

MEMORANDUM

TO: Real Property Law Section Council
FR: Aileen Leipprandt / David Pierson
DT: September 11, 2026
RE: Legislative Committee Report

A. Monthly Meetings

- 1) Legislative Committee – Leg-Com met on Sept. 1, 2026. Matters discussed and items for follow up are reported within the body of this Report.
- 2) Karoub
 - Meeting 8/4/26
 - There will be very little session for the rest of 2026, with a break in October for campaigning. Tabitha predicts no Lane Duck. It's possible we have seen the last of the sessions this year. Bills introduced that are not tied to leadership will not go anywhere. Only likely to see SB 738.
 - Meeting 9/1/26
 - General update: Tabitha is doubtful that Chambers will be in session much for the rest of the year. Tabitha also thinks it's possible we will have a split chamber. If the House flips, Speaker Hall will not return to the Chamber. Lane Duck would be a great time to wrap up Kessler fix (see below).
 - See notes within Bills below re Karoub's input on various items.

B. New Business (New Bills)

(For full report of relevant bills introduced, see attached Bill Status Summary).

1) (a) SB 1125 – (Mary Cavanaugh) Tie bar with 1127

Objective	Limit rental property owned by Private Equity firms https://legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-1125
Details	Amend Biz Corp. Act to regulate private equity firms leasing of SFHs; establish; penalties and fund allocations. ○ PE firm can't lease SFH to residential tenant if PE firm owns 5 or more SFHs in a single municipality or 10 or more SFHs in MI ○ Municipality includes townships, villages ○ PE firm means a Corp that pools capital... ○ SFHs include houses, duplexes (where all units owned by single owner), condos, townhouses
Status	Introduced 7/29, referred to Com on Housing & Human Services
RPLS	Policy
Karoub	9/1 – Not going anywhere

(b) SB 1126 – (Mary Cavanaugh) – Tie bar with 1127

Objective	Limit rental property large LLCs own; establish penalties and fund allocations https://legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-1126
Details	Amends LLC Act to regulate large LLCs leasing of SFHs ○ LLCs that own 100 or more SFHs in MI can't lease any SFH to residential tenants ○ Similar definitions in to 1125
Status	Introduced 7/29, referred to Com on Housing & Human Services
RPLS	Policy

Karoub	9/1 – Not going anywhere
---------------	--------------------------

(c) SB 1127 – (Mary Cavanaugh) Tie bar with 1125 and 1126

Objective	Creates Community Housing Stability Fund in MSHDA to support affordable housing initiatives https://legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-1127
Status	Introduced 7/29, referred to Com on Housing & Human Services
RPLS	Policy
Karoub	9/1 – Not going anywhere

2) (a) HB 6269 (Matt Bierlein) Tie bar with: HB 6270

Objective	Promote housing by providing <u>Use Tax</u> exemption. https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6269
Details	Amends Use Tax Act at §4hh to create a temporary exemption (period of 2 years from effective date of Act) from <u>Use Tax</u> on qualified building materials used in construction of residential housing. Available to owners, developers, contractors if a valid building permit is in place at time the materials are sold.
Status	Introduced 8/26/26
RPLS	9/1, Policy - Aileen to check with State HBA on position.
Karoub	

(b) HB 6270 (Seve Frisbie) tie bar with HB 6229

Objective	Incentivize residential construction by providing <u>Sales Tax</u> exemption https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6270
Details	Amends General Sales Tax Act at §4hh to create a temporary exemption (2 years from effective date of Act) from <u>Sales Tax</u> on qualified building materials when used for constructing qualified residences (such as SFH, duplexes, triplexes, and quadplexes). Available to owners, developers, contractors if a valid building permit is in place at time of purchase.
Status	Introduced 8/26/26
RPLS	9/1, Policy - Aileen to check with State HBA on position
Karoub	

3) HB 6243 – (Bryan Posthumus)

Objective	Prohibit purchase of SFHs by large institutional investors https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6243
Details	Amends 2026 PA 32 (prohibits large institutional investors from buying SFHs). Clean up on HB 6074 which we previously reported on. ○ Excludes property received by lender or landlord in certain distressed property recoveries ○ Excludes purchases from other LII who owned property before July 21, 2026, provided certification requirements are met ○ Excludes mobile home from definition of SFH
Status	Introduced 8/11/26, substitute H-1 adopted, passed House 8/26
Stakeholder	
RPLS	Tidies up prior legislation
Karoub	9/1 - Meh

