

To: Real Property Law Section Council  
From: Lorri B. King  
Date: May 8, 2019  
Re: Real Property Law Section Legislative Report

**Yellow: Change in status**

**Red: Newly added**

### ***GENERAL LEGISLATIVE BACKGROUND***

Budget season is finally beginning to ramp up, the Senate Appropriation Subcommittees have passed their proposed budgets with the House expected to follow suit shortly. This means that negotiations between the House, Senate, and Governor's office will begin, but are expected to take longer than the norm of the last eight years. The budget fight could potentially go into early fall, with neither side setting a deadline for voting on a final compromise. Additionally, the Legislature is expected to pass the "Raise the Age" bill package, as well as civil asset forfeiture reform. Lastly, there are rumors that a Senate proposal for auto no-fault reform could be announced in the coming weeks. The Legislature is back in full swing and things are finally starting to get busy for Michigan's 100th Legislative session.

### ***LEGISLATION SIGNED INTO LAW SINCE LAST REPORT***

None

### ***LEGISLATION OF INTEREST***

#### **SENATE BILLS**

**Civil Asset Forfeiture – SB 2** (Sen. Lucido, R – Shelby Twp.) Requires a criminal conviction before law enforcement can proceed with civil asset forfeiture process. *Passed the House and Senate, awaiting action to be taken by Governor Whitmer.*

**Tax Tribunal – SB 26** (Sen. McBroom, R – Vulcan) Creates requirement as to what it is to be considered in certain tax tribunal determinations in assessment disputes. *Referred to Senate Committee on Finance.*

**Assessment Disputes – SB 39** (Sen. McBroom, R – Vulcan) Sets requirements under the Tax Tribunal Act for what is to be considered in certain tribunal determinations in assessment disputes. *Referred to the Senate Committee on Finance.*

**Winder Energy Systems – SB 46** (Sen. VanderWall, R – Ludington) Clarifies in General Property Tax Act the assessed valuation of wind energy systems. *Referred to the Senate Committee on Finance.*

**Solar Panels – SB 47** (Sen. Barrett, R – Charlotte) Excludes placement of solar panels on residential property from assessments of true cash value. *Received a hearing in Senate Committee on Finance.*

**Alternative Energy – SB 48** (Sen. Barrett, R – Charlotte) Modifies property tax exemption for alternative energy systems on personal property. *Received a hearing in Senate Committee on Finance.*

**Historic Preservation Tax Credit – SB 54** (Sen. Schmidt, R – Traverse City) Restores the State Historic Preservation Tax Credit program. *Referred to the Senate Committee on Finance.*

**Property Tax – SB 59** (Sen. Chang, D – Detroit) Provides for the freezing of taxable value for primary residences of certain senior citizens. *Referred to the Senate Committee on Finance.*

**Eviction – SB 112** (Sen. Lucido, R – Shelby Twp.) Modifies the process for a property owner to evict a person. *Passed the Senate, referred to House Judiciary.* Legislative Committee recommendation is that this is not legislation on which RPLS should take a position.

**First-Time Home Buyer – SB 120** (Sen. MacGregor, R – Rockford) Creates a Michigan first-time home buyer savings program. *Received a hearing in Senate Committee on Finance.*

**Home Buyer Deduction – SB 121** (Sen. Horn, R – Frankenmuth) Provides for a tax deduction for contributions made to the first-time home buyer program. *Received a hearing in Senate Committee on Finance.*

**Contracts – SB 253** (Sen. Lucido, R – Shelby Twp.) Prohibits the use of a lawsuit to enforce real estate commission agreement that is not in writing. *Referred to the Senate Judiciary and Public Safety Committee.*

### **House Bills**

**Civil Asset Forfeiture – HB 4001** (Rep. Wentworth, R - Clare) Requires a criminal conviction before proceeding. *Passed the House and Senate, awaiting action to be taken by Governor Whitmer.*

**Civil Asset Forfeiture – HB 4002** (Rep. LaGrand, D – Grand Rapids) Amends certain procedure for forfeiture in controlled substance cases. *Passed the House and Senate, awaiting action to be taken by Governor Whitmer.*

**Short-Term Rentals – HB 4046** (Rep. Sheppard, R - Temperance) Limits regulation of vacation and short-term rentals. *Received a hearing in the House Committee on Local Government and Municipal Finance.*

