SENATE SUBSTITUTE FOR HOUSE BILL NO. 5014

A bill to amend 1993 PA 92, entitled "Seller disclosure act," by amending section 7 (MCL 565.957), as amended by 1996 PA 92.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 7. (1) The disclosures required by this act shall be 2 made on the following form:
- 3 SELLER'S DISCLOSURE STATEMENT

4 Property Address:

Street

City, Village, or Township

- 8 Purpose of Statement: This statement is a disclosure of the con-
- 9 dition of the property in compliance with the seller disclosure
- 10 act. This statement is a disclosure of the condition and

03535'99 * (S-1)

DRM

House Bill No. 5014

- 1 information concerning the property, known by the seller. Unless
- 2 otherwise advised, the seller does not possess any expertise in
- 3 construction, architecture, engineering, or any other specific
- 4 area related to the construction or condition of the improvements
- 5 on the property or the land. Also, unless otherwise advised, the
- 6 seller has not conducted any inspection of generally inaccessible
- 7 areas such as the foundation or roof. This statement is not a
- 8 warranty of any kind by the seller or by any agent representing
- 9 the seller in this transaction, and is not a substitute for any
- 10 inspections or warranties the buyer may wish to obtain.
- 11 Seller's Disclosure: The seller discloses the following informa-
- 12 tion with the knowledge that even though this is not a warranty,
- 13 the seller specifically makes the following representations based
- 14 on the seller's knowledge at the signing of this document. Upon
- 15 receiving this statement from the seller, the seller's agent is
- 16 required to provide a copy to the buyer or the agent of the
- 17 buyer. The seller authorizes its agent(s) to provide a copy of
- 18 this statement to any prospective buyer in connection with any
- 19 actual or anticipated sale of property. The following are repre-
- 20 sentations made solely by the seller and are not the representa-
- 21 tions of the seller's agent(s), if any. This information is a
- 22 disclosure only and is not intended to be a part of any contract
- 23 between buyer and seller.
- 24 Instructions to the Seller: (1) Answer ALL questions. (2) Report
- 25 known conditions affecting the property. (3) Attach additional
- 26 pages with your signature if additional space is required. (4)
- 27 Complete this form yourself. (5) If some items do not apply to

House	Bill	No.	5014	3

1	your	property,	check	N/A (nonapplicable) NOT AVAILABLE.	Ιf	you
_	1 0 0			11,11 (1101101-1-10010-10) 1101 111111111111111		7

2 do not know the facts, check UNKNOWN. FAILURE TO PROVIDE A

3 PURCHASER WITH A SIGNED DISCLOSURE STATEMENT WILL ENABLE A

4 PURCHASER TO TERMINATE AN OTHERWISE BINDING PURCHASE AGREEMENT.

5 Appliances/Systems/Services: The items below are in working order

6 (THE ITEMS BELOW ARE INCLUDED IN THE SALE OF THE PROPERTY ONLY IF

7 THE PURCHASE AGREEMENT SO PROVIDES):

8		Yes	No	Unknown	-N/A-
9					NOT
10					AVAIL-
11					ABLE
12	Range/Oven				
13	Dishwasher				
14	Refrigerator				
15	Hood/fan				
16	Disposal				
17	TV antenna, TV rotor & controls				
18	Electrical system				
19	Garage door opener & remote control				
20	Alarm system				
21	Intercom				
22	Central vacuum				
23	Attic fan				
24	Pool heater, wall liner & equipment				
25	Microwave				
26	Trash compactor				

	House Bill No. 5014	4				
1	Ceiling fan					
2	Sauna/hot tub					
3	WASHER					
4	DRYER					
5	Lawn sprinkler system					
6	Water heater					
7	Plumbing system					
8	Water softener/conditioner					
9	Well & pump					
10	Septic tank & drain field					
11	Sump pump					
12	City Water System					
13	City Sewer System					
14	Central air conditioning					
15	Central heating system					
16	Furnace WALL FURNACE					
17	Humidifier					
18	Electronic air filter					
19	Solar heating system					
20	Fireplace & chimney					
21	Wood burning system					
22	Explanations (attach additional	sheets	s if ne	ecessary	y):	
23						
24						
25						
~ ~						

	Hous	se Bill No. 5014 5
1		
2	UNLE	ESS OTHERWISE AGREED, ALL HOUSEHOLD APPLIANCES ARE SOLD IN
3	WORE	KING ORDER EXCEPT AS NOTED, WITHOUT WARRANTY BEYOND DATE OF
4	CLOS	SING.
5	Prop	perty conditions, improvements & additional information:
6	1.	Basement BASEMENT/CRAWL SPACE: Has there been evidence of
7	wate	er? yes no
8		If yes, please explain:
9	2.	<pre>Insulation: Describe, if known</pre>
LO		Urea Formaldehyde Foam Insulation (UFFI) is installed?
L1		unknown yes no
L2	3.	Roof: Leaks? yes _ no
L3		Approximate age if known
L 4	4.	Well: Type of well (depth/diameter, age, and repair history,
L5		if known):
L6		Has the water been tested? yes no
L 7		If yes, date of last report/results:
L8	5.	Septic tanks/drain fields: Condition, if known:
L9		