4) HB 6277 (Carol Glanville)

Objective	Give relief to property owners for taxing authority's mistaken uncapping https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6277
Details	Amends General Property Tax Act ○ §27a(4) allows tax collecting unit to correct taxable value for mistaken uncapping (when a transfer of ownership did not actually occur so property was incorrectly uncapped) for any prior year (not limited to 3 year look back) ○ Amends definition of qualified error
Status	Introduced 8/27. Referred to Committee on Finance
Stakeholder	
RPLS	9/1, Leslie will review.
Karoub	Emphatic that not going anywhere. Republicans won't pass; put on back burner until after elections.

5) (a) HB 6305 (Kelly Breen)

Objective	Tighten scope of exemptions to CPA https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6305
Details	Amends Consumer Protection Act ○ 2a, adds statement that CPA is to be liberally construed to effect Act's purpose ○ 4 – revises language re application of the CPA. Act does not apply to: (a) ~~A transaction or conduct specifically specific method, act, or practice that is expressly authorized under the laws administered of this state or the United States or by a regulatory an agency, board, or officer acting under statutory authority administering the laws of this state or the United States. This subdivision does not exempt a method, act, or practice from this act solely because either of the following apply:~~ (i) The method, act, or practice is part of a general transaction that is specifically authorized under the laws of this state or the United States. (ii) The method, act, or practice, or the general transaction in which the method, act, or practice is part, is subject to governmental regulation.
Status	Introduced 8/27, referred to Committee on Economic Competitiveness
Stakeholder	
RPLS	9/1 Policy. Aileen contacting HBA; Per David P: this bill does not belong to the realtors, and their guess is that it is Breen's attempt to codify <i>Eli Lilly</i> ; Possible that it came from the Assoc. for Justice; presumably bill is not going anywhere, and we can wait to see if it comes back next year.
Karoub	

(b) HB 6306 (Kelly Breen)

Objective	Expand reach of CPA by more expansive definitions https://legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6306
Details	Amends Consumer Protection Act ○ 2(1)(i) Expands definition of "trade or commerce" ○ 2c and 2(g) Appears to add protection to small business and nonprofits ○ 5a Changes fine structure with enhanced finds for violations that target an elder person or vulnerable adult

Status	Introduced 8/27, referred to Committee on Economic Competitiveness
Stakeholder	
RPLS	9/1 Policy. See above re 6305
Karoub	

C. Old Business

- 1) **Update re Karoub & LL/T Bills** – Emailed a summary of RPLS opinion on various bills (16 of them) transmitted to Karoub. Per Karoub, 9/1, summary statement of positions is helpful and sufficient now. SB 738 (MI Fair Chance Access to Housing Act) remains a concern and per 9/11/26 email to Karoub, we're pushing for update and what additional steps we need to take.
- 2) **SB 1082 – 2026 (Sarah Anthony), Seller's Disclosure to include impending assessments**

Objective	Require disclosure of “any upcoming municipal assessments or fees” https://www.legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-1082
Details	Amends SDA form to require disclosure of upcoming municipal fees. Adds requirement re “upcoming drain assessment” Amends sec. 7 of MCL 565.957. Adds new ¶11 10 unknown____ yes____ no____ 11 10. Any outstanding municipal assessments or fees? 12 unknown____ yes____ no____ 13 11. Any upcoming municipal assessments or fees? 14 unknown____ yes____ no____ 15 ~~11~~12. Any pending litigation that could affect the property or the 16 seller's right to convey the property? Add new §3 17 (3) If, at the time the form is provided, the seller has 18 received notice of an upcoming drain assessment, the seller or the 19 seller's agent shall disclose notice of the upcoming drain 20 assessment with the form required under subsection (1) whenever the 21 seller or the seller's agent provides the form to a prospective 22 buyer or a prospective buyer's agent.
Status	Intro 6/25/26, referred to Com. on Local Government, 6/25/26
RPLS	9/1, Leg-Com recommends Council oppose. Bill presents unworkable scenario where not all Sellers may be apprised of “upcoming” assessments and subject to wonky interpretation, as any assessment could be upcoming. Lack of definition around “upcoming” is problematic. Form currently prompts disclosure of “outstanding” utility and municipal assessment/fees. Statute (at 565.995(1)) addresses errors or omissions that are not within transferor’s personal knowledge and transferor exercised ordinary care in transmitting info

