URBAN HOMESTEADING ON VACANT LAND ACT

Act 129 of 1999

AN ACT 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.

History: 1999, Act 129, Imd. Eff. July 23, 1999

The People of the State of Michigan enact:

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125.2741 Short title.

Sec. 1.

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

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2742 Definitions.

Sec. 2.

As used in this act:

(a) "Applicant" means an individual and the spouse of that individual if that spouse intends to occupy the property with the individual.

(b) "Local governmental unit" means a county, city, village, or township.

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

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

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2743 Urban homesteading program for vacant land; availability to individuals to purchase; resolution; appeals process to applicants, purchasers, and lessees.

Sec. 3.

By resolution, a local governmental unit may operate an urban homesteading program for vacant land that makes parcels of vacant property available to individuals to purchase under this act. In the resolution, the local governmental unit shall provide an appeals process to applicants, purchasers, and lessees who are adversely affected by a decision of the local governmental unit.

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2744 Eligibility of applicant to purchase vacant property; criteria; substance abuse testing.

Sec. 4.

(1) An applicant who meets all the following criteria is eligible to purchase vacant property under this act:

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

(b) The applicant is employed and has been employed for the immediately preceding 1-year period or is otherwise able to meet the financial commitments under this act as determined by the local governmental unit.

(c) The applicant does not meet any of the following criteria:

(i) The applicant has been sentenced or imprisoned within the immediately preceding 1-year period for a felony conviction.

(ii) The applicant is currently on probation or parole for a felony conviction.

(iii) The applicant has been sentenced, imprisoned, on probation, or on parole in the immediately preceding 5-year period for a felony violation of section 7401, 7401a, 7402, 7410, or 7410a of the public health code, 1978 PA 368, MCL 333.7401, 333.7401a, 333.7402, 333.7410, and 333.7410a.

(iv) The applicant has been convicted of a violation or attempted violation of section 520b, 520c, 520d, or 520g of the Michigan penal code, 1931 PA 328, MCL 750.520b, 750.520c, 750.520d, and 750.520g.

(2) The local governmental unit may require substance abuse testing of an applicant as a condition of purchasing the property. If the applicant tests positive for substance abuse, then that individual shall enter into a substance abuse treatment program, as determined by the local governmental unit. The local governmental unit may contract with and seek assistance from this state, the department of community health, or any other entity to implement this subsection.

History: 1999, Act 129, Imd. Eff. July 23, 1999

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125.2745 Deeding property to applicant; conditions to receiving ownership.

Sec. 5.

(1) If the applicant substantially meets the criteria in section 4 and receives a commitment to finance construction on the property, the local governmental unit shall deed that property to the applicant for $1.00.

(2) As a condition of receiving ownership of the property under this section, the applicant shall do both of the following:

(a) Except as otherwise provided in a mortgage agreement with an entity that takes a mortgage on the property, maintain and regularly fund an escrow account with the local governmental unit for the payment of property taxes and insurance on the property.

(b) Agree to deed the property back to the local governmental unit if the home is not constructed or not in the process of being constructed within 1 year from the date of the transfer. The local governmental unit may enforce this provision with the use of a deed restriction or other restriction in the chain of title.

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2746 Offer to owners of adjacent and contiguous property; offer by local governmental unit to neighborhood resident organizations, other community groups, and general public.

Sec. 6.

Before placing vacant property into the program, the local governmental unit shall first offer the vacant property to owners of adjacent and contiguous property who occupy the adjacent and contiguous property. If adjacent and contiguous landowners do not purchase the property, the local governmental unit shall offer the vacant property to neighborhood resident organizations, other community groups, and the general public. The local governmental unit shall determine the sale price for any sale under this section.

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2747 Additional powers.

Sec. 7.

The powers of a local governmental unit prescribed in this act are in addition to any other powers provided by law or charter.

History: 1999, Act 129, Imd. Eff. July 23, 1999

125.2748 Audit.

Sec. 8.

Not less than every 2 years, the local governmental unit shall hire an independent auditor to audit the books and accounts of the urban homestead program operated by the local governmental unit. Upon completion, the audit report shall be made available to the public.

History: 1999, Act 129, Imd. Eff. July 23, 1999

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