

Legislative Analysis



EXEMPT RESIDENTIAL PROPERTY MANAGERS FROM REAL ESTATE BROKER LICENSE

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5485

Sponsor: Rep. Ken Yonker

Committee: Regulatory Reform

Complete to 3-27-12

A SUMMARY OF HOUSE BILL 5485 AS INTRODUCED 3-15-12

The bill would amend multiple sections within Article 25 of the Occupational Code, which provides for the licensure of real estate brokers. Specifically, the bill would exempt from the requirement for licensure as a real estate broker, individuals employed by a licensed real estate broker that are engaging in residential property management, and any affiliated company of an owner or lessor that performs residential property management for that owner or lessor.

The bill specifies that "*residential property management*" would be included in the definition of "*property management*" and that a branch office does not include an office in which the broker is engaged solely in residential property management.

"*Residential property management*" would mean to lease or rent, or offer to lease or rent, residential premises owned by another person, for a fee, commission, compensation, or other valuable consideration, pursuant to a property management employment contract.

MCL 339.2501, 339.2503, and 339.2505

FISCAL IMPACT:

House Bill 5485, as introduced, would have an indeterminate fiscal impact on the Bureau of Commercial Services inasmuch as the bill exempts persons engaged in "residential property management" from licensure as real estate brokers/salespersons who are currently required to be licensed.

The Bureau collects fees from those being licensed and incurs expenses in the licensure of real estate brokers/salespersons. Over the most recent license renewal period (FY 09-11), the real estate broker/salesperson licensure program resulted in a net expense of \$362,909 for the Bureau. By exempting "residential property managers" from real estate broker/salespersons licensure, both the revenue generated and expenses incurred would be expected to decrease. How those decreases affect the operating budget of the Bureau is unknown.

Legislative Analyst: Jeff Stoutenburg

Fiscal Analyst: Paul Holland

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.