- ### 3) HB 6026 of 2026 (Joey Andrews), STR Registration System & Database

Objective	Establish framework for registration, promotion, and regulation of STRs and hosting platforms https://www.legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6026
Details	NEW ACT that would: <u>1.Database and Registration Requirements</u> <u>Statewide Database</u>: LARA to establish statewide STR database, accessible to local municipalities FOC to aid in local enforcement. <u>Annual Owner Certification</u>: STR owners must file annual certificate to obtain registration number. This certificate requires: (a) Owner contact details and property address; (b) Proof of at least \$1M in liability insurance; (c) emergency contact (licensed real estate prof., owner, or immediate family member) who lives or works w/in 30 miles of property and can respond to issues w/in 60 minutes; (d) Certification of compliance with local laws and permits. <u>2.Hosting Platform Regulations</u> <u>Registration</u>: Digital platforms (e.g., Airbnb, VRBO) must register w/ State and pay annual fee of \$100/listing, capped at \$50k per year. <u>Listing Enforcement</u>: Platforms must remove unregistered or noncompliant listings w/in 5 biz days of receiving notice from LARA <u>Data Sharing</u>: Platforms must maintain detailed booking records for 4 years and submit monthly reports to State treasury detailing rental dates, nightly rates, and collected fees/taxes. <u>3.Tax and Financial Structure</u> <u>6% Statewide Tax</u>: A 6% tax is levied on STR occupancy charges, which hosting platforms are responsible for collecting and remitting. <u>4.Exemptions</u>: - Properties with less than \$3,000 in total occupancy charges per calendar year are exempt from the tax. - Traditional hotels, motels, B&Bs, and certain managed resort properties are excluded from definition of STR. - Rentals in local tourism/convention assessment districts established before Act's enactment <u>5.Revenue Allocation</u>: Collected tax revenue will be distributed: - One-time \$600k allocated to LARA for initial IT database construction. \$500k annually to LARA and \$500k to Treasury for administration. - Remaining balance is split 50/50 between Pure MI tourism campaign & local govts where rentals are located (proportionate to taxes collected in each jurisdiction). <u>6.Penalties and Fines</u> <u>Owner Violations</u>: Owners face civil fines of up to \$1k for first violation, up to \$2,500 for 2nd, and \$5k for subsequent violations. Fines are transmitted to local govt. <u>Platform Violations</u>: Hosting platforms face civil fines of up to \$5k per violation, which are deposited into State's STR regulatory fund. TIE BAR WITH: HB 6027-26
Status	Intro 6/2/26; referred to Com. on Government Operations 6/2/26
Stakeholder	
RPLS	9/1, Likely all policy as seeking to control STR system. In play the last 6 sessions with no progress. Back burner unless there is progress on it.

Karoub	9/1 Bill is still in the House Govt. Ops. Committee where it will most likely sit until the end of the session. Sponsored by a democrat. That combination gives Karoub high level of confidence that this bill will not pass this term.
---------------	---

4) HB 6086 – 2026 (Emily Dievendorf), “Tenant Opportunity to Purchase” Act

Objective	Provide TNT with 1 st opportunity to buy rental property from LL https://www.legislature.mi.gov/Bills/Bill?ObjectName=2026-HB-6086
Details	NEW ACT: 1. <u>Tenant Right of First Refusal</u>: Before LL can put residential rental property up for sale, accept a third-party offer, or issue notice to vacate for demolition or discontinuance of use, LL must first give current TNT or TNT Assoc. the opportunity to buy the property. 2. <u>Bona Fide Offer</u>: Sale opportunity extended to TNT must be a "bona fide offer of sale." Price and material terms must either match an arm's-length third-party contract or, if no such contract exists, match appraised value or FMP a willing buyer and seller would agree upon. 3. <u>Broad Scope of Covered Properties</u>: Applies to real property with 1 or more rental units, explicitly including apartments, SF rental homes, MF dwellings, boardinghouses, and rooming houses. 4. <u>Exemptions</u>: Excludes transient or ST housing, such as hotels, motels, motor homes, and other tourist accommodations. Excludes primary residence that owner rents out occasionally during temporary absences like a vacation or sabbatical. 5. <u>Tenant Associations</u>: means an independent organization or housing cooperative that represents at least a majority of TNT in the rental property.
Status	Intro 6/16/26, referred to Com. on Government Operations, 6/16/26
Stakeholder	
RPLS	See attached statements of concern by RPLS Committee members – Attachment 1 ; 9/11/26 – Aileen email push to Karoub
Karoub	9/1, This bill is in the exact same boat as 6026. Karoub discussed with Rep. Dievendorf earlier in the summer. She plans to bring this back next term, but is open to working with stakeholders and making changes.

