

HOUSE BILL No. 4151

February 18, 1987, Introduced by Reps. MILLER, GNODTKE, ALLEN, BARNS, BANKES, GUBOW, BERMAN, CLACK, EMMONS, BENDER, DeMARS, KNIGHT, WEEKS, LAW, MUXLOW, FITZGERALD, BRYANT, GILMER, MARTIN, OUWINGA, PERRY BULLARD and DOBRONSKI and referred to the Committee on Towns and Counties.

A bill to amend sections 104a and 104b of Act No. 59 of the Public Acts of 1978, entitled as amended "Condominium act,"

as amended by Act No. 538 of the Public Acts of 1982, being sections 559.204a and 559.204b of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 104a and 104b of Act No. 59 of the
2 Public Acts of 1978, as amended by Act No. 538 of the Public Acts
3 of 1982, being sections 559.204a and 559.204b of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 104a. The tenancy of a person who meets all of the
6 following criteria on the date a master deed is filed for the
7 conversion of a building to a condominium, shall not be
8 terminated without cause within 1 year after receipt of notice
9 required under section 104(2):

1 (a) The person is ~~65~~ 60 years of age or older or
2 paraplegic, quadriplegic, hemiplegic, or blind as that term is
3 defined in section 504 of the state income tax act of 1967, Act
4 No. 281 of the Public Acts of 1967, as amended, being section
5 206.504 of the Michigan Compiled Laws.

6 (b) The person is a resident of the building.

7 (c) The person does not qualify for an extended lease
8 arrangement under section 104b.

9 Sec. 104b. (1) As used in this section and sections 104a,
10 ~~104c to~~ 104D, 104e, and 131:

11 (a) "Qualified conversion condominium project" means a
12 structure or group of structures containing a total of 6 or more
13 residential units occupied before the establishment of a conver-
14 sion condominium project.

15 (b) "Qualified handicapped person" means a person who is a
16 resident of a qualified conversion condominium project and para-
17 plegic, quadriplegic, hemiplegic, or blind as that term is
18 defined in section 504 of the state income tax act of 1967, Act
19 No. 281 of the Public Acts of 1967, as amended.

20 (c) "Qualified senior citizen" means an individual who is
21 both of the following:

22 (i) A resident, on ~~October 10, 1980~~ THE DATE THAT A MASTER
23 DEED IS FILED FOR THE CONVERSION OF THE BUILDING TO A CONDOMINIUM
24 PROJECT, of a unit in a qualified conversion condominium project
25 who, ~~on or after June 1, 1980~~ 1 YEAR BEFORE THE DATE THAT A
26 MASTER DEED WAS FILED FOR THE CONVERSION OF THE BUILDING TO A
27 CONDOMINIUM PROJECT, was a party to an oral or written agreement

1 to pay less than ~~-\$450.00-~~ \$650.00 monthly rent for an apartment
2 in the project having 1 bedroom or less, or less than ~~-\$500.00-~~
3 \$750.00 monthly rent for an apartment in the project having 2 or
4 more bedrooms. THE MONTHLY AMOUNTS PROVIDED IN THIS SUBPARAGRAPH
5 SHALL BE ADJUSTED ON JANUARY 1, 1988, AND EACH JANUARY 1 THEREAF-
6 TER, BY THE PERCENTAGE INCREASE OR DECREASE IN THE CONSUMER PRICE
7 INDEX--ALL ITEMS, AS PUBLISHED BY THE FEDERAL GOVERNMENT AND CER-
8 TIFIED BY THE ADMINISTRATOR.

9 (ii) ~~Sixty-five~~ SIXTY years of age or older on ~~October~~
10 ~~10, 1980~~ THE DATE THAT A MASTER DEED IS FILED FOR THE CONVERSION
11 OF THE BUILDING TO A CONDOMINIUM PROJECT.

12 (d) "Rent" or "monthly rent" means the total monthly amount
13 payable to the lessor, and shall include any amount payable to
14 the lessor for utilities.

15 (e) "Resident" means an individual who uses a unit as his or
16 her primary residence, to which the individual intends to return
17 whenever absent.

18 (f) "Restricted unit" means an apartment that is subject to
19 an extended lease arrangement as provided in subsection (4).

20 (2) Except as to a developer who has been issued a permit to
21 sell before October 10, 1980, this section ~~and section 104c~~
22 shall apply to a developer of a qualified conversion condominium
23 project.

24 (3) A developer shall notify each existing tenant at the
25 same time notice is given under section 104(2), of the right to
26 elect an extended lease arrangement and the terms and conditions
27 of an extended lease arrangement. A qualified senior citizen or

1 qualified handicapped person shall have not more than 60 days
2 after receipt of notice under this subsection to communicate the
3 election of an extended lease arrangement to the developer.

