

# MEMORANDUM

TO: Real Property Law Section Council  
FROM: Mike Luberto  
DATE: April 7, 2023  
SUBJECT: Legislative Committee Report

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1. **Monthly Call.** The ad hoc Legislative Committee met via conference call on March 7 and April 4, 2023, to discuss recent legislation.
2. **Current status.** David and Mike had calls with Tabitha Zimney from Karoub & Associates on March 7 and April 4, 2023.
3. **Legislation of interest.**
  - a. MRTA. Tabitha had a meeting with Rep. John Fitzgerald on April 6, for the purpose of having him sponsor our bill to amend the MRTA. David and Mike have a call with Rep. Fitzgerald on April 18, 2023. Both EGLE and the utilities have told Tabitha that they are fine with our proposed amendment.
  - b. HB 4416 Substitute Bill (Restrictive Covenants) – Now law.  
[HB 4416 of 2021](#) Property: other; certain restrictive covenants in deeds and other instruments; prohibit. Creates new act.  
**This bill passed, without our suggested language pertaining to the capacity of the signer (individual or representative of an association). Sarah Anthony has indicated that she would work with us on an amendment. We (meaning me) need to follow up.**
  - c. TBE bills. David, Jason and Mike met with various legislators on Wednesday, March 15. In addition to MRTA, we discussed the need to amend additional statutes regarding TBE issues. The thought was to address low-hanging fruit. Tabitha has identified 2-3 legislators who would be willing to sponsor these bills.
4. **New Proposed Legislation.**

SB 150  
Property tax: tax tribunal; methods for tax tribunal to hold small claims hearings; expand to include telephonically or by videoconferencing.  
Provides that residential and small claims division of tax tribunal may conduct hearings telephonically or by videoconferencing.

SB 163  
Property tax: exemptions; exemption for the surviving spouse of a disabled veteran; modify.  
Exempts disabled veteran or his or her surviving spouse from collection of taxes for property used and owned as homestead.

SB 164

Economic development: other; principal shopping district and business improvement zones; modify. Provides that, inter alia, a business improvement zone may provide for assessments subject to various criteria and requirements. Further establishes rules for proportional voting for zone plans.

HB 4273

Housing

Requires condemnation notifications to tenants.

SB 175

Property Tax Transfers

Modifies penalties for failure to file a property tax transfer affidavit.

SB 176

Disabled Veteran Property Tax

Modifies affidavit filing requirements for disabled veteran exemption.

**[HB 4309](#)**

**Transportation Department Appropriations**

Provides appropriations for fiscal year 2023-2024.

[Text & Analysis](#)

**[HB 4312](#)**

**Nonprofit Corporations**

Authorizes conversion of summer resort associations into nonprofit corporations.

To amend 1982 PA 162 by amending section 123 (MCL 450.2123), as amended by 2014 PA 557.

[Text & Analysis](#)

**[HB 4313](#)**

**Nonprofit Corporations**

Authorizes conversion of summer resort associations into nonprofit corporations.

To amend 1897 PA 230 (MCL 455.1 to 455.24) by adding section 19.

[Text & Analysis](#)

**[SB 129](#)**

**Brownfield Redevelopment Authority**

Allows certain housing activities.

To amend 1996 PA 381 by amending the title and sections 2, 8, 8a, 13, 13b, 13c, 14, 14a, 15, and 16 (MCL 125.2652, 125.2658, 125.2658a, 125.2663, 125.2663b, 125.2663c, 125.2664, 125.2664a, 125.2665, and 125.2666), the title as amended by 2003 PA 259, section 2 as amended by 2022 PA 178, sections 8, 13, 13b, 15, and 16 as amended by 2020 PA 259, section 8a as amended by 2017 PA 46, sections 13c and 14a as amended by 2021 PA 138, and section 14 as amended by 2016 PA 471.

[Text & Analysis](#)

**[SB 130](#)**

**Brownfield Redevelopment**

Updates reference to the brownfield redevelopment financing act.

To amend 1893 PA 206 by amending section 7gg (MCL 211.7gg), as added by 2003 PA 261.