**Property Assessments – HB 4047** (Rep. Brixie, D - Okemos) Modifies certain tribunal determinations in assessment disputes as to the valuation of property. Also known as “dark stores.” *Referred to the House Committee on Local Government and Municipal Finance.*

**Nonprofit Corporations – HB 4048** (Rep. Inman, R - Williamsburg) Authorizes merger or conversion into nonprofit corporations for summer resort and park associations. *Has advanced to Third Reading on the House Floor.*

**Association Mergers – HB 4049** (Rep. Inman, R – Williamsburg) Authorizes merger or conversion into nonprofit corporations for summer resort and park associations. *Has advanced to Third Reading on the House Floor.*

**Property Tax – HB 4050** (Rep. Inman, R - Williamsburg) Allows transfer of ownership from a general or limited partnership to certain individuals to be exempt from uncapping taxes after transfer. *Passed House Local Government and Municipal Finance, has been referred to House Ways and Means.*

**Land Use – HB 4055** (Rep. Slagh, R - Zeeland) Requires tax payment certification prior to approval of land division. *Passed the House, has been referred to Senate Committee on Local Government.*

**Alternative Energy – HB 4068** (Rep. Kahle, R – Madison Twp.) Modifies alternative energy property tax exemption. *Received a hearing in House Tax Policy.*

**Alternative Energy – HB 4069** (Rep. Kahle, R – Madison Twp.) Excludes placement of solar panels on residential real property from assessment of true cash value. *Passed House Tax Policy, referred to the House Ways and Means Committee with H-1 Substitute.*

**Enterprise Zones – HB 4091** (Rep. LaFave, R – Iron Mountain) Modifies neighborhood enterprise zones eligibility requirements. *Received a hearing in House Committee on Commerce and Tourism, no other action was taken.*

**Historic Preservation Tax Credit – HB 4100** (Rep. Frederick, R – Owosso) Restores state historic preservation tax credit program. *Referred to the House Committee on Tax Policy.*

**Income Tax – HB 4110** (Rep. Garza, D – Taylor) Increases property tax credit for certain qualified veterans. *Referred to the House Committee on Tax Policy.*

**Public Properties – HB 4120** (Rep. Markkanen, R - Hancock) Modifies provision related to contracts or agreements for the purchase of real or personal property for public use. *Passed the House, awaiting committee assignment in the Senate.*

**Property Tax – HB 4121** (Rep. Byrd, D – Detroit) Eliminates sunset on authority of county treasurers to enter tax foreclosure avoidance agreements. *Passed the House, has been referred to Senate Finance Committee. Legislative Committee recommendation was that this is a policy matter and not legislation on which RPLS should take a position.*

**Blight Violations – HB 4123** (Rep. Whitsett, D - Detroit) Modifies attachment of property lien for failure to pay fine for blight violation to include all land, buildings, or structures

owned by defendant in the state. *Referred to the House Committee on Local Government and Municipal Finance.*

**Property Tax Credit – HB 4157** (Rep. Iden, R – Oshtemo Twp.) Removes eligibility based on homestead taxable value cap. *Referred to the House Committee on Tax Policy.*

**Veteran Property Tax Exemption – HB 4158** (Rep. Iden, R – Oshtemo Twp.) Modifies affidavit filing requirements for disabled veteran exemptions. *Referred to the House Committee on Local Government and Municipal Finance.*

**Brownfield Redevelopment – HB 4159** (Rep. Iden, R – Oshtemo Twp.) Provides oversight of brownfield redevelopment authorities. *Referred to the House Committee on Local Government and Municipal Finance.*

**Property Management – HB 4160** (Rep. Hoitenga, R – Manton) Modifies certain licensure requirements for employees or agents of a real estate broker hired to perform duties relating to property management. *Referred to the House Committee on Regulatory Reform.*

**Lead-Free Pipes – HB 4175** (Rep. Cherry, D – Flint) Revises definition of lead-free pipes and pipe fittings to match federal definition. *Referred to House Committee on Regulatory Reform.*

**Property Tax Exemptions – HB 4176** (Rep. Yaroch, R – Richmond) Hold local taxing units harmless for disabled veteran exemption. *Referred to House Committee on Military, Veteran, and Homeland Security.*

