

SUBSTITUTE FOR
HOUSE BILL NO. 4204

A bill to amend 1993 PA 92, entitled
"Seller disclosure act,"
by amending the title and sections 2, 7, 8, and 9 (MCL 565.952,
565.957, 565.958, and 565.959), section 7 as amended by 1996 PA
92, and by adding section 7a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2 An act to require certain disclosures in connection with
3 transfers of ~~residential~~ CERTAIN REAL property.

4 Sec. 2. The seller disclosure requirements of sections 4 to
5 13 apply to the transfer of any interest in ~~real~~ EITHER OF THE
6 FOLLOWING:

7 (A) REAL estate consisting of not less than 1 or more than 4
8 residential dwelling units, whether by sale, exchange,
9 installment land contract, lease with an option to purchase, any

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1 other option to purchase, or ground lease coupled with proposed
2 improvements by the purchaser or tenant, or a transfer of stock
3 or an interest in a residential cooperative.

4 (B) REAL ESTATE CONSISTING OF VACANT LAND, IF THE VACANT
5 LAND IS INTENDED BY THE PARTIES TO BE USED BY THE TRANSFEREE FOR
6 THE CONSTRUCTION OF NOT LESS THAN 1 OR MORE THAN 4 RESIDENTIAL
7 DWELLING UNITS.

8 Sec. 7. (1) The disclosures required by this act IN THE
9 CASE OF A TRANSFER OF AN INTEREST IN A RESIDENTIAL DWELLING UNIT
10 OR UNITS shall be made on the following form:

11 SELLER'S DISCLOSURE STATEMENT

12 **Property Address:** _____
13 Street
14 _____ Michigan
15 City, Village, or Township

16 **Purpose of Statement:** This statement is a disclosure of the con-
17 dition of the property in compliance with the seller disclosure
18 act. This statement is a disclosure of the condition and infor-
19 mation concerning the property, known by the seller. Unless oth-
20 erwise advised, the seller does not possess any expertise in con-
21 struction, architecture, engineering, or any other specific area
22 related to the construction or condition of the improvements on
23 the property or the land. Also, unless otherwise advised, the
24 seller has not conducted any inspection of generally inaccessible
25 areas such as the foundation or roof. This statement is not a
26 warranty of any kind by the seller or by any agent representing

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1 the seller in this transaction, and is not a substitute for any
2 inspections or warranties the buyer may wish to obtain.

3 **Seller's Disclosure:** The seller discloses the following informa-
4 tion with the knowledge that even though this is not a warranty,
5 the seller specifically makes the following representations based
6 on the seller's knowledge at the signing of this document. Upon
7 receiving this statement from the seller, the seller's agent is
8 required to provide a copy to the buyer or the agent of the
9 buyer. The seller authorizes its agent(s) to provide a copy of
10 this statement to any prospective buyer in connection with any
11 actual or anticipated sale of property. The following are repre-
12 sentations made solely by the seller and are not the representa-
13 tions of the seller's agent(s), if any. This information is a
14 disclosure only and is not intended to be a part of any contract
15 between buyer and seller.

16 **Instructions to the Seller:** (1) Answer ALL questions. (2) Report
17 known conditions affecting the property. (3) Attach additional
18 pages with your signature if additional space is required. (4)
19 Complete this form yourself. (5) If some items do not apply to
20 your property, check N/A (nonapplicable). If you do not know the
21 facts, check UNKNOWN. FAILURE TO PROVIDE A PURCHASER WITH A
22 SIGNED DISCLOSURE STATEMENT WILL ENABLE A PURCHASER TO TERMINATE
23 AN OTHERWISE BINDING PURCHASE AGREEMENT.

24 **Appliances/Systems/Services:** The items below are in working
25 order:

