



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 370 (as enrolled)

PUBLIC ACT 163 of 2005

Sponsor: Senator Cameron S. Brown

Senate Committee: Economic Development, Small Business and Regulatory Reform

House Committee: Regulatory Reform

Date Completed: 1-4-07

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 was a concern, however, that not all agents were advising their clients to have the inspections done, and that people purchasing homes without the aid of a realtor also were not receiving the advice. Some people believe that Michigan's seller's disclosure statement should alert buyers to this issue.

inspections should take indoor air and water quality into account, as well as any evidence of unusually high levels of potential allergens including, but not limited to, household mold, mildew and bacteria."

A seller's disclosure statement form that was printed before January 1, 2006 (the bill's effective date) could be used and had to be considered in compliance with the Act until April 1, 2006.

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.)

CONTENT

The bill amended 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.

Supporting Argument

While toxic mold and other harmful allergens are not commonly found in Michigan homes, the Michigan Association of Realtors has recommended that its members alert buyers to the issue and the need for inspections. The bill will ensure that all Michigan homebuyers are 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 may reduce future litigation between buyers and sellers.

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 requires a statement that, "These

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Pratt
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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.