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House Bill 4332 (as passed by the House)  
Sponsor: Representative Karen Whitsett  
House Committee: Local Government and Municipal Finance  
Senate Committee: Housing and Human Services

Date Completed: 4-9-24

## **CONTENT**

**The bill would amend the Home Rule City Act to prescribe penalties for subsequent blight violations of violations that were not corrected within 30 days of a final order finding the person in violation. The bill also would require a city to serve blight violation notices personally, or by first class mail or email if there were a good-faith effort to reach the person.**

Section 4q of the Act allows a city with a population of 7,500 or more in any county, and a city with a population of 3,300 or more in a county with a population of 1.5 million or more, to establish an administrative hearings bureau to adjudicate and impose sanctions of a blight violation on any of the following types of ordinances:

- Zoning.
- Building or property maintenance.
- Solid waste and illegal dumping.
- Disease and sanitation.
- Noxious weeds.
- Vehicle abandonment, inoperative vehicles, vehicle impoundment, and municipal licensing.
- Right-of-way signage.
- An ordinance that is substantially the same as Sections 138 through 142 of the Housing Law, which prescribe the illegality of maintaining a dwelling as a dangerous building.

To initiate a proceeding for a blight violation, the city must issue and serve a written violation notice that meets certain requirements to an alleged violator. Under the bill, the city would have to serve the written violation notice on the alleged violator personally or by first class mail or email only if the city made a good faith-effort but was unable to serve the notice personally. If the violation notice were served by first class mail or email, the notice would have to be publicly posted on the city's website.

Generally, if the civil fine and costs imposed against a person are \$1,000 or more and the person does not pay within 30 days after the final decision and order of the hearing officer or upon appeal of a circuit court, the person is subject to the following:

- For a first violation, a State civil infraction and a maximum civil fine of \$500.
- For a second violation, a misdemeanor punishable by imprisonment for up to 93 days or a maximum fine of \$500, or both.
- For a third violation, a misdemeanor punishable by imprisonment for up to one year and a mandatory fine of \$500.

("Person" means an individual, partnership, corporation, limited liability company, association, or other legal entity. Person includes the partners or members of a firm, a partnership, or an association and the officers of a corporation.)

The Act provides instances in which these penalties and fines do not apply. They do not apply to the owner of property if, at the time the civil fine and costs are imposed against the owner, the owner had filed a principal residence exemption affidavit as provided under the General Property Tax Act, certifying that the property is owned and occupied as a principal residence by that owner. The sanctions also do not apply to any of the following that become the owner of property after foreclosure or after taking a deed in lieu of foreclosure:

- A government-sponsored enterprise, such as the Michigan State Housing Development Authority.
- A financial institution.
- A mortgage servicer that is subject to the Mortgage Brokers, Lenders, and Servicers Licensing Act.
- A credit union service organization that is organized under the laws of Michigan or the United States.

Under the bill, if a hearing officer or circuit court granted a final decision and order finding a person in violation of a blight ordinance and the person failed to correct the violation within 30 days after the final decision was granted, the person would be subject to the following:

- For a second violation, the person would be guilty of a misdemeanor punishable by a maximum of 90 days' imprisonment or a maximum fine of \$500, or both.
- For a third or subsequent violation, the person would be guilty of a misdemeanor and a maximum of one year's imprisonment and a fine of \$500.

These bill's sanctions also would not apply to any of the entities described above.

MCL 117.4q

### **PREVIOUS LEGISLATION**

*(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)*

The bill is a reintroduction of House Bill 5650 of the 2021-2022 Legislative Session.

Legislative Analyst: Eleni Lionas

### **FISCAL IMPACT**

The bill could have an indeterminate negative fiscal impact and an indeterminate positive fiscal impact on the State and local governments. New misdemeanor arrests and convictions under the bill could increase resource demands on law enforcement, court systems, community supervision, and jails; however, it is unknown how many people would be prosecuted under provisions of the bill. Local jail costs vary by jurisdiction and thus costs for local governments would vary. Local revenue to local libraries could increase under the bill as any additional revenue from imposed fines would go to local libraries.

Fiscal Analyst: Bobby Canell  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.