

To: Real Property Law Section Council
From: Greg Gamalski
Date: November 8, 2019
Re: Real Property Law Section Legislative Report

Green: Change in status

Red: Newly added

GENERAL LEGISLATIVE BACKGROUND

The Governor signed the budget before October 1st, but negotiations are far from done. Since she vetoed almost \$1 billion and used an administrative board to shift over \$600 million within various state departments, Republicans have refused to negotiate a supplemental unless she relinquishes the admin. board powers or undoes the shifts in money. Negotiations between the Governor and Speaker Chatfield were productive during the second week of November, but Senator Shirkey refused to join in on a deal. The Senate Republicans adjourned session before allowing a vote on any supplemental bills, all but ensuring a deal will not be reached until the first week of December at the earliest.

LEGISLATION SIGNED INTO LAW SINCE LAST REPORT

LEGISLATION OF INTEREST

SENATE BILLS

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. *Passed Senate and House w/ H-1 Sub, awaits action by Governor.*

Alternative Energy – SB 48 (Sen. Barrett, R – Charlotte) Modifies property tax exemption for alternative energy systems on personal property. *Passed the Senate, has been referred to House Ways & Means Committee.*

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 House & Senate, awaiting action by the Governor.* 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. *Passed Senate Judiciary and Public Safety Committee, on Senate Floor.*

Enterprise Zones – SB 319 (Sen. Moss – Southfield) Modifies the Neighborhood Enterprise Zone Act definition of rehabilitated facility. *Passed the Senate, referred to House Ways and Means w/ H-1 Sub.*

***Property Taxes – SB 360** (Sen. Stamas, R – Midland) Provides an exemption for certain eligible data center property from property taxes. *Has been referred to and received a hearing in Senate Economic and Small Development Committee.*

Process Service – SB 420 (Sen. Lucido, R – Shelby Twp.) Modifies procedures in process serving. *It was referred to Senate Judiciary.*

Income Tax Credit – SB 421 (Sen. Moss, D – Southfield) Establishes credit for purchase of certain housing and for certain home modifications. *Referred to Senate Finance.*

Income Tax Credit – SB 422 (Sen. Moss, D – Southfield) Authorizes certification of income tax credit by the Michigan State Housing Development Authority. *Referred to Senate Finance.*

Land Use – SB 431 (Sen. Hollier, D – Detroit) Modify conditions under zoning ordinance may prohibit mining. *Referred to Senate Natural Resources, but then re-referred to Senate Transportation.*

Limited Liability Companies – SB 440 (Sen. Irwin, D – Ann Arbor) Modifies annual statement fees under the Michigan limited liability company act. *PA 70 of 2019.*

Licensing Fees – SB 441 (Sen. Santana, D – Detroit) Modifies occupational code fees under the State License Fee Act. *PA 71 of 2019.*

Stormwater Permits – SB 447 (Sen. Hertel, D – East Lansing) Extends the sunset for surface water and stormwater discharge permit fees under the Natural Resources and Environmental Protection Act. *PA 84 of 2019.*

Renaissance Zones – SB 455 (Sen. Stamas, R – Midland) Modifies exemption for certain property located in renaissance zones. *Passed Senate, on 3rd Reading in House w/ H-1 Sub*

Commercial Redevelopment – SB 494 (Sen. Stamas, R – Midland) Extends the sunset from December 31, 2020 to December 31, 2025 for the Commercial Redevelopment Act. *Passed Senate Economic and Small Development.*

Emotional Support Animals – SB 608 (Sen. MacGregor, R – Rockford) Provides for early

lease termination due to misrepresentation of emotional support animals. *Received hearing in Senate Local Government (10/31).*

Emotional Support Animals – SB 609 (Sen. Zorn, R – Ida) Clarifies the definition of service animal to exclude emotional support animals. *Received hearing in Senate Local Government (10/31).*

Emotional Support Animals – SB 610 Creates regulations on the prescription of and requests for reasonable accommodation for emotional support animals. *Received hearing in Senate Local Government (10/31).*

House Bills

The House has a two committee process. Only four committees (Ways & Means, Appropriations, Government Operations, and Judiciary) may report bills directly to the floor. While all others have to report bills to Ways & Means before the bill can be reported to the floor.

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. *Had advanced to Third Reading on the House Floor, but has been re-referred back to the House Committee on Commerce & Tourism.*

Association Mergers – HB 4049 (Rep. Inman, R – Williamsburg) Authorizes merger or conversion into nonprofit corporations for summer resort and park associations. *Had advanced to Third Reading on the House Floor, but has been re-referred back to the House Committee on Commerce & Tourism.*

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.*

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 the House and Senate, awaits action by the Governor.*

Enterprise Zones – HB 4091 (Rep. LaFave, R – Iron Mountain) Modifies neighborhood enterprise zones eligibility requirements. *Passed House Commerce with H-1 Sub, referred to Ways and Means.*

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 and Senate, awaits action by Governor.*

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. *Passed House and Seante, awaits action by the Governor.*

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 Senate, awaits action by the Governor.*

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 with H-2 Substitute, now on Senate Floor.*

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 the House, has received a hearing in Senate Oversight (10/22).*

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. *Passed the House, referred to Senate Judiciary.*