5) HB 4582 (2025) – Open & Obvious Bill

Substance	Creates Premises Liability Act; Sponsor, Jerry Neyer
Details	Possessor of property would have duty to use ordinary care to protect invitee from risks of harm from dangerous condition if harm is unreasonable or possessor knows or should know of condition. No duty to warn invitee of open and obvious condition.
Status	Intro 6/10/25; passed House 3/17/26 and referred to Finance/Insur. Com
Stakeholder	MI Chamber supports; Negligence Section opposes.
RPLS	9/10/25, RPLS opposed w/ comments in 9/26 https://www.michbar.org/publicpolicy/ppolicyDB_Detail/PublicPolicyID=2187. 9/1/26, Request Karoub get updated language to see if language changes our opposition. 9/11/26 Aileen communication to Karoub for push

Karoub	Karoub working to get meeting with Sponsor per 6/2/26 call; Karoub to follow up per discussion on 7/7/26.
---------------	---

6) SB 839 - Recording Statute

Substance	Amends recording statute to change recording requirements to mandate that certain documents be recorded in the ROD.
Status	Intro 3/17/26; reported by Committee of Whole favorably w/o amendment; placed on order of 3rd reading; passed by Senate 6/3/26, referred to House Committee on Government Operations
Stakeholder	RODs support.
RPLS	On 4/8/26, Council voted to oppose Bill. On 5/18/26, RPLS provided comment/edits to Karoub to provide to Sponsor because as drafted language is overly broad and ambiguous and revisions are necessary to more accurately align text with stated purpose regarding recording documents (if the document must be recorded), then record in the county where the property is located. RPLS is not against policy goals of Bill but is concerned that Bill as drafted is ambiguous and may create unintended consequences.
Karoub	Caleb met with Sponsor's office and provided RPLS comments/markup. Sponsor will proceed with Bill as drafted and if RPLS remains opposed, it understands. With Tabitha's help, RPLS is trying to schedule meeting with Bill Zaagman (ROD) to discuss. 9/1: Caleb believes Sen. Klinefelt would be okay with our change and does not have strong feelings about the bill, but rather it is something that ROD brought to her. Per Caleb's call with Zagman about our requested changes, he said that ROD would be open to having a conversation around these changes and Caleb did not get the impression that they would be opposed. The timing just wasn't right given that the committee vote was happening days after our conversation. Caleb recommends a conversation with ROD going into next term and try to get ROD on the same page so that when the bill is introduced next term, it will already contain our fix.

7) HB 5152 and 5153 (Mortgage Foreclosure Protection Bills)

Substance	Amends RJA to modify provision related to sale of certain rights for a property on which mortgage is being foreclosed, among other changes. Bills are intended to address scam whereby homeowners in foreclosure are induced to sell their property (apparently through transfer of right of redemption) for substantially less than property's value. Sponsor of 5152 is Brad Paquette
Status	Passed House 7/2/26; Referred to Senate Com. on Housing & Human Services 7/2/26
Stakeholder	MLTA spearheading opposing and working to slow down and amend; sponsor promised MLTA a revised bill that would include a general notice of rights/warning.
RPLS	12/12/25 – RPLS Council votes to oppose HB 5152 and 5153. D. Pierson met with Rep. Paquette and explained reasons for opposition (objections to prohibiting assignment of redemption rights, requiring foreclosure notices to be recorded and adding a new 7-day cooling-off period). As a possible compromise, Pierson suggested exploring a limited mandated notice for

	<i>residential, owner-occupied property</i> and outlined 2 alternative notice approaches: ○ A notice posted <u>with</u> foreclosure notice, fitting existing procedures and avoiding new claims. ○ A notice required to be signed <u>as part of a transaction</u>, which raises concerns about impairing legitimate transactions and increasing litigation. Bills have been substantially revised per RPLS comments. Per D. Pierson comment 7/1/26 – primary sticking point is requirement to record Notice of Foreclosure. S. Lesser provided detailed analysis of problems with bill. (See June 28, 2026, email. 9/1/26 – Leslee to canvas internally for an expert to help advance the discussion. 9/11/26 – Aileen communication to Karoub that this is on our radar for further action.
Karoub	5/5/26 Per Tabitha, Allison from Rep. Andrews’s office sent changes. Per Caleb, on 7/2/26, no expected movement before fall and he will continue to monitor. 9/1/26 – Per Caleb, not sure committee (Housing & Human Services) will meet much for the rest of the year if at all. Spoke with Chief of staff to Sen. Irwin, the committee chair, and she said the bills are not really on her radar, so Caleb does not anticipate making it out of committee this session.

