



Spot Blight Condemnation: Public Act 27 of 2002

Public Act 27 was intended to allow municipalities to designate certain properties as “blighting properties,” and condemn, purchase, or otherwise receive those properties for redevelopment. Until this legislation was passed in early 2002, neglectful property owners could be ticketed or have their property condemned if it was dangerous or open to trespass, but owners who kept their property boarded and just barely to code were difficult to touch. The Act asserts that just one boarded and marginally-to-code property can have a blighting influence on an entire neighborhood; can result in a lowering of property values; and can ultimately diminish the amount of property tax generated in a municipality.

Public Act 27 allows (but does not mandate) a municipality to designate a property as “blighting” and take the property for redevelopment— after sufficiently notifying the property owner(s) and allowing them an opportunity to address the problem.

Can any kind of property be designated as “blighting?”

No. There are several exceptions to the legislation, including some industrial, farm, and railroad properties and, most significantly, *all single family dwellings for which the owner claimed a homestead exemption*. The latter exemption was added in order to protect low-income and elderly homeowners from losing their homes. The Act was instead intended to target absentee landlords of rental and commercial properties whose neglect negatively impacts property values and redevelopment efforts in neighborhoods.

How do I get a property designated as “blighting?”

A nonprofit corporation, community organization or individual must work with their local municipality—most likely a city or county law department—to create a program allowing the designation of properties as “blighting.” The municipality must then follow its own procedures to acquire the property through purchase or condemnation.

How long does the process take?

At least several months. Public Act 27 requires that everyone with an interest in an affected property receive written notice of any hearings regarding the property. They must also have the opportunity to contest the acquisition by the municipality and/or eliminate the blighting condition. Since the Act is largely

untested, it is difficult to say how long the process takes, as it depends largely on how aggressive the municipality is in making use of the Act.

Can I—the nonprofit developer—receive property in my community that has been designated as “blighting?”

Yes, if your municipality has a program in place to designate blighting properties and transfer them to others. The municipality itself must acquire the property through purchase or condemnation. Once a property has been acquired, the municipality has 119 days to either adopt its own written development plan or transfer the property for redevelopment. Developers that wish to receive property must have a development plan in place and demonstrate financial ability to implement the plan.

Public Act 27 of 2002 and other legislation can be viewed at:
www.michiganlegislature.org.

For more information on this and other policy issues, visit Community Legal Resources' website at www.clronline.org or contact CLR at 313-964-4130.