

# HOUSE BILL No. 5365

December 13, 2017, Introduced by Rep. Schor and referred to the Committee on Financial Services.

A bill to amend 1879 PA 237, entitled

"An act to provide for the execution, acknowledgment, and recording of contracts for the sale of land,"

by amending section 4 (MCL 565.354).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 4. ~~(1) Any~~ **A** contract executed and acknowledged ~~7~~  
 2 ~~according to the foregoing provisions, shall, AS PROVIDED IN~~  
 3 **SECTIONS 1B TO 3**, with the **CERTIFICATE OR** certificates  
 4 ~~[certificate] thereto~~ **OF ACKNOWLEDGMENT** attached, ~~be entitled to~~  
 5 **MAY** be recorded in the office of the register of deeds of the  
 6 county where the lands ~~lie, and the~~ **ARE LOCATED. THE** recording of  
 7 ~~the same shall have~~ **CONTRACT HAS** the same ~~force and~~ effect, as to  
 8 subsequent encumbrancers and purchasers, as the recording of deeds  
 9 and mortgages as ~~now~~ provided by law.

10           **(2) A CERTIFICATE OF RESIDENTIAL LAND CONTRACT MAY BE RECORDED**

1 IN THE OFFICE OF THE REGISTER OF DEEDS OF THE COUNTY IN WHICH THE  
2 LANDS ARE LOCATED IF IT IS ACCOMPANIED BY A TAX CERTIFICATE UNDER  
3 SECTION 135 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
4 211.135, AND CONTAINS ALL OF THE FOLLOWING INFORMATION:

5 (A) THE NAMES AND ADDRESSES OF ALL OF THE VENDORS AND VENDEES.

6 (B) THE DATE OF THE LAND CONTRACT AND ANY AMENDMENTS TO IT.

7 (C) THE LEGAL DESCRIPTION OF THE SUBJECT REAL PROPERTY.

8 (D) THE PURCHASE PRICE TO BE PAID FOR THE SUBJECT REAL  
9 PROPERTY.

10 (E) THE TERM OF THE LAND CONTRACT.

11 (F) THE RATE OF INTEREST ON UNPAID PRINCIPAL AND, IF  
12 APPLICABLE, ACCUMULATED INTEREST AND OTHER CHARGES.

13 (G) A DESCRIPTION OF ANY EXISTING ENCUMBRANCES OF THE  
14 PROPERTY, INCLUDING, BUT NOT LIMITED TO, MORTGAGES.

15 (3) A CERTIFICATE OF RESIDENTIAL LAND CONTRACT MUST BE  
16 EXECUTED BY ALL OF THE VENDORS AND VENDEES, OR BY AN ATTORNEY FOR  
17 THE VENDORS OR VENDEES. A CERTIFICATE OF RESIDENTIAL LAND CONTRACT  
18 MUST BE IN THE FORM OF AN AFFIDAVIT.

19 (4) THE RECORDING OF A CERTIFICATE OF RESIDENTIAL LAND  
20 CONTRACT HAS THE SAME EFFECT AS TO SUBSEQUENT ENCUMBRANCERS AND  
21 PURCHASERS AS THE RECORDING OF A DEED OR MORTGAGE AS PROVIDED BY  
22 LAW.

23 (5) ON RECORDING, IN ADDITION TO INDEXING A CERTIFICATE OF  
24 RESIDENTIAL LAND CONTRACT IN ANY OTHER MANNER THAT IS REQUIRED BY  
25 LAW, THE REGISTER OF DEEDS SHALL INDEX THE CERTIFICATE IN THE  
26 RECORDS OF THE OFFICE OF THE REGISTER OF DEEDS UNDER THE NAMES OF  
27 EACH VENDOR AND VENDEE.

1           Enacting section 1. Section 4 of 1879 PA 237, MCL 565.354, as  
2 amended by this amendatory act, only applies to certificates of  
3 land contracts executed on or after the effective date of this  
4 amendatory act.

5           Enacting section 2. This amendatory act does not take effect  
6 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5363 (request no.  
7 04389'17 \*) of the 99th Legislature is enacted into law.