

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



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

Senate Bill 1313 (Substitute S-1)
Sponsor: Senator Thaddeus G. McCotter
Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 9-19-00

CONTENT

The bill would amend Article 25 (Real Estate Brokers and Salespersons) of the Occupational Code to revise the Code's definition of "real estate transaction" to refer to an interest in building sites for residential units, or not more than four residential units; and require that this definition be included on the agency relationship disclosure form.

Currently, in provisions requiring the disclosure of agency relationships, the Code defines "real estate transaction" as the sale or lease of any legal or equitable interest in real estate. The bill provides that the term would mean 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 building sites for residential units.

Under the Code, 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; the disclosure must be in writing on a form as prescribed in the Code. The bill would require a licensee to make this disclosure in a real estate transaction or in a potential real estate transaction. Further, the bill would require that the disclosure form include the proposed definition of a real estate transaction.

The bill also would include the proposed definition of "real estate transaction" in a section of the Code providing for penalties against licensees.

MCL 339.2512 & 339.2517

Legislative Analyst: G. Towne

FISCAL IMPACT

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

Fiscal Analyst: M. Tyszkiewicz

S9900\1313sa

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.