

# SENATE BILL No. 1488

November 9, 2006, Introduced by Senator GILBERT and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to regulate certain persons building certain residential structures; to provide for certain disclosures and prescribe certain limitations regarding the transfer of that residential structure; and to provide for remedies and penalties.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the "owner  
2 built residence transfer act".

3       Sec. 3. As used in this act:

4       (a) "Owner-builder" means a person who is not a licensed  
5 residential builder and who builds, or acts as a general contractor  
6 for the construction of, a residential structure in which that  
7 person, or an agent, employee, partner, officer, trustee, member,  
8 or shareholder of that person, actually resides upon the issuance  
9 of an occupancy permit.

1 (b) "Residential builder" means a person engaged in the  
2 construction of a residential structure or a combination  
3 residential and commercial structure who, for a fixed sum, price,  
4 fee, percentage, valuable consideration, or other compensation,  
5 other than wages for personal labor only, undertakes with another  
6 or offers to undertake or purports to have the capacity to  
7 undertake with another for the erection, construction, replacement,  
8 repair, alteration, or an addition to, subtraction from,  
9 improvement, wrecking of, or demolition of, a residential structure  
10 or combination residential and commercial structure; a person who  
11 manufactures, assembles, constructs, deals in, or distributes a  
12 residential or combination residential and commercial structure  
13 which is prefabricated, preassembled, precut, packaged, or shell  
14 housing; or a person who erects a residential structure or  
15 combination residential and commercial structure except for the  
16 person's own use and occupancy on the person's property.

17 (c) "Residential structure" means a premises used or intended  
18 to be used for a residence purpose and related facilities  
19 appurtenant to the premises used or intended to be used as an  
20 adjunct of residential occupancy.

21 (d) "Seller disclosure form" means the form required to be  
22 filed by a transferor of a residential structure as further  
23 described in section 7 of the seller disclosure act, 1993 PA 92,  
24 MCL 565.957.

25 Sec. 5. (1) An owner-builder shall do either of the following  
26 upon completion of construction and issuance of the occupancy  
27 permit regarding a residential structure:

1 (a) Place the residential structure up for sale in any manner  
2 allowed by law. This subdivision allows the owner-builder to  
3 decorate and place furniture in the residential structure but does  
4 not allow any individual to actually reside in the residential  
5 structure.

6 (b) Reside in the residential structure.

7 (2) An owner-builder who actually resides in that residential  
8 structure shall not sell or transfer ownership of the residential  
9 structure to another person for at least 120 days after the owner-  
10 builder takes up residence.

11 Sec. 7. An owner-builder who actually resides in and sells the  
12 residential structure, within 2 years or less from the date of the  
13 issuance of the occupancy permit, shall note in the seller  
14 disclosure form the fact that the residential structure was built  
15 by the owner.

16 Sec. 9. An owner-builder who violates this act is subject to  
17 any civil or criminal remedies or penalties provided by law.

18 Enacting section 1. This act does not take effect unless  
19 Senate Bill No. 1489  
20 of the 93rd Legislature is enacted into law.