

House Bill 5910

Sponsor: Rep. Andrew Richner

**Committee: Local Government and Urban
Policy**

Complete to 9-29-00

A SUMMARY OF HOUSE BILL 5910 AS INTRODUCED 6-20-00

House Bill 5910 would create a new act to allow a municipality to designate a structure or lot as “blighting property” and to acquire fee simple title in the blighting property by purchase, gift, exchange, or condemnation. The bill defines municipality to mean a county, city, village, or township. “Blighting property” would mean any of the following structures or lots, whether improved or unimproved: i) a structure or lot that, because of physical condition or use, is regarded as a public nuisance at common law or has been declared a public nuisance under the local housing, building, plumbing, or fire codes; ii) a structure or lot that, because of physical condition, use, or occupancy, is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, and excavations, and unsafe fences or structures; iii) a structure that, because it is dilapidated, unsanitary, unsafe, vermin infested, or lacking in facilities and equipment required by the housing code of the municipality, has been designated by the municipal agency responsible for enforcement of the code as unfit for usage; iv) a structure or lot that is a fire hazard or is otherwise dangerous to the safety of persons or property; v) a structure from which the utilities, plumbing, heating, sewerage, or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use; vi) a structure or lot that, by reason of neglect or lack of maintenance, has become a place for accumulation of trash or debris, or a haven for rodents or other vermin; vii) a residential structure that is vacant and has not been rehabilitated within one year of the receipt of notice to rehabilitate from the appropriate code enforcement agency; and viii) a nonresidential structure that has not been rehabilitated within one year of the receipt of notice to rehabilitate from the appropriate code enforcement agency.

Under the bill, a municipality that proposed to designate a property as blighting property would be required to perform a thorough title search to identify all those with a legal interest in the property, and to provide notice of hearing in all of the following ways:

- By registered mail, with address correction requested, to all with a legal interest in the blighting property, including but not limited to the legal owners of the property, those to whom taxes were levied, and all lienholders. The notice would be required to include an explanation of any incentives the municipality had adopted to encourage the donation of blighting property.
- By posting a notice on the property and delivering a copy to the occupant or occupants. The notice would be required to be in graphic form and of a sufficient size to draw attention.
- By placing the property on a proposed blighting properties list that was readily available for inspection by the public.

House Bill 5910 specifies that a person with a legal interest in the property could contest the proposed designation at the hearing. If the municipality determined after the hearing that the property was blighting property, it could offer to purchase the property at the fair market value, or to acquire the property by donation or exchange. If the offer was rejected, the municipality could institute proceedings under the power of eminent domain, in accordance with the laws of the state, or the provisions of any local charter relative to condemnation.

Under the bill, a municipality could, by ordinance, adopt any of two incentives to encourage the donation of blighting property: a) forgiving some or all fees or fines related to the property that the owner owed to the municipality; and, b) adoption of a special tax deduction for property owners. The bill specifies that the owner of a blighting property who received incentives from a municipality under this provision would be required to first offer the property to the municipality. If the municipality declined the property, the owner could donate it to an economic development corporation, downtown development authority, tax increment finance authority, or other nonprofit organization. The bill also specifies that a municipality could transfer a blighting property it acquired to a developer after the municipality developed and adopted a development plan for the rehabilitation of any blighting property that it acquired; and required guarantees of the developer's financial ability to implement the development plan for the blighting property.

The powers granted under the bill would be in addition to powers granted to municipalities under the statutes and their local charters.

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