

SENATE BILL No. 610

November 10, 2015, Introduced by Senators O'BRIEN and MEEKHOF and referred to the Committee on Local Government.

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending section 67 (MCL 559.167), as amended by 2002 PA 283.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 67. (1) A change in a condominium project shall be
2 reflected in an amendment to the appropriate condominium document.
3 An amendment to the condominium document is subject to sections 90,
4 90a, and 91.

5 (2) If a change involves a change in the boundaries of a
6 condominium unit or the addition or elimination of condominium
7 units, a replat of the condominium subdivision plan shall be
8 prepared and recorded assigning a condominium unit number to each
9 condominium unit in the amended project. The replat of the
10 condominium subdivision plan shall be designated replat number
11 _____ of _____ county condominium subdivision plan number

_____, using the same plan number assigned to the original condominium subdivision plan.

(3) Notwithstanding section 33, **FOR 10 YEARS AFTER THE RECORDING OF THE MASTER DEED**, if the developer has not completed development and construction of units ~~or improvements~~ in the condominium project **THAT ARE DEFINED AS BEING ENCLOSED BY IMPROVEMENTS WHICH COMPRISE BOTH A VERTICAL AND HORIZONTAL DIMENSION AND** that are **NOT** identified **IN THE CONDOMINIUM SUBDIVISION PLAN PURSUANT TO SECTION 66** as ~~"need not"~~ **MUST** be built", ~~during a period ending 10 years after the date of commencement of construction by the developer of the project, the developer, its successors, or assigns have the right to~~ **MAY** withdraw **ANY SUCH UNITS** from the project ~~all undeveloped portions of the project not identified as~~ **OR CONVERT THE UNITS TO** "must be built" without the prior consent of any co-owners, mortgagees of units in the project, or any other party having an interest in the project. If the master deed ~~contains provisions permitting the~~ **CONFERS ON THE DEVELOPER** expansion, contraction, or ~~rights of~~ convertibility ~~of~~ **RIGHTS WITH RESPECT TO** units or common elements in the condominium project, then the time period is **10 YEARS AFTER THE RECORDING OF THE MASTER DEED OR 6 years after the date RECORDING OF THE AMENDMENT TO THE MASTER DEED BY WHICH** the developer **LAST** exercised its ~~rights with respect to either~~ expansion, contraction, or ~~rights of~~ convertibility **RIGHTS**, whichever ~~right was exercised last~~. **PERIOD ENDS LATER.** The undeveloped ~~portions of the project~~ **UNITS NOT LABELED "MUST BE BUILT"** SO withdrawn ~~shall also~~ **ARE** automatically be granted

1 easements for utility and access purposes through the condominium
2 project for the benefit of the undeveloped portions of the project.

3 (4) If the developer does not withdraw the undeveloped
4 ~~portions of the project~~ from the project OR CONVERT THOSE UNITS NOT
5 LABELED "MUST BE BUILT" before expiration of the ~~time periods,~~
6 ~~those undeveloped lands~~ APPLICABLE TIME PERIOD SET FORTH IN
7 SUBSECTION (3), THE ASSOCIATION OF CO-OWNERS, BY AN AFFIRMATIVE 2/3
8 MAJORITY VOTE, MAY DECLARE THAT THOSE UNDEVELOPED UNITS shall
9 remain part of the project ~~as~~ BUT REVERT TO general common elements
10 and THAT all rights to construct THOSE units ~~upon that land~~ shall
11 cease. WHEN SUCH A DECLARATION IS MADE, THE ASSOCIATION OF CO-
12 OWNERS SHALL PROVIDE WRITTEN NOTICE OF THE DECLARATION TO THE
13 DEVELOPER OR ANY SUCCESSOR DEVELOPER BY FIRST-CLASS MAIL AT ITS
14 LAST KNOWN ADDRESS. WITHIN 60 DAYS AFTER RECEIPT OF THE NOTICE, THE
15 DEVELOPER OR ANY SUCCESSOR DEVELOPER MAY WITHDRAW THOSE UNDEVELOPED
16 UNITS OR CONVERT THEM TO "MUST BE BUILT". HOWEVER, IF THE UNITS ARE
17 NOT WITHDRAWN OR CONVERTED WITHIN 60 DAYS, THE ASSOCIATION OF CO-
18 OWNERS MAY FILE THE NOTICE OF THE DECLARATION WITH THE REGISTER OF
19 DEEDS. THE DECLARATION TAKES EFFECT UPON RECORDING BY THE REGISTER
20 OF DEEDS. THE ASSOCIATION OF CO-OWNERS SHALL ALSO FILE NOTICE OF
21 THE DECLARATION WITH THE LOCAL SUPERVISOR OR ASSESSING OFFICER. In
22 such an event, if it becomes necessary to adjust percentages of
23 value as a result of fewer units existing, a co-owner or the
24 association of co-owners may bring an action to require revisions
25 to the percentages of value under section 95.

26 (5) A REVERSION UNDER SUBSECTION (4), WHETHER OCCURRING BEFORE
27 OR AFTER THE DATE OF THE 2016 AMENDATORY ACT THAT ADDED THIS

1 SUBSECTION, IS NOT EFFECTIVE UNLESS THE ELECTION, NOTICE, AND
2 RECORDING REQUIREMENTS OF SUBSECTION (4) HAVE BEEN MET.

3 (6) SUBSECTIONS (3) AND (4) DO NOT APPLY TO UNITS NO LONGER
4 OWNED BY THE DEVELOPER OR BY THE OWNER OF THE PROPERTY AT THE TIME
5 THE PROPERTY BECAME PART OF THE CONDOMINIUM PROJECT, UNLESS THE
6 PURCHASER FROM THE DEVELOPER OR OWNER OF THE PROPERTY AT THE TIME
7 THE PROPERTY BECAME PART OF THE CONDOMINIUM PROJECT IS A SUCCESSOR
8 DEVELOPER UNDER SECTION 135.

9 Enacting section 1. This amendatory act takes effect 90 days
10 after the date it is enacted into law.