



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

BILL



ANALYSIS

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

Senate Bill 370 (as reported without amendment)

Sponsor: Senator Cameron S. Brown

Committee: Economic Development, Small Business and Regulatory Reform

Date Completed: 6-15-05

### **RATIONALE**

Mold and other indoor allergens sometimes found in Michigan homes are known to cause health problems for some residents and may leave homeowners with a potentially expensive bill for cleaning up the problem. According to a representative of the Michigan Association of Realtors, the association recommends that its members advise buyers to have homes inspected for air and water quality problems before they buy. There is a concern, however, that not all agents are advising their clients to have the inspections done, and that people purchasing homes without the aid of a realtor also are not receiving the advice. Some people believe that Michigan's seller's disclosure statement should alert buyers to this issue.

### **CONTENT**

The bill would amend the Seller Disclosure Act to require the seller's disclosure statement to include a statement that property inspections should take into account indoor air and water quality, as well as evidence of unusually high levels of potential allergens.

The Act requires a seller to deliver to the buyer of any property containing from one to four residential units, or his or her agent, a written statement that discloses the condition and information concerning the property that is known by the seller, in the form required by the Act. The seller's disclosure statement must include a provision that, "Buyer should obtain professional advice and inspections of the property to more fully determine the condition of the property." The bill also would require a statement that, "These

inspections should take indoor air and water quality into account, as well as any evidence of unusually high levels of potential allergens."

Under the bill, a seller's disclosure statement form that was printed before the bill's effective date could be used and would have to be considered in compliance with the Act until 90 days after the bill's effective date.

MCL 565.957

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

While toxic mold and other harmful allergens are not commonly found in Michigan homes, the Michigan Association of Realtors has been recommending that its members alert buyers to the issue and the need for inspections. The bill would ensure that all Michigan homebuyers were getting the same advice by requiring the seller's disclosure form required for every residential transaction to include a recommendation that inspections take into account air and water quality as well as any evidence of unusually high levels of potential allergens. This should help make buyers aware of potential indoor air and water quality problems in a residence and could reduce future litigation between buyers and sellers.

**Response:** The bill would allow the current seller disclosure form to be used for 90 days after the bill's effective date. The Michigan Association of Realtors has suggested that more time would be needed

to reprint the form and educate its members about the change.

Legislative Analyst: J.P. Finet

**FISCAL IMPACT**

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

Fiscal Analyst: Elizabeth Pratt

A0506\s370a

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.