	Hous	se Bill No. 5014 6
1	6.	Heating System: Type/approximate age:
2	7.	Plumbing system: Type: copper_ galvanized_ other_
3		Any known problems?
4	8.	Electrical system: Any known problems?
_		
5		
6 7	9.	<pre>History of infestation, if any: (termites, carpenter ants, etc.)</pre>
8	10.	Environmental Problems: Substances ARE YOU AWARE OF ANY
9		SUBSTANCES, materials, or products that may be an environmen-
10		tal hazard such as, but not limited to, asbestos, radon gas,
11		formaldehyde, lead-based paint, fuel, or chemical storage
12		tanks and contaminated soil on the property.
13		unknown yes no
14		If yes, please explain:
15		
16	11.	FLOOD INSURANCE: DO YOU HAVE FLOOD INSURANCE ON THE
17		PROPERTY? UNKNOWN YES NO
	0353	35′99 * (S-1)

	House Bill No. 5014 7
1	12. MINERAL RIGHTS: DO YOU OWN THE MINERAL RIGHTS?
2	UNKNOWN YES NO
3	Other Items: Are you aware of any of the following:
4	1. Features of the property shared in common with the adjoining
5	landowners, such as walls, fences, roads, and driveways, or other
6	features whose use or responsibility for maintenance may have an
7	effect on the property?
8	unknown yes no
9	2. Any encroachments, easements, zoning violations, or noncon-
LO	forming uses?
L1	unknown yes no
L2	3. Any "common areas" (facilities like pools, tennis courts,
L3	walkways, or other areas co-owned with others), or a homeowners'
L 4	association that has any authority over the property?
L5	unknown yes no
L6	4. Structural modifications, alterations, or repairs made with-
	out necessary permits or licensed contractors?
L8	unknown yes no
	5. Settling, flooding, drainage, structural, or grading
	problems?
21	unknown yes no
	6. Major damage to the property from fire, wind, floods, or
	landslides?
24	unknown yes no
	7. Any underground storage tanks?
26	unknown was no

	House Bill No. 5014 8
1	8. Farm or farm operation in the vicinity; or proximity to a
2	landfill, airport, shooting range, etc.?
3	unknown yes no
4	9. ANY OUTSTANDING UTILITY ASSESSMENTS OR FEES, INCLUDING ANY
5	NATURAL GAS MAIN EXTENSION SURCHARGE?
6	UNKNOWN YES NO
7	10. ANY OUTSTANDING MUNICIPAL ASSESSMENTS OR FEES?
8	UNKNOWN YES NO
9	11. ANY PENDING LITIGATION THAT COULD AFFECT THE PROPERTY OR THE
LO	SELLER'S RIGHT TO CONVEY THE PROPERTY?
L 1	UNKNOWN YES NO
L 2	If the answer to any of these questions is yes, please explain.
L3	Attach additional sheets, if necessary:
L 4	
L5	
L6	
L 7	
L8	The most recent state equalized valuation of the property pro-
L9	vided by the local taxing unit to the seller was \$ as of
	(date). The seller has lived in the residence on the prop-
21	erty from (date) to (date). The seller
	has owned the property since (date). and makes rep-
23	resentation only since that date. The seller has indicated above
24	the history and condition of all the items based on that
25	information known to the seller. If any changes occur in the
	structural/mechanical/appliance systems of this property from the
27	date of this form to the date of closing, seller will immediately

House Bill No. 5014 9

1	disclose	the	changes	tο	buver.	Tn 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

- 12 BUYERS ARE ADVISED THAT CERTAIN
- 13 INFORMATION COMPILED PURSUANT TO THE
- 14 SEX OFFENDERS REGISTRATION ACT, 1994
- 15 PA 295, MCL 28.721 TO 28.732, IS
- 16 AVAILABLE TO THE PUBLIC. BUYERS
- 17 SEEKING THAT INFORMATION SHOULD
- 18 CONTACT THE APPROPRIATE LOCAL LAW
- 19 ENFORCEMENT AGENCY OR SHERIFF'S
- DEPARTMENT DIRECTLY.

21

- 22 BUYER IS ADVISED THAT THE STATE
- 23 EQUALIZED VALUE OF THE PROPERTY,
- 24 HOMESTEAD EXEMPTION INFORMATION, AND
- 25 OTHER REAL PROPERTY TAX INFORMATION
- 26 IS AVAILABLE FROM THE APPROPRIATE
- 27 LOCAL ASSESSOR'S OFFICE. BUYER

	House Bill No. 5014 10
1	SHOULD NOT ASSUME THAT BUYER'S
2	FUTURE TAX BILLS ON THE PROPERTY
3	WILL BE THE SAME AS THE SELLER'S
4	PRESENT TAX BILLS. UNDER MICHIGAN
5	LAW, REAL PROPERTY TAX OBLIGATIONS
6	CAN CHANGE SIGNIFICANTLY WHEN
7	PROPERTY IS TRANSFERRED.
8	SellerDate
9	SellerDate
LO	Buyer has read and acknowledges receipt of this statement.
L1	BuyerDateTime:
L2	BuyerDateTime:
L3	(2) A form described in subsection (1) printed before the
L4	effective date of the 2000 amendatory act that added AMENDED
L5	this subsection that $\overline{\ \ \ }$ WAS in compliance with $\overline{\ \ \ \ \ }$ Act No. 106 of
L6	the Public Acts of 1995 and that differs from this section
L7	regarding notice of a farm or farm operation in the vicinity
L8	THIS SECTION AT THAT TIME may be utilized and shall be considered
L9	in compliance with this section until July 1, 1996 90 DAYS
20	AFTER THE EFFECTIVE DATE OF THE 2000 AMENDATORY ACT THAT AMENDED
1	THIS SUBSECTION.