

MEMORANDUM

TO: Real Property Law Section Council

FROM: Roxana Zaha / David Pierson

DATE: November 14, 2025

SUBJECT: Legislative Committee Report

1. **Monthly Calls.** The Legislative Committee met on November 4, 2025. David Pierson and Roxana Zaha also had a separate call on November 14, 2025, with RPLS lobbyist Tabitha Zimny.
2. **Recent Developments.** According to Tabitha, only a few working session days remain for the Legislature before year-end.
 - a) **The Low-Income Water Affordability Act** – a package of bills that are moving through the Senate (SB 248 – 256), but not likely to be approved by the House, at least not this year. It includes a number of policy driven legislation such as (i) creating a Low-Income Water Affordability Program within the Dept. of Health and Human Services to ensure an eligible customer did not pay more than 3% of the customer's household income on a water bill, subject to certain program funding; adding a surcharge to water bills to create a fund to pay for people that cannot afford their water bills; (ii) adding the “Water Shutoff Protection Act” – to prohibit a provider from shutting off residential water service while a customer was part of the program, and prescribing the requirements for a water service provider to temporarily shut off a residential water service, (iii) amending the **Landlord Tenant Act** to allow a tenant residing in certain metered or sub-metered rental premises to request a copy of a water or sewer bill from the water or sewer provider; prohibiting a landlord from interfering with or discriminating or retaliating against a tenant that made such request; and requiring all rental agreements after the bill's effective date to include information on tenant's rights to request and receive such information. It would also enact the “Water Affordability and Transparency Act” – which would create the Office of Residential Water Affordability within the DHHS and prescribe its duties.
 - b) **Remote In Person Notarization; HB 5289** (Last Action 11/13/25; introduced and referred to Committee) - we had RIN during COVID, prior statute on RIN expired July 1, 2021. HB 5289 would bring it back. The draft bill provides for two-step identity authentication – before the video conference and again during the video conference. The individual seeking the notary's services, if not known to the notary, must present “satisfactory evidence of identity to the notary before the video conference that allows the notary to *confirm the identity through credential analysis and identity proofing* (emphasis added), and presents satisfactory evidence of

identity to the notary again during the video conference that allows the notary to reconfirm the identity.”

- c) **Occupational Code Amendments Re: Brokers and Agents; HB 5227 – 5229 (tie barred)** (Last Action 11/12). Appear to generally track with the core principles of the NAR Settlement with the aim of increasing transparency and requiring *written agreements* with *buyers* setting forth clear compensation structures.
 - d) **Use / Excise Tax Bills - HB 5138, HB 5139 HB 5140 (tie-barred)** - These create an excise tax on short-term rentals by expanding the coverage of hotel and motel taxes and, the bigger deal, allowing local governments to use the money for general fund purposes, not just tourism promotion and the other limited uses in the convention and visitors bureau statutes. In short, policy.
 - e) No further action on: SB 272 (Condominium Act Amd. attempting to clarify several technical aspects of Section 67 of the Condo Act; Last Action 4/30/35, referred to Committee).
3. **ADM File No. 2022-31: Proposed Amendment of MCR 2.106.** The proposed amendment of MCR 2.106 would update the definition of “newspaper” for notice by publication. See MCL 691.1051.
- a) This is scheduled to be reviewed by the Board of Commissioners at their January 23, 2026 meeting. Any comments for consideration by the Board of Commissioners, must be submitted by **January 13, 2026.**
 - b) Most significant change is that the amendment would *require the publication to offer a print AND website version*. Furthermore, “[d]uring the full publication period, any notice MUST appear in the publication’s print AND website versions AND be located on the website established and maintained by a state association of newspapers that represents a majority of newspapers in this state as a central repository for notices.” (emphasis added).

4. **Mortgage Foreclosure Protection Bills:**

HB 5152 of 2025 Civil procedure: foreclosure; distribution of proceeds from mortgage foreclosure auctions; modify. Amends sec. 3208 of 1961 PA 236 (MCL 600.3208) & adds secs. 3214 & 3222.

TIE BAR WITH: HB 5153 Civil procedure: foreclosure; distribution of proceeds from mortgage foreclosure auctions; modify. Amends secs. 3240 & 3252 of 1961 PA 236 (MCL 600.3240 & 600.3252).