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.*

***Restrictive Deeds – HB 4676** (Rep. Anthony, D – Lansing) Prohibits restrictive covenants in deeds and other instruments. *Referred to the House Committee on Judiciary.*

***Restrictive Deeds – HB 4677** (Rep. Brixie, D – Okemos) Exempts actions under the prohibited restrictive covenants act from any statute of limitations. *Referred to House Committee on Judiciary.*

Liens – HB 4695 (Rep. Brann, R – Wyoming) Requires licensed contractor to provide certain documents when recording claim of lien. *Referred to the House Committee on Regulatory Reform.*

***Property Lien – HB 4699** (Rep. Whitsett, D – Detroit) Allows for property lien attachment to all land, buildings, or structures, owned by defendant in this state. *Referred to the House Local Government and Municipal Finance Committee.*

Veterans Homes – HB 4742 (Rep. Howell, R – North Branch) Requires testing of water at Michigan veterans’ facilities established under 1885 PA 152.

Veterans Homes – HB 4743 (Rep. Tate, D – Detroit) Requires testing of water for lead at veterans’ facilities established under the Michigan veterans’ facility authority act.

Lead in Drinking Water – HB 4744 (Rep. Love, D – Detroit) Provides for program for testing and removing lead in drinking water used by vulnerable population centers.

PFAS Action Response – HB 4746 (Rep. Griffin, R – Mattawan) Codifies Michigan PFAS action response team.

Water Quality – HB 4749 (Rep. Afendoulis, R – Grand Rapids Twp.) Requires source water testing for public water supplier proposing to hook up a new water source.

Water Quality – HB 4750 (Rep. Kennedy, D – Davison) Requires disclosure of lead service line by water suppliers to customers and by landlords to tenants.

HB 4742 – 4750 received a committee hearing in House Natural Resources and Outdoor Recreation (10/15).

Beg Bugs-Landlord Tenant- HB 4777 (Rep. Iden, R Kalamazoo) Prohibit a landlord from renting a unit infested with bedbugs; prohibit tenants from moving infested items into a unit or attempting to apply pest control treatments themselves; and require tenants to grant reasonable access to professional pest management personnel and comply with the control protocols established by the landlord. Tenants who cause an infestation would be responsible for treatment costs, and landlords who follow the rules would have their liability limited for the infestation and items damaged by treatment

Property Tax – HB 4828 (Rep. Byrd, D – Detroit) Revises poverty exemption. *Referred to House Local Government & Municipal Finance.*

Property Tax – HB 4851 (Rep. Hoitenga, R – Manton) Modifies property tax exemption for disabled veterans. *Passed House, referred o Senate Finance.*

Support Animals – HB 4910 (Rep. Hall, R – Emmett Twp.) Creates regulations for the prescription of and request for reasonable accommodation for emotional support animals. *Referred to House Regulatory Reform, received hearing (10/22).*

Support Animals – HB 4911 (Rep. Cambensy, D – Marquette) Provides for early lease termination due to misrepresentation of emotional support animals. *Referred to House Regulatory Reform, received hearing (10/22).*

Tree Liability – HB 4915 (Rep. Berman, R – Commerce) A bill to establish liability and provide remedies for damage resulting from falling trees or tree branches. *Referred to House Local Government and Municipal Finance, received hearing (10/16).*

Estate Tax – HB 4922 (Rep. Johnson, C., D – Detroit) Repeals Michigan real estate tax act. *Passed House Tax Policy, referred to House Ways and Means.*

Property Tax – HB 4927 (Rep. Vaupel, R – Fowlerville) Modifies local community stabilization share revenue distribution. *Passed House Tax Policy, referred to House Ways and Means.*

Property Tax – HB 4928 (Rep. Webber, R – Rochester Hills) Modifies distribution of local community stabilization share revenue. *Passed House Tax Policy, referred to House Ways and Means.*

Property Tax – HB 4929 (Rep. Yancey, D – Harper Woods) Modifies certain calculations related to tax increment financing plans. *Passed House Tax Policy, referred to House Ways and Means.*

Property Tax – HB 4930 (Rep. Whitsett, D – Detroit) Modifies reporting deadlines and procedures for certain distribution calculations. *Passed House Tax Policy, referred to House Ways and Means.*

Assignment of Rents – HB 5091 (Rep. Iden, R – Oshtemo Twp.) Clarifies that action regarding assignment of rents does not constitute an action under the “one-action” rule. *Referred to House Judiciary.*

Liens – HB 5092 (Rep. Iden, R – Oshtemo Twp.) Makes subordinate to security interest in rents priority over other liens. *Referred to House Judiciary.*

Property Taxes – HB 5124 (Rep. Byrd, D – Detroit) Modifies provisions for reducing redemption amounts. *Received hearing in House Local Government and Municipal Finance (10/30).*

Drains – HB 5126 (Rep. Johnson, S., R – Shelbyville) Revises requirements to petition to add or remove lands and notice of receipt of bids and review of apportionments. *Referred to House Local Government.*

Delinquent Taxes – HB 5170 (Rep. Byrd, D – Detroit) Makes delinquent property tax installment payment plans and tax foreclosure avoidance agreements available for certain commercial real property returned for delinquent taxes. *Referred to House Local Government.*