**Public Safety Property – HB 4185** (Rep. Farrington, R – Utica) Modifies provision related to malicious destruction of fire or police department property to include real property. *Passed the House, referred to Senate Judiciary and Public Safety Committee.*

**Property Tax – HB 4209** (Rep. Slagh, R – Zeeland) Modifies individuals allowed to accept property tax payments. *Referred to the House Committee on Military, Veterans, and Homeland Security.*

**Property Tax – HB 4214** (Rep. Leutheuser, R – Zeeland) Modifies small business personal property tax payments. *Referred to the House Tax Policy Committee.*

**Property Tax – HB 4215** (Rep. Farrington, R – Utica) Increases small taxpayer exemption threshold for eligible personal property. *Referred to House Committee on Tax Policy.*

**Foreclosure Sales – HB 4219** (Rep. Howell, R – North Branch) Modifies distribution of revenue from sale of foreclosure. *Referred to the House Committee on Local Government and Municipal Finance.*

**Foreclosure Sales – HB 4226** (Rep. Berman, R – Commerce Twp.) Provides cap on fee assessed by foreclosure sale purchasers to calculate redemption amount. *Passed the House and has been referred to Senate Insurance and Banking Committee.*

**Notaries – HB 4292** (Rep. Webber, R – Rochester Hills) Revises eligibility requirements for notary public appointment and requires record keeping. *Referred to House Judiciary Committee.*

**Foreclosure – HB 4306** (Rep. Cole, R – Mancelona) Requires notice of foreclosure to include information to mortgagor. *Passed House Government Operations with H-2 Substitute.*

**Property Tax – HB 4387** (Rep. Chirkun, D – Roseville) Modifies criteria to qualify for property tax exemptions for disabled veterans. *Referred to House Committee on Local Government and Municipal Finance.*

**Public Records – HB 4444** (Rep. Johnson, S., R – Shelbyville) Allows publication by electronic means. *Passed House Oversight, has been referred to House Ways and Means.*

**Moral Character – HB 4488** (Rep. Iden, R – Oshtemo Twp.) Restricts use of criminal record to determine eligibility for occupational licensing. *Referred to House Regulatory Reform Committee.*

**Moral Character – HB 4489** (Rep. Bellino, R – Monroe) Clarifies good moral character qualifications for admission to state bar. *Referred to House Regulatory Reform Committee.*

**Home Inspections – HB 4494** (Rep. Schroeder, R – Independence Twp.) Establishes licensing fees for home inspection services and provides for deposit of proceeds into occupational fund. *Referred to House Regulatory Reform Committee.*

**Home Inspections – HB 4506** (Rep. Schroeder, R – Independence Twp.) Provides for licensure and regulation of home inspection services and requires certain disclosures and contract provisions. *Referred to House Regulatory Reform Committee.*

**Evictions – HB 4509** (Rep. VanSingel, R – Grant) Allows limited liability company members and others with personal knowledge to represent them in certain situations. *Referred to House Judiciary Committee.*

**Bankruptcy – HB 4521** (Rep. Frederick, R – Owosso) Modifies value of home equity exempted from bankruptcy. *Referred to House Judiciary Committee.*

**Short-Term Rentals – HB 4554** (Rep. Lilly, R – Park Twp.) Creates short-term rental promotion act that provides for registry of short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4555** (Rep. Ellison, D – Royal Oak) Revises stadium or convention facilities act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4556** (Rep. Marino, R – Harrison Twp.) Modifies state convention facility development act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4557** (Rep. Brixie, D – Okemos) Modifies excise tax on business of providing accommodations to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4558** (Rep. Paquette, R – Niles) Revises regional tourism marketing act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4559** (Rep. Sabo, D – Muskegon) Revises community convention or tourism marketing act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4560** (Rep. Webber, R – Rochester Hills) Revises convention and tourism marketing act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4561** (Rep. O'Malley, R – Lake Ann) Revises regional convention and tourism promotion act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4562** (Rep. Calley, R – Portland) Revises convention and tourism promotion act to include certain short-term rentals. *Referred to the House Commerce and Tourism Committee.*

**Short-Term Rentals – HB 4563** (Rep. Tate, D – Detroit) Permits short-term rentals. *Referred to the House Commerce and Tourism Committee.*