Background: [See **attached Memo**] According to Thaddeus Hackworth, Corporate Counsel for Berrien County, who reached out to Leslee Lewis on 11/3/25, these bills are a direct

response to a multi-year effort in Berrien County to address a predatory business model that targets vulnerable homeowners in foreclosure. His office, working with Berrien County Sheriff, Register of Deeds, and Probate Court, has documented numerous instances of firms using deceptive practices to strip residents of their home equity. The scheme generally involves convincing a homeowner to sign away their rights via a quitclaim deed for nominal consideration. In doing so, the homeowner unknowingly forfeits their right of redemption, their right to occupancy, and their right to any surplus proceeds. There are also "ghost" probate cases where these firms file for a personal representative just to get an heir to sign away rights to a deceased homeowner's property, only to abandon the probate case once they've secured the equity. According to Mr. Hackworth, the two bills work as a package to have a legislative fix to close loophole in foreclosure law:

- a) **HB 5153 (The "Hammer"):** This bill makes the statutory right of redemption and the right to surplus proceeds non-assignable (except by succession). This effectively eliminates the "asset" these firms are deceptively purchasing.
- b) **HB 5152 (The "Shield"):** This bill tackles the problem from another angle. It mandates that any sale of property after a foreclosure notice is recorded is invalid unless the seller signs a plain-language "Notice of Rights." This notice explicitly informs them that they are waiving their rights to redemption, occupancy, and any potential surplus proceeds. The bill also requires the foreclosure notice to be recorded with the Register of Deeds, ensuring title companies will see it and enforce the notice requirement.

Committee Comments / Recommendations:

HB 5151 provides that notice of foreclosure must be given by doing all the following: (1) publishing for 4 successive weeks, (2) before the first publication of the notice, recording a true copy of the notice with the register of deeds (this is the part that is new), and (3) posting on the property. *If mortgagor, mortgagor's heirs or PRs, or any person that has a recorded interest in the mortgaged premises that was obtained before the notice of foreclosure is recorded, conveys the mortgaged premises **after** the notice of foreclosure is recorded and before the expiration of the applicable redemption period, the conveyance is not valid unless a Notice of Rights is attached to the deed and signed by each grantor.* The contents of the Notice of Rights are included in the bill and include the right of redemption, right to occupancy during the redemption period, and right to surplus proceeds.

HB 5153 provides that a mortgagor's right of redemption is not assignable or transferable after the notice of foreclosure is recorded, except by testate or intestate succession. A person that has a recorded interest in the property that is obtained after the notice of foreclosure is recorded may not redeem the premises. Further, mortgagor's right to surplus money is not assignable or transferable after the first publication of the notice of foreclosure, except by testate or intestate succession.

For HB 5151, generally the Notice of Rights requirement appears to serve a legitimate purpose of informing parties of their existing legal rights, but the terms “house” and “property” could be cleaned out to avoid confusion as to what type of property this legislation applies to. Consider also whether these bills should apply only to real property owned by individuals (or their revocable living trusts) and not to property owned by entities.

For HB 5153, in its current form, this bill may be overly broad and could unintentionally prohibit legitimate post-foreclosure transactions involving the transfer of redemption rights for valuable consideration between informed and consenting parties.

Committee / David Pierson will get more background regarding these bills to understand how the sponsor arrived at prohibiting assignment of the right of redemption altogether.

5. **HB 4799 of 2025 - Property tax: payment and collection; effect of a postmark date when determining date property taxes are paid and other communications and notifications are provided; clarify. Amends sec. 44b of 1893 PA 206 (MCL 211.44b).** (Last Action 10/21, referred to second reading.)

- a) This amends the General Property Tax Act to change how the date of receipt for certain documents is determined under the Act.
- b) Currently, the US Postal Service postmark of any tax payment received under the Act is considered the date the payment is received, so long as the postmark date is not more than seven days before the date the payment is actually received. [This does not apply to payments received for delinquent property taxes.]
- c) Under this bill, the postmark of the USPS or any other common carrier would be considered the date of receipt of a payment or any communication or notification from or on behalf of a taxpayer under the Act, regardless of whether the postmark was more than seven days prior to the mail’s actual receipt. This would apply to the payment of all nondelinquent property taxes, assessments, or other amounts shown as payable on a property tax statement, and all related penalties, interest, or fees.

Committee Recommendations: To oppose the adoption of HB 4799 as introduced. HB 4799 would be detrimental to the fair and just administration of real property law because it is confusing and reaches beyond the General Property Tax Act, MCL 211.1 et seq., Property tax statements contain many charges beyond just property taxes, including special assessment charges, water charges, and other municipal charges, such that the bill would improperly amend by reference other legislation and municipal ordinances were it adopted. The bill is also confusing in that it applies only to nondelinquent property taxes, assessments, and other amounts, but also states that it applies to penalties and interest, which generally apply only when taxes and other charges have become delinquent. The

RPLS is not opposed to the concept of a postmark or other common carrier's mark serving as the date of receipt in certain circumstances but details of HB 4799 need revision.

