPLY TO ANY OF THE FOLLOWING  
18 THAT BECOMES THE OWNER OF A PROPERTY AFTER FORECLOSURE OR AFTER  
19 TAKING A DEED IN LIEU OF FORECLOSURE:

20 (A) A GOVERNMENT-SPONSORED ENTERPRISE. AS USED IN THIS  
21 SUBDIVISION, "GOVERNMENT-SPONSORED ENTERPRISE" MEANS THAT TERM AS  
22 DEFINED IN 2 USC 622(8), OR THE MICHIGAN STATE HOUSING DEVELOPMENT  
23 AUTHORITY CREATED UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT  
24 OF 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C.

25 (B) A FINANCIAL INSTITUTION. AS USED IN THIS SUBDIVISION,  
26 "FINANCIAL INSTITUTION" MEANS THAT TERM AS DEFINED IN SECTION 4(C)  
27 OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270, MCL 125.2004.

1 (C) A MORTGAGE SERVICER, AS THAT TERM IS DEFINED IN SECTION 1A  
2 OF THE MORTGAGE BROKERS, LENDERS, AND SERVICERS LICENSING ACT, 1987  
3 PA 173, MCL 445.1651A, THAT IS SUBJECT TO THE MORTGAGE BROKERS,  
4 LENDERS, AND SERVICERS LICENSING ACT, 1987 PA 173, MCL 445.1651 TO  
5 445.1684.

6 (D) A CREDIT UNION SERVICE ORGANIZATION THAT IS ORGANIZED  
7 UNDER THE LAWS OF THIS STATE OR THE UNITED STATES.

8 (22) AS USED IN SUBSECTION (20), "PERSON" MEANS AN INDIVIDUAL,  
9 PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY, ASSOCIATION,  
10 OR OTHER LEGAL ENTITY. PERSON INCLUDES THE PARTNERS OR MEMBERS OF A  
11 FIRM, A PARTNERSHIP, OR AN ASSOCIATION AND THE OFFICERS OF A  
12 CORPORATION.