26 Yes No Unknown N/A

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1	Range/Oven	_____	_____	_____	_____
2	Dishwasher	_____	_____	_____	_____
3	Refrigerator	_____	_____	_____	_____
4	Hood/fan	_____	_____	_____	_____
5	Disposal	_____	_____	_____	_____
6	TV antenna, TV rotor & controls	_____	_____	_____	_____
7	Electrical system	_____	_____	_____	_____
8	Garage door opener & remote control	_____	_____	_____	_____
9	Alarm system	_____	_____	_____	_____
10	Intercom	_____	_____	_____	_____
11	Central vacuum	_____	_____	_____	_____
12	Attic fan	_____	_____	_____	_____
13	Pool heater, wall liner & equipment	_____	_____	_____	_____
14	Microwave	_____	_____	_____	_____
15	Trash compactor	_____	_____	_____	_____
16	Ceiling fan	_____	_____	_____	_____
17	Sauna/hot tub	_____	_____	_____	_____
18	Lawn sprinkler system	_____	_____	_____	_____
19	Water heater	_____	_____	_____	_____
20	Plumbing system	_____	_____	_____	_____
21	Water softener/conditioner	_____	_____	_____	_____
22	Well & pump	_____	_____	_____	_____
23	Septic tank & drain field	_____	_____	_____	_____
24	Sump pump	_____	_____	_____	_____
25	City Water System	_____	_____	_____	_____
26	City Sewer System	_____	_____	_____	_____

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- 1 Central air conditioning _____
- 2 Central heating system _____
- 3 Furnace _____
- 4 Humidifier _____
- 5 Electronic air filter _____
- 6 Solar heating system _____
- 7 Fireplace & chimney _____
- 8 Wood burning system _____

9 Explanations (attach additional sheets if necessary):

- 10 _____
- 11 _____
- 12 _____
- 13 _____
- 14 _____

15 UNLESS OTHERWISE AGREED, ALL HOUSEHOLD APPLIANCES ARE SOLD IN
16 WORKING ORDER EXCEPT AS NOTED, WITHOUT WARRANTY BEYOND DATE OF
17 CLOSING.

18 Property conditions, improvements & additional information:

19 **1. Basement:** Has there been evidence of water? yes ___ no ___
20 If yes, please explain: _____

21 **2. Insulation:** Describe, if known _____
22 Urea Formaldehyde Foam Insulation (UFFI) is installed?
23 unknown ___ yes ___ no ___

24 **3. Roof:** Leaks? yes _ no _

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1 **10. Environmental Problems:** Substances, materials, or products
2 that may be an environmental hazard such as, but not limited
3 to, asbestos, radon gas, formaldehyde, lead-based paint, fuel
4 or chemical storage tanks, and contaminated soil on the
5 property. unknown yes no

6 If yes, please explain: _____

7 _____

8 **Other Items:** Are you aware of any of the following:

9 1. Features of the property shared in common with the adjoining
10 landowners, such as walls, fences, roads and driveways, or other
11 features whose use or responsibility for maintenance may have an
12 effect on the property? unknown yes no

13 2. Any encroachments, easements, zoning violations, or noncon-
14 forming uses? unknown yes no

15

16 3. Any "common areas" (facilities like pools, tennis courts,
17 walkways, or other areas co-owned with others), or a homeowners'
18 association that has any authority over the property?

19 unknown yes no

20 4. Structural modifications, alterations, or repairs made with-
21 out necessary permits or licensed contractors?

22 unknown yes no

23 5. Settling, flooding, drainage, structural, or grading
24 problems? unknown yes no

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1 6. Major damage to the property from fire, wind, floods, or
2 landslides? unknown __ yes __ no __

3 7. Any underground storage tanks? unknown __ yes __ no __

4 8. Farm or farm operation in the vicinity; or proximity to a
5 landfill, airport, shooting range, etc.?
6 unknown __ yes __ no __

7 9. ANY LEGAL RIGHT RETAINED BY THE SELLER OR HELD BY ANY PERSON
8 OR ENTITY OTHER THAN THE SELLER TO REMOVE, OR RECEIVE ROYALTIES
9 FROM THE REMOVAL OF, COAL, OIL, NATURAL GAS, OR OTHER VALUABLE
10 MINERALS EXISTING UNDER THE SURFACE OF THE PROPERTY?

11 UNKNOWN __ YES __ NO __

12 If the answer to any of these questions is yes, please explain.

13 Attach additional sheets, if necessary: _____

14 _____

15 _____

16 _____

17 _____

18 The most recent state equalized valuation of the property pro-
19 vided by the local taxing unit to the seller was \$_____ as of
20 _____ (date). The seller has lived in the residence on the prop-
21 erty from _____ (date) to _____ (date). The seller
22 has owned the property since _____ (date) and makes repre-
23 sentation only since that date. The seller has indicated above
24 the history and condition of all the items based on that informa-
25 tion known to the seller. If any changes occur in the
26 structural/mechanical/appliance systems of this property from the
27 date of this form to the date of closing, seller will immediately

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1 disclose the changes to buyer. In no event shall the parties
2 hold the broker liable for any representations not directly made
3 by the broker or broker's agent.

