

URBAN HOMESTEAD ACT (EXCERPT)
Act 127 of 1999

125.2705 Application to rent property; lease agreement; provisions; conditions for deeding property.

Sec. 5.

(1) A qualified buyer may apply to the administrator to rent certain property in that local governmental unit. The application shall be in a form and in a manner provided by the administrator. If the application is approved, the qualified buyer and administrator shall enter into a lease agreement for the premises. Except as provided in subsection (2), the administrator shall determine the terms and conditions of the lease agreement.

(2) The lease agreement shall provide that if the applicant is convicted of a felony during the term of the lease agreement, then the lease agreement is automatically terminated 60 days after the conviction.

(3) The administrator shall charge not more than 100% or less than 80% of the fair market rental value for the premises. The administrator has the authority to determine rent based on factors such as income, number of dependents, and condition of the property.

(4) The qualified buyer who is renting the property is responsible for all utilities and costs of improvements to the premises.

(5) If the qualified buyer is in substantial compliance with the terms of the lease for not less than 5 years and continues to meet the criteria in section 4(1)(a), (b), (c), (e), (f), and (g), and the premises substantially comply with all building and housing codes, the administrator shall deed or cause to be deeded that property to the qualified buyer for \$1.00.

(6) As a condition of receiving ownership of the property under this section, the qualified buyer shall maintain and regularly fund an escrow account with the administrator for the payment of property taxes and insurance on the property.

History: 1999, Act 127, Imd. Eff. July 23, 1999

Popular Name: Homesteading