

SENATE BILL NO. 346

February 23, 1999, Introduced by Senators V. SMITH, SCHUETTE, SIKKEMA, STEIL, SHUGARS, HAMMERSTROM, EMERSON and GOSCHKA 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 governmental unit may oper-
4 ate an urban homesteading program for vacant land that makes par-
5 cels of vacant property available to individuals to rent and pur-
6 chase 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) The applicant or his or her spouse is employed and has
12 been employed for the immediately preceding 12 months.

13 (c) The applicant or his or her spouse has not been con-
14 victed of a felony within the immediately preceding 3-year period
15 as determined by the local governmental unit.

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

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

24 (f) The applicant and his or her spouse are drug free as
25 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 who meets the criteria described
2 in section 4 may apply to the local governmental unit to rent a
3 parcel of vacant property in that local governmental unit. The
4 application shall be in a form and in a manner provided by the
5 local governmental unit. If the application is approved, the
6 individual and the local governmental unit shall enter into a
7 lease agreement for the vacant property. The local governmental
8 unit shall determine the terms and conditions of the lease
9 agreement.

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

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

15 (4) If the individual is in substantial compliance with the
16 terms of the lease, continues to meet the criteria in section 4,
17 constructs a home, and occupies the home for not less than 1
18 year, the local governmental unit shall deed that property to the
19 individual for \$1.00.

20 Sec. 6. Before placing vacant property into the program,
21 the local governmental unit shall first offer the vacant property
22 to owners of adjacent and contiguous property who occupy the
23 adjacent and contiguous property. If adjoining landowners do not
24 purchase the property, the local governmental unit may sell the
25 vacant property to neighborhood resident organizations or other
26 community groups as determined by the local governmental unit.

1 The local governmental unit shall determine the sale price for
2 any sale under this section.

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