

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending the title and sections 47a and 104b (MCL 559.147a and
559.204b), the title and section 104b as amended by 1982 PA 538
and section 47a as added by 1987 PA 31.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2 An act relative to condominiums and condominium projects; to
3 prescribe powers and duties of the administrator; to provide cer-
4 tain protections for certain tenants, senior citizens, and
5 ~~handicapped~~ persons WITH DISABILITIES relating to conversion
6 condominium projects; to provide for escrow arrangements; to pro-
7 vide an exemption from certain property tax increases; to impose
8 duties on certain state departments; to prescribe remedies and
9 penalties; and to repeal ~~certain~~ acts and parts of acts.

1 Sec. 47a. (1) A co-owner may make improvements or
2 modifications to the co-owner's condominium unit, including
3 improvements or modifications to common elements and to the route
4 from the public way to the door of the co-owner's condominium
5 unit, at his or her expense, if the purpose of the improvement or
6 modification is to facilitate access to or movement within the
7 unit for ~~handicappers~~ PERSONS WITH DISABILITIES, or to allevi-
8 ate conditions that could be hazardous to ~~handicappers~~ PERSONS
9 WITH DISABILITIES. The improvement or modification shall not
10 impair the structural integrity of a structure or otherwise
11 lessen the support of a portion of the condominium project. The
12 co-owner shall be liable for the cost of repairing any damage to
13 a common element caused by building or maintaining the improve-
14 ment or modification, unless the damage could reasonably be
15 expected in the normal course of building or maintaining the
16 improvement or modification. The improvement or modification may
17 be made notwithstanding prohibitions and restrictions in the con-
18 dominium documents, but shall comply with all applicable state
19 and local building code requirements and health and safety laws
20 and ordinances and shall be made as closely as reasonably possi-
21 ble in conformity with the intent of applicable prohibitions and
22 restrictions regarding safety and aesthetics of the proposed
23 modification.

24 (2) An improvement or modification allowed by this section
25 that affects the exterior of the condominium unit shall not
26 unreasonably prevent passage by other residents of the
27 condominium project. A co-owner who has made exterior

1 improvements or modifications allowed by this section shall
2 notify the association of co-owners in writing of the co-owner's
3 intention to convey or lease his or her condominium unit to
4 another, not less than 30 days before the conveyance or lease.
5 Not more than 30 days after receiving a notice from a co-owner
6 under this subsection, the association of co-owners may require
7 that the co-owner remove the improvement or modification, at the
8 co-owner's expense. If the co-owner fails to give timely notice
9 of a conveyance or lease, the association of co-owners at any
10 time may remove or require the co-owner to remove the improvement
11 or modification, at the co-owner's expense. However, the associ-
12 ation of co-owners may not remove or require the removal of an
13 improvement or modification if a co-owner conveys or leases his
14 or her condominium unit to a ~~handicapper~~ PERSON WITH
15 DISABILITIES who needs the same type of improvement or modifica-
16 tion, or to a person whose parent, spouse, or child is a
17 ~~handicapper~~ PERSON WITH DISABILITIES, requires the same type of
18 improvement or modification, and resides with the person.

19 (3) If a co-owner makes an exterior improvement or modifica-
20 tion allowed under this section, the co-owner shall maintain
21 liability insurance, underwritten by an insurer authorized to do
22 business in this state, in an amount adequate to compensate for
23 personal injuries caused by the exterior improvement or modifica-
24 tion, but the co-owner shall not be liable for acts or omissions
25 of the association of co-owners with respect to the exterior
26 improvement or modification, and the co-owner shall not be
27 required to maintain liability insurance with respect to any

1 common element. The association of co-owners shall be
2 responsible for the cost of any maintenance of the improvement or
3 modification, unless the maintenance cannot reasonably be
4 included with the regular maintenance performed by or paid for by
5 the association of co-owners, in which case the co-owner shall be
6 responsible for the cost of the maintenance of the improvement or
7 modification.

8 (4) Before an improvement or modification allowed by this
9 section is made, the co-owner shall submit plans and specifica-
10 tions for the improvements or modifications to the association of
11 co-owners for review and approval. The association of co-owners
12 shall determine whether the proposed improvement or modification
13 substantially conforms to the requirements of this section, but
14 shall not deny a proposed improvement or modification without
15 good cause. If the association of co-owners denies a proposed
16 improvement or modification, the association of co-owners shall
17 list, in writing, the changes needed to make the proposed
18 improvement or modification conform to the requirements of this
19 section, and shall deliver that list to the co-owner. The asso-
20 ciation of co-owners shall approve or deny the proposed improve-
21 ment or modification not later than 60 days after the plans and
22 specifications are submitted to the association of co-owners. If
23 the association of co-owners does not approve or deny submitted
24 plans and specifications within the 60-day period, the co-owner
25 may make the proposed improvement or modification without the
26 approval of the association of co-owners. A co-owner may bring
27 an action against the association of co-owners and the officers

1 and directors to compel those persons to comply with this section
2 if the co-owner disagrees with a denial by the association of
3 co-owners of the co-owner's proposed improvement or
4 modification.

