

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 901

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending section 144 (MCL 559.244), as added by 1982 PA 538.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 144. (1) A contract to settle by arbitration may be
2 executed by the developer and any claimant with respect to any
3 claim against the developer that might be the subject of a civil
4 action.

5 (2) At the exclusive option of a purchaser, co-owner, or
6 person occupying a restricted unit under section 104b, **THE**
7 **DEVELOPER SHALL EXECUTE** a contract to settle by arbitration ~~shall~~
8 ~~be executed by the developer with respect to any~~ claim that might
9 be the subject of a civil action against the developer, ~~which claim~~
10 involves an amount less than \$2,500.00, and arises out of or
11 relates to a purchase agreement, condominium unit, or project.

1 (3) At the exclusive option of the association of co-owners,
2 **THE DEVELOPER SHALL EXECUTE** a contract to settle by arbitration
3 ~~shall be executed by the developer with respect to any claim that~~
4 might be the subject of a civil action against the developer, ~~which~~
5 ~~claim~~ arises out of or relates to the common elements of a
6 condominium project, ~~if the~~ **AND INVOLVES AN** amount of ~~the claim is~~
7 \$10,000.00 or less.

8 (4) The period of limitations prescribed by law for the
9 bringing of a civil action ~~shall apply equally~~ **APPLIES** to the
10 execution of a contract to settle by arbitration under this
11 section.

12 (5) All costs of arbitration under this section shall be
13 allocated in the manner provided by the arbitration association.

14 (6) A contract to settle by arbitration under this section
15 shall specify that the **ARBITRATION BE CONDUCTED BY THE** arbitration
16 association. ~~shall conduct the arbitration.~~

17 (7) ~~The method of appointment of the arbitrator or arbitrators~~
18 **OF AN ARBITRATION UNDER THIS SECTION** shall be ~~pursuant to~~ **APPOINTED**
19 **AS PROVIDED BY** reasonable rules of the arbitration association.

20 (8) Arbitration under this act shall proceed according to
21 ~~sections 5001 to 5065 of Act No. 236 of the Public Acts of 1961,~~
22 ~~being sections 600.5001 to 600.5065 of the Michigan Compiled Laws,~~
23 ~~which~~ **THE UNIFORM ARBITRATION ACT. THE PROCEDURES OF THE UNIFORM**
24 **ARBITRATION ACT** may be supplemented by reasonable rules of the
25 arbitration association.

26 (9) An arbitration award ~~shall be~~ **ENTERED IN AN ARBITRATION**
27 **UNDER THIS SECTION IS** binding on the parties to the arbitration.

1 Enacting section 1. This amendatory act takes effect July 1,
2 2013.

3 Enacting section 2. This amendatory act does not take effect
4 unless Senate Bill No. 903 of the 96th Legislature is enacted into
5 law.