[Text & Analysis](#)

**SB 131**

**Brownfield Redevelopment**

Updates reference to the brownfield redevelopment financing act.

To amend 1937 PA 94 by amending section 4dd (MCL 205.94dd), as added by 2017 PA 49.

[Text & Analysis](#)

**SB 132**

**Brownfield Redevelopment**

Updates reference to the brownfield redevelopment financing act.

To amend 1933 PA 167 by amending section 4d (MCL 205.54d), as amended by 2017 PA 48.

[Text & Analysis](#)

[HB 4306  
of 2023](#)

Property tax: assessments; determination of taxable value; modify. Amends sec. 27a of 1893 PA 206 (MCL 211.27a).

*This bill would generally change the basis for calculating taxable value to a three-year average or the current year plus the inflation rate, whichever is less.*

[HB 4307  
of 2023](#)

Property tax: assessments; determination of true cash value; modify. Amends sec. 27 of 1893 PA 206 (MCL 211.27). TIE BAR WITH: HB 4306'23

*This bill would generally change the basis for calculating assessed value to a three-year average.*

[HB 4317  
of 2023](#)

Property tax: payment in lieu of taxes; payment in lieu of taxes for certain renewable energy facilities; provide for. Creates new act. TIE BAR WITH: HB 4318'23

*This bill would create an act establishing PILOT charges for renewable energy facilities.*

[HB 4318  
of 2023](#)

Property tax: payment in lieu of taxes; payment in lieu of taxes for renewable energy facilities; provide for. Amends secs. 9 & 9f of 1893 PA 206 (MCL 211.9 & 211.9f). TIE BAR WITH: HB 4317'23

*This bill would amend the General Property Tax Act to accommodate PILOT charges for renewable energy facilities.*

[HB 4329  
of 2023](#)

Property: land sales; sale or transfer of real property to foreign entities; prohibit. Amends title & secs. 35 & 36 of 1846 RS 66 (MCL 554.135 & 554.136) & adds sec. 36a.

*This bill would prohibit certain “foreign persons” from acquiring property in Michigan except in certain circumstances and would require foreign persons to divest property holdings. It generally identifies “foreign persons” as persons from countries with “nonmarket” economies or that are state sponsors of terrorism.*

*This from MLTA’s lobbyist:*

*This one is not going to go anywhere. (Similar to the other bill currently introduced).*

*However, Sen Sam Singh (Dem floor leader) and GOP Senator, Michèle Hoytenga are working on legislation around feign ownership of farmland. My understanding is they are working on this with Farm Bureau. I spoke with Sen Hoytenga this morning and she is supposed to send me some information on what they are doing. Not sure if/how it will impact us, but I'll share when I receive it. **Tabitha feels that this is going nowhere.***

[HB 4330 of 2023](#)

Property tax: exemptions; property tax exemption for principal residence of certain senior citizens; provide for. Amends secs. 7u & 53b of 1893 PA 206 (MCL 211.7u & 211.53b) & adds sec. 7yy.

*This bill would allow local taxing jurisdictions to adopt a full or partial tax exemption for the homes of persons aged 65 and older.*

[HB 4332 of 2023](#)

Cities: home rule; penalties for certain blight offenders; increase. Amends sec. 4q of 1909 PA 279 (MCL 117.4q).

*This bill would impose additional penalties for second and third-time blight violators. **According to Tabitha, this could go somewhere, even though the sponsor is an outsider to the Democratic caucus. Possibly poses some due process concerns.***

[SB 225](#)

Asbestos Abatement

Requires public contracts for asbestos abatement projects under certain circumstances background investigation, public posting of certain information, and public hearings.

[Text & Analysis](#)

[SB 226](#)

Asbestos

Requires annual report on asbestos emissions program for demolition or renovation activity sufficiency of number of inspectors. To amend 1994 PA 451 (MCL 324.101 to 324.90106) by adding section 5519b.

[Text & Analysis](#)

[SB 0130 of 2023](#)

Property tax: other; reference to the brownfield redevelopment financing act; update. Amends sec. 7gg of 1893 PA 206 (MCL 211.7gg). TIE BAR WITH: SB 0129'23 Passed the Senate 3-23-23; updates citations to the brownfield redevelopment financing act. The key changes are in the financing act, including allowing MSHDA to approve combined brownfield plans or work plans.