5 (5) This section applies to condominium units existing on
6 ~~the effective date of this section~~ MAY 27, 1987 and to those
7 built or converted after ~~the effective date of this section~~ MAY
8 27, 1987.

9 (6) This section does not apply to a condominium unit that
10 is otherwise required by law to be barrier-free, and does not
11 impose on a co-owner the cost of maintaining that barrier-free
12 unit.

13 (7) As used in this section, ~~"handicapper"~~ "PERSON WITH
14 DISABILITIES" means that term as defined in section 2 of the
15 state construction code act of 1972, ~~Act No. 230 of the Public~~
16 ~~Acts of 1972, being section 125.1502 of the Michigan Compiled~~
17 ~~Laws~~ 1972 PA 230, MCL 125.1502.

18 Sec. 104b. (1) As used in this section and sections 104a,
19 ~~104c to~~ 104D, 104e, and 131:

20 (a) "Qualified conversion condominium project" means a
21 structure or group of structures containing a total of 6 or more
22 residential units occupied before the establishment of a conver-
23 sion condominium project.

24 (b) "Qualified ~~handicapped~~ person WITH DISABILITIES" means
25 a person who is a resident of a qualified conversion condominium
26 project and paraplegic, quadriplegic, hemiplegic, or blind as
27 that term is defined in section 504 of the ~~state~~ income tax act

1 of 1967, ~~Act No. 281 of the Public Acts of 1967, as amended~~
2 1967 PA 281, MCL 206.504.

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

5 (i) A resident, on October 10, 1980, of a unit in a quali-
6 fied conversion condominium project who on or after June 1, 1980,
7 was a party to an oral or written agreement to pay less than
8 \$450.00 monthly rent for an apartment in the project having 1
9 bedroom or less, or less than \$500.00 monthly rent for an apart-
10 ment in the project having 2 or more bedrooms.

11 (ii) Sixty-five years of age or older on October 10, 1980.

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~~ APPLIES to a developer of a qualified conversion
23 condominium 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 WITH DISABILITIES shall have not
2 more than 60 days after receipt of notice under this subsection
3 to communicate the election of an extended lease arrangement to
4 the developer.

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

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

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

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

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

23 (5) Except as provided in section 104d, the number of years
24 for which a qualified senior citizen may renew a lease subject to
25 an extended lease arrangement shall be determined by his or her
26 age on the date of receipt of the notice required under section
27 104(2), as follows:

1 (a) A person who is not less than 65 years of age and not
2 more than 69 years of age may renew year to year for 4 years.
3 However, if the developer is notified that sufficient loan funds
4 are not available under FORMER 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 WITH DISABILITIES on the date of
16 receipt of notice required under section 104(2) may renew a lease
17 subject to an extended lease arrangement year to year for 4
18 years; or, if the qualified ~~handicapped~~ person WITH
19 DISABILITIES is also a qualified senior citizen, for the number
20 of years provided in subsection (5), whichever is 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~~ 5 OF THE OLDER
2 MICHIGANIANS ACT, 1981 PA 180, MCL 400.585, 18 months before the
3 expiration of the extended lease arrangement for a qualified
4 senior citizen who is in the age categories described in subsec-
5 tion (5)(c) and (d).

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

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 WITH DISABILITIES.
13 However, a surviving spouse of a qualified senior citizen who is
14 65 years of age or older at the time the qualified senior citizen
15 dies shall have the right to execute a lease under an extended
16 lease arrangement subject to the right of renewal, and other con-
17 ditions, that applied to the deceased. A surviving spouse who
18 does not qualify for an extended lease shall have 6 months in
19 which to vacate the premises, during which time the conditions of
20 the deceased spouse's extended lease shall apply, except for the
21 right of renewal.

22 (10) A lessor who violates the rental restrictions of sub-
23 section (4)(c) ~~shall be~~ IS liable to the qualified senior citi-
24 zen or qualified ~~handicapped~~ person WITH DISABILITIES in an
25 amount equal to 3 times the amount by which the rental payments
26 exceed the fair market rent, 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 ~~Act No. 236 of the Public Acts of 1961, as amended, being sec-~~
5 ~~tions 600.5701 to 600.5759 of the Michigan Compiled Laws~~ THE
6 REVISED JUDICATURE ACT OF 1961, 1961 PA 236, MCL 600.5701 TO
7 600.5759.

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

11 Enacting section 1. This amendatory act does not take
12 effect unless Senate Bill No. _____ or House Bill No. _____
13 (request no. 01855'97) of the 89th Legislature is enacted into
14 law.