8) HB 5045 and 5046 (Kessler Fix Bills)

Substance	Amends MSHDA and RJA, respectively to specify what happens if a deed for a foreclosed property is not recorded with ROD within 20 days of property’s sale.
Status	Passed by House 6/24/26; Referred in Senate to Com. On Local Government 7/1/26
RPLS	D. Pierson comments on 7/7/26: HB 5045 amends foreclosure provisions of MSHDA statute. HB 5046 amends foreclosure provisions of Revised Judicature Act. To emphasize requirement of recording affidavit with sheriff’s deed, Bankers added language to HB 5045. The problem is that Bankers’ language incorporates by reference §3240(2) of RJA. Instead, it should incorporate provision in MSHDA statute calling for affidavit -- which states the same requirement for affidavit in a MSHDA foreclosure.
Karoub	Tabitha talking with Bankers who are raising questions and D. Pierson assisting in responding 9/1/26, Tabitha will push MBA for sign off on the 2 proposed fixes (context fix, and redemption period fix as outlined in DP email of 7-16). Then Tab will push Senate leadership to get this out of committee.

9) HB 5900 of 2026 (Eminent Domain/Condemnation Reform Package)

Substance	Strengthen position of property owners in condemnation actions by increasing financial consequences for weak or unfair takings and by tightening requirements on condemning authorities.
Details	HB 5900 focuses on attorney fees and costs. Expands and clarifies situations where property owner can recover reasonable attorney fees and litigation expenses in a condemnation case—particularly where condemning authority abandons the taking or fails to prevail on core issues like necessity of acquisition. Practical effect is to shift more financial risk onto agencies that pursue marginal or poorly supported condemnation actions. HB 5901 addresses bad-faith conduct and public-use determinations. Amends

	Act to provide remedies when condemning authority makes bad-faith offer to acquire property and adjusts BOP related to whether taking is truly for public use. Reinforces requirements that agencies make and document genuine, good-faith written offer of just compensation before proceeding with condemnation, and ties consequences to failures in that process.
Status	Intro 4/28/26 and referred to Committee on Judiciary
RPLS	5/13/26, Jason Long offered to review. 9/1/26, Likely all policy; Jason Long reviewing
Karoub	Will investigate for us and follow up

10) HB 5542 - Construction Liens on Manufactured Homes

Substance	Amends Construction Lien Act to allow lien on manufactured home
Details	“Residential structure” – would specifically include “a mobile home” and “the land on which the residential structure is or will be located.” Because many mobile homes are titled as personal property not real property, applying construction lien laws raises legal and administrative complications. • Mobile homes often sit on rented land in manufactured-housing communities. • Allowing construction lien raises practical problems: – Lien may affect park even if park owner didn’t hire contractor. Park owners may face complications if a home in their community becomes lien-encumbered, abandoned, or subject to repossession. – Construction liens normally attach to real property through county ROD filing. But manufactured homes may be: • Titled through SOS (like vehicles), not county real estate records. • Moved from one location to another, complicating lien enforcement & notice. • Bill but does not specify how lien perfection and enforcement integrate with existing titling systems.
Status	Intro 2/19/26 and referred to Committee on Finance
RPLS	Per Leg-Com recommendation, on 4/8/26 Council voted to oppose Bill as drafted because it does not consider that a mobile home remains personal property unless an affidavit of affixture has been filed with ROD. 9/11/26 – Aileen email push to Karoub
Karoub	5/8/26 – Karoub contacted Bill Sponsor and made them aware of RPLS opposition. 9/1/26 - When Caleb spoke with Rep. Outman’s office, they said that it was low on their priority list and they were not pushing hard for it with leadership. It is also in its first chamber so the likelihood of this bill passing this term is very low.

D. Updates Introduced 7/20/26 – August 31, 2026 (see attached)