4 (4) An extended lease arrangement shall be in writing and
5 shall provide for the following:

6 (a) A written lease renewable from year to year for the
7 number of years specified in subsection (5) with respect to a
8 unit occupied by a qualified senior citizen, and for the number
9 of years specified in subsection (6) with respect to a unit occu-
10 pied by a qualified handicapped person.

11 (b) That the number of years for which a lease subject to an
12 extended lease arrangement may be renewed shall be measured from
13 the date on which the election of an extended lease arrangement
14 is communicated to the developer.

15 (c) That any increase in the rent during the time the unit
16 is a restricted unit will not be an unreasonable increase beyond
17 the fair market rent for a comparable apartment.

18 (d) That upon request of the resident of a restricted unit,
19 the owner shall disclose all information used in determining a
20 reasonable rent increase based upon the standard in subdivision
21 (c).

22 (5) Except as provided in section 104d, the number of years
23 for which a qualified senior citizen may renew a lease subject to
24 an extended lease arrangement shall be determined by his or her
25 age on the date of receipt of the notice required under section
26 104(2), as follows:

1 (a) A person who is not less than ~~65~~ 60 years of age and
2 not more than 69 years of age may renew year to year for 4
3 years. ~~However, if the developer is notified that sufficient~~
4 ~~loan funds are not available under section 104c, the period of~~
5 ~~renewal under this subdivision is reduced 2 years. The developer~~
6 ~~immediately shall notify affected qualified senior citizens of a~~
7 ~~reduction in the number of years of renewal.~~

8 (b) A person who is not less than 70 years of age and not
9 more than 74 years of age may renew year to year for 6 years.

10 (c) A person who is not less than 75 years of age and not
11 more than 79 years of age may renew year to year for 7 years.

12 (d) A person who is 80 years of age or more may renew year
13 to year for 10 years.

14 (6) Except as provided in section 104d, a person who is a
15 qualified handicapped person on the date of receipt of notice
16 required under section 104(2) may renew a lease subject to an
17 extended lease arrangement year to year for 4 years; or, if the
18 qualified handicapped person is also a qualified senior citizen,
19 for the number of years provided in subsection (5), whichever is
20 greater.

21 (7) A developer who enters into a restricted lease arrange-
22 ment or the developer's successor shall notify:

23 (a) The Michigan state housing development authority of each
24 tenant who elects an extended lease arrangement as soon as prac-
25 ticable after the election is communicated to the developer.

26 (b) The office of services to the aging created in ~~section~~
27 ~~2 of Act No. 146 of the Public Acts of 1975, as amended, being~~

1 ~~section 400.542 of the Michigan Compiled Laws~~ SECTION 5 OF THE
2 OLDER MICHIGANIANS ACT, ACT NO. 180 OF THE PUBLIC ACTS OF 1981,
3 BEING SECTION 400.585 OF THE MICHIGAN COMPILED LAWS, 18 months
4 before the expiration of the extended lease arrangement for a
5 qualified senior citizen who is in the age categories described
6 in subsection (5)(c) and (d).

7 (8) A lease subject to an extended lease arrangement shall
8 not be assigned, devised, subleased, or transferred by the quali-
9 fied senior citizen or qualified handicapped person.

10 (9) A lease subject to an extended lease arrangement shall
11 terminate automatically upon the death of the qualified senior
12 citizen or qualified handicapped person. However, a surviving
13 spouse of a qualified senior citizen who is ~~65~~ 60 years of age
14 or older at the time the qualified senior citizen dies shall have
15 the right to execute a lease under an extended lease arrangement
16 subject to the right of renewal, and other conditions, that
17 applied to the deceased. A surviving spouse who does not qualify
18 for an extended lease shall have 6 months in which to vacate the
19 premises, during which time the conditions of the deceased
20 spouse's extended lease shall apply, except for the right of
21 renewal.

22 (10) A lessor who violates the rental restrictions of sub-
23 section (4)(c) shall be liable to the qualified senior citizen or
24 qualified handicapped person in an amount equal to 3 times the
25 amount by which the rental payments exceed the fair market rent,
26 to be recovered in a civil action.

1 (11) The owner may recover possession of a restricted unit
2 for nonpayment of rent, illegal use or occupancy of the premises,
3 or other grounds for recovery of possession under chapter 57 of
4 THE REVISED JUDICATURE ACT OF 1961, Act No. 236 of the Public
5 Acts of 1961, as amended, being sections 600.5701 to 600.5759 of
6 the Michigan Compiled Laws.

7 (12) A restricted unit may be transferred by the owner to
8 any person, subject to the extended lease arrangement. ~~and the~~
9 ~~terms of any loan agreement described in section 104c.~~