OLD BUSINESS:

6. Marketable Record Title Act (MRTA).

Update: HB 4524 of 2025 was unanimously approved and passed in the House with immediate effect on September 4, 2025, and transmitted to the Senate. It then passed the Senate unanimously and was signed into law by the Governor on 9/29.

Thank you to our RPLS special committee who drafted HB 4524 of 2025, an amendment to the Marketable Record Title Act, and negotiated for more than a year with all those who had an interest in it, to come to a mutually agreed draft. The MRTA amendment was sponsored by Douglas Wozniak and Kelly Breen and introduced on June 11, 2025. Council moved to support this bill at its last meeting on August 8, 2025. HB 4524 can be found here: <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2025-HB-4524>

History: The Legislature adopted the extension of the grace period through September 29, 2025, with immediate effect, and the Governor signed it on March 28, 2024. At the April Council meeting, Council approved a bill to implement the “comprehensive fix.” Members of the Legislative Committee and former RPLS Chair Cathy LaMont later discussed the bill with representatives of the Michigan Land Title Association (MLTA). A bill was submitted to the Legislative Service Bureau to prepare for introduction, and the drain commissioners association requested changes to the bill to protect certain special assessments for drain improvements. The Committee discussed this with Tabitha and worked through this issue to get the bill introduced. In the September Council meeting, the Council overwhelmingly disfavored repeal of the Act. David Pierson thereafter reviewed comments from the drain commissioners. Drainage districts have been given the same categorical exemption as other government agencies which we believe should suffice. Our understanding is that other language in the MRTA raised concerns for them as to the treatment of pre-1956 easements, before recording with the register of deeds was required. Their suggested language, “regardless of whether the preserved or excepted interests are recorded with the register of deeds,” was much broader than just those, and opened a Pandora’s box of unknown, unrecorded easements or other interests, well beyond the issue they raised. With the one exception of the pre-1956 interests of drainage districts, Michigan requires real property interests to be recorded. The unintended consequences of their broader language could be significant. Compromise language was drafted by David and reviewed by Leslee and the committee and shared with the drain commissioners’ lobby. It was accepted. ICSC subsequently raised concerns with the draft bill. Mike Luberto and David Pierson spoke with ICSC on January 10 in follow-up to a conversation with ICSC and the lobbyists for ICSC and RPLS in November 2024. In November, ICSC’s current leader indicated she had concerns with the effectiveness of the MRTA, found the drafting jumbled, and wanted to review it again to produce something she feels is more polished. (Note that input from multiple governmental agencies and utilities resulted in this language). Rep. Fitzgerald was unwilling to introduce the bill until ICSC’s

concerns were addressed. Tabitha has suggested that new co-sponsors may be needed given the change in make-up of the legislature. ICSC is believed to have signed off on the bill with minor changes made by David Pierson and approved by Mike Luberto. The MRTA Amendment bill, HB 4524 of 2025, was sponsored by Douglas Wozniak and Kelly Breen, and went through the House approval process, passed the House with immediate effect after a third reading on September 4, 2025. It subsequently passed the Senate and was signed into law by the Governor on September 29, 2025.

7. **HB 4846 of 2025 - Alternate procedure to evict squatters (Amends sec. 5714 of 1961 PA 236 (MCL 600.5714) & adds sec. 5712.)** This bill is not just policy; it concerns us because it concerns the administration of real property law. As David notes in detail in his report (excerpt below), HB 4846, the so-called “squatter eviction bill” reintroduced this session, allows anyone who claims to own property to present an affidavit to a sheriff who then assists in evicting occupants of the property. The bill presents several difficulties falling into two basic categories:
 - a) First, it supplants a long history in Michigan of requiring a judicial determination of the right to possession of property. In place of summary proceedings in the district court, it allows a property owner to enlist the aid of a sheriff to evict someone possessing property, based on the word of the property owner (or its agent) alone, with no judicial oversight or opportunity for the person in possession to defend or know the contents of the owner’s claims.
 - b) Second, it introduces state action, in the person of the sheriff, by having the sheriff “verify” and then enforce a request for self-help evictions. The sheriff takes the place of the court in both deciding and enforcing those evictions. Apart from having sheriffs take on judicial functions, the bill may well make the sheriff liable for any violation of due process and damages for evicting a person with a right to possession by force or threat of force. It would be interesting to know how the Michigan Sheriff’s Association views this bill.

