

SENATE BILL NO. 1373

December 2, 1998, Introduced by Senator SCHUETTE and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to create an urban homestead program for certain vacant land; to empower certain local governmental units to create and administer urban homestead programs for vacant land; to prescribe the powers and duties of certain state and local governmental units; and to provide for the disposition of personal and real property.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "urban homesteading on vacant land act".

3 Sec. 2. As used in this act:

4 (a) "Local governmental unit" means a city, village, town-
5 ship, or county.

6 (b) "Program" means the urban homesteading program for
7 vacant land described in this act.

1 (c) "Vacant property" means surplus vacant residential
2 property owned by the local governmental unit.

3 Sec. 3. By resolution, a local unit of government may oper-
4 ate an urban homesteading program for vacant land that makes
5 vacant properties available to individuals to rent and purchase
6 under this act.

7 Sec. 4. An individual who meets all the following criteria
8 is eligible to rent and purchase vacant property under this act:

9 (a) The individual intends to occupy the vacant property by
10 constructing a home on the premises.

11 (b) That the applicant or his or her spouse is employed and
12 has been employed for the immediately preceding 12 months.

13 (c) That the applicant or his or her spouse has not been
14 convicted of a drug related felony within the immediately preced-
15 ing 3-year period as determined by the local governmental unit.

16 (d) That all school age children of the applicant or his or
17 her spouse who will reside in the property attend school regu-
18 larly as determined by the local governmental unit.

19 (e) That the applicant and his or her spouse have income
20 below the median for the state of Michigan as determined by the
21 United States department of housing and urban development, for
22 families with the same number of family members of the applicant
23 and his or her spouse.

24 (f) That the applicant and his or her spouse are illegal
25 drug free as determined by the local governmental unit.

26 (g) The individual meets all other criteria as determined by
27 the local governmental unit operating the program.

1 Sec. 5. (1) An individual may apply to the local
2 governmental unit to rent vacant property in that local govern-
3 mental unit. The application shall be in a form and in a manner
4 provided by the local governmental unit. If the application is
5 approved, the individual and the local governmental unit shall
6 enter into a lease agreement for the vacant lot. The local gov-
7 ernmental unit may add additional terms and conditions to the
8 lease agreement.

9 (2) The local governmental unit shall charge fair market
10 value as rental for the vacant lot.

11 (3) The individual who is renting the vacant property is
12 responsible for all utilities and costs of construction and
13 improvements to the vacant lot.

14 (4) If the individual is in compliance with the terms of the
15 lease, continues to meet the criteria in section 4, constructed a
16 home, and occupied the home for not less than 1 year, the local
17 governmental unit shall deed that property to the individual
18 without additional consideration.

19 Sec. 6. Before placing vacant property into the program,
20 the local governmental unit shall first offer the vacant property
21 to owners of adjoining property who own and occupy the adjoining
22 property. If adjoining landowners do not purchase the property,
23 the local governmental unit may sell the vacant property to
24 neighborhood resident organizations or other community groups as
25 determined by the local governmental unit. The local governmen-
26 tal unit shall determine the sales price for any sale under this
27 section.

1 Sec. 7. Every 2 years, the local governmental unit shall
2 hire an independent auditor to audit the books and accounts of
3 the urban homestead program operated by the local governmental
4 unit. Upon completion, the audit report shall be made available
5 to the public.