

Legislative Analysis



PROHIBIT LAWSUITS FOR UNSIGNED REAL ESTATE CONTRACTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 253 as passed by the Senate
Sponsor: Sen. Peter J. Lucido
House Committee: Judiciary
Senate Committee: Judiciary and Public Safety
Complete to 2-3-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 253 would amend Chapter 81 (Of Fraudulent Conveyances and Contracts, Relative to Goods, Chattels, and Things in Action) of the Revised Statutes of 1846 to prohibit a person from bringing an action to enforce an unsigned agreement, promise, or contract to pay a commission for or upon the sale of an interest in real estate against the owner or purchaser of the real estate.

Currently under the law, certain agreements, contracts, and promises are void unless the agreement, contract, or promise, or a note or memorandum of it, is in writing and signed with an authorized signature by the party to be charged with the agreement, contract, or promise. This legal principle is commonly known as the Statute of Frauds and includes an agreement, promise, or contract to pay a commission for or upon the sale of an interest in real estate.

The bill would further state that a person could not bring an action to enforce an agreement, promise, or contract to pay a commission for or upon the sale of an interest in real estate against the owner or purchaser of the real estate unless the agreement, promise, or contract is in writing signed by the party to be charged.

MCL 566.132

FISCAL IMPACT:

The bill would have no fiscal impact on the state or on local units of government.

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