UPDATE: On recommendation from the Legislative Committee, on 10/22/25, RPLS Council voted to oppose HB 4846 which would overturn Michigan’s longstanding policy in favor of the determination of interests in real property by judicial process. Per Tabitha, the Sheriff’s association is “ok” with the squatter bill. She is circling back with realtors on it in the next few weeks.

8. **Kessler Fix.**

History: Recall that *Kessler* concluded 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. The Council passed a resolution supporting our proposed amendments to MCL 600.3232 and MCL 600.3240 to correct this. The Legislative Service Bureau has prepared a draft bill that did not contain the language that we sought. We advised Tabitha of this and David Pierson reviewed a further draft in October. Mike Luberto has provided further explanation several times since, as the sponsors and

interested parties were not understanding the crux of the conflict between the two statutes and the administration of law issue the bills were intended to fix. The *Kessler* fix bill is HB 6161 and was introduced in correct form during the 2024 legislative session. While it was not and was not expected to be acted on in that session, introducing it during this session gives it priority for re-introduction in 2025. Tabitha believes she has a sponsor for this bill. This spring, a comment was made to our bill but has been withdrawn and will be handled in a separate bill. Tabitha reports our bill is on its way, we have drafts and a sponsor, and we are just awaiting introduction of the bill. Subsequently, we received a new draft of the Kessler fix bill. The committee met on the bill and said there was a missed consumer protection opportunity: there is a per diem charge the purchaser collects from date of sale. The committee proposed that the redemption period and per diem would not accrue from date of sale and instead should start with the recording date if deed recording is delayed beyond 20 days from the date of sale. This allows the financial incentive to align with the requirement to provide an incentive for compliance with the Act.

Tabitha has been working on getting the Kessler fix bill introduced. She has been looking for a sponsor for this bill. Rep. Lightner was a possible sponsor. She is a committee chair and would be great help. Since the register of deeds suggested the companion piece to not have interest run until the deed is recorded, that would give the opportunity to get republican and democratic sponsors and would help clarify that this is a non-partisan bill.

UPDATE: Kessler Fix Bills have been introduced as HB 5045 and HB 5046. On recommendation from the Legislative Committee, on 10/22/25, Council voted to support HB 5045 and 5046. Per Tabitha, she is reaching out to Rep. O’Neal to see when we might be able to get a committee hearing on these.

9. Other Bills that were introduced or saw action between 10/18/25 – 11/14/25 and are indirectly related to real estate:

Bills Introduced:

<u>SB 0685 of 2025</u>	Land use: farmland and open space; eligibility for tax credit; grandfather farmland subject to multiple legal arrangements before certain date. Amends 1994 PA 451 (MCL 324.101 - 324.90106) by adding sec. 36109b. TIE BAR WITH: SB 0688'25, SB 0690'25, SB 0686'25, SB 0689'25, SB 0687'25
<u>SB 0686 of 2025</u>	Land use: farmland and open space; land subject to conservation easement; allow partial relinquishment of. Amends sec. 36110 of 1994 PA 451 (MCL 324.36110). TIE BAR WITH: SB 0685'25
<u>SB 0687 of 2025</u>	Land use: farmland and open space; agricultural conservation easement; allow to be held by local unit. Amends sec. 36206 of 1994 PA 451 (MCL 324.36206). TIE BAR WITH: SB 0688'25, SB 0690'25, SB 0686'25, SB 0689'25, SB 0685'25
<u>SB 0688 of 2025</u>	Land use: farmland and open space; individual essential to farm; update citation. Amends sec. 36103 of 1994 PA 451 (MCL 324.36103). TIE BAR WITH: SB 0690'25, SB 0686'25, SB 0689'25, SB 0687'25, SB 0685'25

