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REVISE SELLER DISCLOSURE ACT

House Bill 5014

Sponsor: Rep. Mary Ann Middaugh

Committee: Regulatory Reform

Complete to 11-24-99

A SUMMARY OF HOUSE BILL 5014 AS INTRODUCED 10-19-99

The Seller Disclosure Act (Public Act 92 of 1993) requires sellers of residential property to make certain written disclosures about the property to prospective buyers. The bill would make the following additions to the information already required to be listed on the seller disclosure statement form:

- A buyer could terminate a purchase agreement if the seller failed to provide a signed disclosure statement.
- A statement would be added that all the items listed under the section of the disclosure form entitled "Appliances/Systems/Services" would be included in the sale of the property only if provided for in the purchase agreement. "Washer/dryer" would be added to the list of appliances. Unless otherwise agreed upon, all household appliances would be sold in working order except as noted on the disclosure form, and would be without warranty beyond the date of closing.
- Under "Property conditions, improvements & additional information", a seller would have to disclose whether or not he or she had flood insurance on the property and if he or she owned the mineral rights.
- Any outstanding utility assessments and any outstanding municipal assessments or fees would have to be disclosed, as well as any pending litigation that could affect the property or the seller's right to convey it.
- Language would be added to specify that a buyer should obtain professional advice and inspections of the property to more fully determine the condition of the property. In addition, buyers would be advised that the state equalized value of the property (SEV) and other real property tax information can be obtained from the appropriate local assessor's office. Buyers would also be advised not to assume that the tax bill on the property would be the same as the seller's present tax bill because under Michigan law, real property tax obligations can change significantly when property is transferred. A requirement that the most recent state equalized valuation of the property be included on the disclosure form would be deleted.

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- A seller disclosure form in use at the time of the bill's effective date could still be used and would be considered in compliance until 180 days after the effective date of the bill.

MCL 565.957

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