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



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

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Senate Bill 1313 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Senator Thaddeus G. McCotter  
Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend Article 25 (Real Estate Brokers and Salespersons) of the Occupational Code, which requires the disclosure of agency relationships, to include in the definition of "real estate transaction" reference to an interest in not more than four residential units, or in a building site for a residential unit on a lot or a condominium unit; and to include this definition on the agency relationship disclosure form.

Under Article 25, a real estate licensee must disclose to a potential buyer or seller all types of agency relationships available and the licensee's duties, before a potential buyer or seller discloses any confidential information to the licensee regarding a real estate transaction; the disclosure must be on a form as prescribed in the Code. For the purpose of these requirements, Article 25 defines "real estate transaction" as the sale or lease of any legal or equitable interest in real estate. The bill would define the term as the sale or lease of any legal or equitable interest in real estate where the interest in real estate consisted of at least one but not more than four residential dwelling units, or consisted of a building site for a residential unit on either a lot, as defined in the Land Division Act, or a condominium unit, as defined in the Condominium Act.

In addition, Article 25 provides for penalties against licensees for certain violations, including failure to provide a written agency disclosure to a prospective buyer or seller in a real estate transaction. The bill would refer to a real estate transaction as defined above.

MCL 339.2512 & 339.2517

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

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

Date Completed: 9-27-00

Fiscal Analyst: M. Tyszkiewicz