<u>SB 0689 of 2025</u>	Land use: farmland and open space; relinquishment of farmland from development rights agreements; expand legal arrangements triggering. Amends sec. 36111 of 1994 PA 451 (MCL 324.36111). TIE BAR WITH: SB 0688'25, SB 0690'25, SB 0686'25, SB 0687'25, SB 0685'25
<u>SB 0690 of 2025</u>	Land use: farmland and open space; legal arrangements eligible for tax credits; expand. Amends sec. 36109 of 1994 PA 451 (MCL 324.36109). TIE BAR WITH: SB 0688'25, SB 0686'25, SB 0689'25, SB 0687'25, SB 0685'25
<u>SB 0699 of 2025</u>	Land use: farmland and open space; expenditures for administrative costs in the agriculture preservation fund; modify. Amends sec. 36202 of 1994 PA 451 (MCL 324.36202).
<u>SB 0710 of 2025</u>	Environmental protection: pollution prevention; coal tar sealant or other high-PAH sealant for pavement; prohibit use and sale. Amends 1994 PA 451 (MCL 324.101 - 324.90106) by adding pt. 149.
<u>SB 0711 of 2025</u>	Environmental protection: water pollution; water resources protection; modify. Amends sec. 3103 of 1994 PA 451 (MCL 324.3103).
<u>HB 5099 of 2025</u>	Taxation: convention tourism assessments; distribution of money in the convention facility development fund; modify. Amends secs. 10 & 20 of 1985 PA 106 (MCL 207.630 & 207.640).
<u>HB 5100 of 2025</u>	Economic development: other; regional convention facility authority board requirements; modify. Amends sec. 11 of 2008 PA 554 (MCL 141.1361).
<u>HB 5101 of 2025</u>	Economic development: brownfield redevelopment authority; transformational brownfield plan; modify. Amends secs. 2 & 14a of 1996 PA 381 (MCL 125.2652 & 125.2664a).
<u>HB 5115 of 2025</u>	Environmental protection: underground storage tanks; underground storage tank corrective action fund; modify. Amends secs. 21502, 21503, 21506a, 21506b, 21510, 21510a, 21510d, 21515, 21516, 21518, 21519, 21519a, 21521, 21524 & 21548 of 1994 PA 451 (MCL 324.21502 et seq.) & repeals sec. 21510c of 1994 PA 451 (MCL 324.21510c).
<u>HB 5170 of 2025</u>	Housing: landlord and tenants; right for water bill to be in tenant's name; provide for. Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1f.
<u>HB 5171 of 2025</u>	Local government: public services; water lien on residential property; prohibit. Creates new act & repeals 1939 PA 178 (MCL 123.161 - 123.167).
<u>HB 5172 of 2025</u>	Water supply: systems and utilities; reporting requirements for certain utilities; provide for. Creates new act.
<u>HB 5208 of 2025</u>	Animals: cats; certain medical procedures for declawing a cat; prohibit. Creates new act.
<u>HB 5209 of 2025</u>	Animals: cats; certain medical procedures for declawing a cat; prohibit. Amends 1978 PA 368 (MCL 333.1101 - 333.25211) by adding sec. 18830.
<u>HB 5227 of 2025</u>	Occupations: real estate; real estate broker prohibited conduct; modify. Amends sec. 2512 of 1980 PA 299 (MCL 339.2512). TIE BAR WITH: HB 5228'25, HB 5229'25

HB 5228 of 2025	Occupations: real estate; disclosure regarding real estate agency relationship; modify. Amends sec. 2517 of 1980 PA 299 (MCL 339.2517). TIE BAR WITH: HB 5229'25, HB 5227'25
HB 5229 of 2025	Occupations: real estate; waiver of services in limited service agreement; modify. Amends sec. 2512d of 1980 PA 299 (MCL 339.2512d). TIE BAR WITH: HB 5228'25, HB 5227'25
HB 5289 of 2025	Occupations: notaries public; remote notary services; allow. Amends sec. 26c & 26d of 2003 PA 238 (MCL 55.286c & 55.286d)
SB 634 – 683	A large number of bills / amds to bills reflecting the elimination of the Michigan strategic fund. <u>NOTE:</u> Michigan's proposed elimination of the Strategic Fund refers to recent legislative efforts by Michigan Republicans to dismantle the Michigan Strategic Fund (MSF) and related economic development programs, such as the Michigan Economic Development Corporation (MEDC). The plan aims to shift funding from these programs to the state's general fund and move towards a less government-directed economic development model. Proponents of the legislation argue that the MSF and its programs have been ineffective and a waste of taxpayer money, while opponents counter that the MSF is essential for state economic growth.

Passed by Chamber:

SB 0478 of 2025	Property: conveyance of state property; transfer of certain state-owned property in Livingston County; provide for. Creates land transfer act.
SB 0515 of 2025	Housing: other; requirement for certain rental units to be equipped with a carbon monoxide device; provide for. Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1e.
SB 0595 of 2025	Land use: other; Michigan-Indiana boundary; provide for survey of parts and for grants to county remonumentation programs. Amends secs. 7, 11 & 13 of 2022 PA 81 (MCL 54.317, 54.321 & 54.323) & repeals this act.