

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 612 (Substitute S-4 as reported)  
Senate Bill 613 (as reported without amendment)  
Sponsor: Senator Bill Bullard, Jr.  
Committee: Judiciary

## **CONTENT**

Senate Bills 612 (S-4) and 613 would amend the Condominium Act and the Revised Judicature Act (RJA), respectively, to make revisions regarding the development and administration of, and modifications to, condominiums, and to revise redemption procedures on foreclosed condominiums. The bills are tie-barred.

Senate Bill 612 (S-4) would do all of the following:

- Include a residential builder in certain provisions pertaining to developers.
- Revise provisions concerning modifications to accommodate persons with disabilities.
- Revise certain requirements relative to a condominium's master deed.
- Require that a condominium association's bylaws provide for binding arbitration.
- Revise provisions pertaining to default and foreclosure.
- Make revisions regarding the length of a condominium development project and vertical developments in the air space above a parcel of property.
- Revise procedures for amending condominium documents.
- Revise provisions dealing with liens on a condominium unit, unpaid assessments on a unit, and the rental of condominium units.
- Establish a statute of limitations for an action against a developer, residential builder, licensed architect, contractor, sales agent, or manager of a condominium project.

Senate Bill 613 would amend the RJA to require the payment of condominium assessments, homeowner association assessments, or community association assessments for the redemption of foreclosed property.

Currently, the Act provides that, if after the sale of foreclosed property, the purchaser, the purchaser's heirs, executors, or administrators, or any person lawfully claiming under one of those parties pays certain amounts necessary to redeem the property, then redemption is made upon the filing of certain documents with the register of deeds. This provision requires the payment of taxes assessed against the property, amounts necessary to redeem senior liens from foreclosure, or premiums on an insurance policy covering buildings on the property that would have been the duty of the mortgagor and that were necessary to keep the policy in force until the redemption period expired.

MCL 559.103 et al. (S.B. 612)  
600.3240 (S.B. 613)

Legislative Analyst: P. Affholter

## **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 4-3-00

Fiscal Analyst: M. Tyszkiewicz

floor\sb612

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.