4 Seller certifies that the information in this statement is true
5 and correct to the best of seller's knowledge as of the date of
6 seller's signature.

7 BUYER SHOULD OBTAIN PROFESSIONAL
8 ADVICE AND INSPECTIONS OF THE
9 PROPERTY TO MORE FULLY DETERMINE THE
10 CONDITION OF THE PROPERTY.

11 Seller _____ Date _____

12 Seller _____ Date _____

13 Buyer has read and acknowledges receipt of this statement.

14 Buyer _____ Date _____ Time: _____

15 Buyer _____ Date _____ Time: _____

16 (2) A form described in subsection (1) printed before the
17 effective date of the 1997 amendatory act that ~~added~~ AMENDED
18 this ~~subsection~~ SECTION that ~~is~~ WAS in compliance with ~~Act~~
19 ~~No 106 of the Public Acts of 1995~~ THIS SECTION AS IT EXISTED
20 IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THIS 1997 AMENDATORY ACT
21 and that differs from this section regarding notice of ~~a farm or~~
22 ~~farm operation in the vicinity~~ ANY LEGAL RIGHT RETAINED BY THE
23 SELLER OR HELD BY A PERSON OR ENTITY OTHER THAN THE SELLER TO
24 REMOVE, OR RECEIVE ROYALTIES FROM THE REMOVAL OF, COAL, OIL, NAT-
25 URAL GAS, OR OTHER VALUABLE MINERALS EXISTING UNDER THE SURFACE
26 OF THE PROPERTY, may be utilized and shall be considered in
27 compliance with this section until July 1, ~~1996~~ 1998.

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Sub. H.B. 4204 (H-4) as amended December 10, 1997 11

1 INSTRUCTIONS TO THE SELLER: (1) ANSWER ALL QUESTIONS. (2) ATTACH
2 ADDITIONAL PAGES WITH YOUR SIGNATURE IF ADDITIONAL SPACE IS
3 REQUIRED. (3) COMPLETE THIS FORM YOURSELF. IF YOU DO NOT KNOW
4 THE FACTS, CHECK UNKNOWN. FAILURE TO PROVIDE A PURCHASER WITH A
5 SIGNED DISCLOSURE STATEMENT WILL ENABLE A PURCHASER TO TERMINATE
6 AN OTHERWISE BINDING PURCHASE AGREEMENT.

7 1. TO YOUR KNOWLEDGE, ARE THERE ANY DEPOSITS OF COAL, OIL, NATU-
8 RAL GAS, OR OTHER VALUABLE MINERALS EXISTING UNDER THE SURFACE OF
9 THE PROPERTY? UNKNOWN ___ YES ___ NO ___

10 2. TO YOUR KNOWLEDGE, IS ANY LEGAL RIGHT HELD BY ANY PERSON OR
11 ENTITY OTHER THAN YOU TO REMOVE, OR RECEIVE ROYALTIES FROM THE
12 REMOVAL OF, COAL, OIL, GAS, OR OTHER VALUABLE MINERALS EXISTING
13 UNDER THE SURFACE OF THE PROPERTY, OR WILL ANY SUCH LEGAL RIGHT
14 BE RETAINED BY YOU? UNKNOWN ___ YES ___ NO ___

15 3. IF YOUR ANSWER TO QUESTION NUMBER 2 ABOVE IS "YES", AND IF
16 THE MINERAL RIGHTS ARE HELD BY A PERSON OR ENTITY OTHER THAN YOU,
17 LIST THE NAME AND ADDRESS OF THE PERSON OR ENTITIES AND THE
18 RIGHTS THEY HOLD, IF KNOWN: _____

19 _____
20 _____
21 _____

[4. ANY DETERMINATION THAT THE SUBJECT PROPERTY CONSTITUTES A
"WETLANDS" OR DUNES AREA, OR IN AREA OF "SCENIC RIVERS ACT"?

UNKNOWN ___ YES ___ NO ___

5. ANY SALE OR TRANSFER OF DEVELOPMENT RIGHTS FROM PROPERTY?

UNKNOWN ___ YES ___ NO ___]

22 Sec. 8. Copies of the ~~form~~ FORMS prescribed in ~~section~~
23 SECTIONS 7 AND 7A shall be made available to the public by all
24 real estate brokers and real estate salespersons.

25 Sec. 9. A city, township, or county may require disclosures
26 in addition to those disclosures required by section 7 OR 7A, and

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1 may require disclosures on a different disclosure form in
2 connection with transactions subject to this act.