[HB 4327 of 2023](#) adds ethnicity, including specifically Jewish heritage (treated in detail over the course of a couple pages) as a protected class under the Elliot-Larsen civil rights act.

[HB 4330](#) property tax exemption for senior citizens with income below amounts set by local government.

[HB 4332](#) makes blight notices easier for local governments and adds criminal penalties.

[ADM File No. 2021-10: Proposed Amendment of the Michigan Rules of Evidence](#)

The proposed amendments of the Michigan Rules of Evidence (MRE) reflect the work of the Michigan Rules of Evidence Committee established by Administrative Order No. 2021-8. The Committee was tasked with restyling the MREs in an effort to remain as consistent as possible with the 2011 restyling of the Federal Rules of Evidence. Major reorganization of the rules appears in MRE 803 and MRE 804 where the residual exceptions found in both rules are moved into a new MRE 807, and in MRE 804 where the exception regarding deposition testimony is moved up from subrule (b)(5) to proposed subrule (b)(2). **The Legislative Committee recommends that no action be taken.**

5. **Kessler opinion.** Bottom line is that the purchaser at a mortgage foreclosure sale can wait until the day before the redemption period expires to record the sheriff's deed, and the redemption period will expire the following day. This will undoubtedly result in problems for sellers, buyers, lenders and title insurers unaware of a recently recorded sheriff's deed.

It is contrary to MLTS 16.28. Mike to circulate a proposed bill to the Legislative Committee.

6. **Old Business.**

[SB 0019  
of 2023](#)

Property tax: tax tribunal; tax tribunal jurisdiction over certain disputes related to the assessment of property for purposes of property taxes; amend. Amends secs. 31 & 35a of 1973 PA 186 (MCL 205.731 & 205.735a). TIE BAR WITH: SB 0020'23

[SB 0020  
of 2023](#)

Property tax: appeals; process for appealing certain assessment-related disputes as to certain property; amend. Amends sec. 34 of 1893 PA 206 (MCL 211.34) & adds secs. 34f & 34g.

**The Council voted to oppose bills similar to the above last session. The Legislative Committee recommends that Council adopt a resolution opposing these bills.**

[HB  
4023 of  
2023](#)

Environmental protection: underground storage tanks; placement distance of underground storage tanks from a public water supply system; revise. Amends sec. 21102a of 1994 PA 451 (MCL 324.21102a) & adds sec. 21102b.

[SB 0041 of 2023](#)

Construction: housing; ordinance prohibiting the use of energy-efficient appliances in new or existing residential buildings; prohibit local units of government from enacting. Amends sec. 13a of 1972 PA 230 (MCL 125.1513a).

Introduced 1-25-23.

This would ban governmental preclusion of the use of gas appliances. "...a local unit of government shall not adopt, maintain, or enforce an ordinance that prohibits the use of an appliance that uses gas in a new or existing commercial or residential building or structure."

**Tabitha doesn't think this bill will move, since Local Government is too busy with other matters.**

[HB 4052 of 2023](#)

Property tax: assessments; transfer of ownership of certain real property to certain individuals; exempt from uncapping of taxable value upon transfer.

**This exempts from uncapping transfers to a son-in-law or daughter-in-law. Tabitha advised that this is unlikely to go anywhere since the sponsor is out of favor with both caucuses.**

[SB 0047 of 2023](#) Land use: farmland and open space; relinquishment of portion of farmland from agreement or easement; allow to make boundaries more regular. Amends secs. 36103, 36110 & 36111 of 1994 PA 451 (MCL 324.36103 et seq.).

[HB 4062 of 2023](#) Civil rights: housing discrimination; housing discrimination based on source of income; prohibit. Amends title of 1972 PA 348 (MCL 554.601 - 554.616) & adds sec. 1c.

[HB 4063 of 2023](#) Civil rights: housing discrimination; housing discrimination based on source of income; prohibit. Amends title & sec. 502 of 1976 PA 453 (MCL 37.2502).