

REVISED JUDICATURE ACT OF 1961 (EXCERPT)
Act 236 of 1961

***** 600.3407.added THIS ADDED SECTION IS EFFECTIVE APRIL 2, 2025 *****

600.3407.added Partition by sale; cotenant buyout; notice; rules; hearing.

Sec. 3407. (1) If a cotenant requests partition by sale, the court shall, after determining the value of the property under section 3406, send notice to the parties that any cotenant except a cotenant that requested partition by sale may buy all the interests of the cotenants that requested partition by sale.

(2) Not later than 45 days after the notice is sent under subsection (1), a cotenant except a cotenant that requested partition by sale may give notice to the court that the cotenant elects to buy all the interests of the cotenants that requested partition by sale.

(3) The purchase price for each of the interests of a cotenant that requested partition by sale is the value of the entire parcel determined under section 3406 multiplied by the cotenant's fractional ownership of the entire parcel.

(4) After the expiration of the period in subsection (2), the following rules apply:

(a) If only 1 cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall notify all the parties of that fact.

(b) If more than 1 cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall allocate the right to buy those interests among the electing cotenants based on each electing cotenant's existing fractional ownership of the entire parcel divided by the total existing fractional ownership of all cotenants electing to buy and send notice to all the parties of that fact and of the price to be paid by each electing cotenant.

(c) If no cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall send notice to all the parties of that fact and resolve the action to partition real property under section 3408(1) and (2).

(5) If the court sends notice to the parties under subsection (4)(a) or (b), the court shall set a date, not sooner than 60 days after the date the notice was sent, by which electing cotenants must pay their apportioned price to the court. After this date, all of the following rules apply:

(a) If all electing cotenants timely pay their apportioned price to the court, the court shall issue an order reallocating all the interests of the cotenants and disburse the amounts held by the court to the persons entitled to them.

(b) If no electing cotenant timely pays the price apportioned to the cotenant, the court shall resolve the action to partition real property under section 3408(1) and (2) as if the interests of the cotenants that requested partition by sale were not purchased.

(c) If 1 or more but not all of the electing cotenants fail to pay the apportioned price on time, the court, on motion, shall give notice to the electing cotenants that paid the apportioned price of the interest remaining and the price for all the interest.

(6) Not later than 20 days after the court gives notice under subsection (5)(c), any cotenant that paid the price apportioned to the cotenant may elect to purchase all of the remaining interest by paying the entire price for the remaining interest to the court. After the 20-day period, the following rules apply:

(a) If only 1 cotenant pays the entire price for the remaining interest, the court shall issue an order reallocating the remaining interest to that cotenant. The court shall promptly issue an order reallocating the interests of all of the cotenants and disburse the amounts held by the court to the persons entitled to them.

(b) If no cotenant pays the entire price for the remaining interest, the court shall resolve the action to partition real property under section 3408(1) and (2) as if the interests of the cotenants that requested partition by sale were not purchased.

(c) If more than 1 cotenant pays the entire price for the remaining interest, the court shall reapportion the remaining interest among the paying cotenants, based on each paying the cotenant's original fractional ownership of the entire parcel divided by the total original fractional ownership of all cotenants that paid the entire price for the remaining interest. The court shall promptly issue an order reallocating all of the cotenants' interests, disburse the amounts held by the court to the persons entitled to them, and promptly refund any excess payment held by the court.

(7) Not later than 45 days after the court sends notice to the parties under subsection (1), a cotenant entitled to buy an interest under this section may request that the court authorize the sale as part of the pending action of the interests of cotenants named as defendants and served with the complaint but that did not appear in the action.

(8) If the court receives a timely request under subsection (7), the court, after a hearing, may deny the

request or authorize the requested additional sale on those terms as the court determines are fair and reasonable, subject to both of the following limitations:

(a) A sale authorized under this subsection may occur only after the purchase prices for all interests subject to sale under subsections (1) to (6) have been paid to the court and those interests have been reallocated among the cotenants as provided in subsections (1) to (6).

(b) The purchase price for the interest of a cotenant that did not appear is based on the court's determination of value under section 3406.

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History: Add. 2024, Act 215, Eff. Apr. 2, 2025.