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BILL



ANALYSIS

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Senate Bill 610 (Substitute S-1 as reported)
Sponsor: Senator Margaret E. O'Brien
Committee: Local Government

CONTENT

The bill would amend the Condominium Act to revise provisions under which a developer may withdraw undeveloped portions from a project or convert them to "must be built" without the prior consent of co-owners, mortgagees, or other interested parties; and provisions under which undeveloped portions that are not withdrawn after a specified time period remain as general common elements and construction rights cease. Specifically, the bill would do the following:

- Allow the developer, without prior consent, to withdraw from the project any undeveloped land or convert undeveloped condominium units located on that land to "must be built", within 10 years after the recording of the master deed, rather than within 10 years after construction on the condominium project began.
- Set that time period at 10 years after the recording of the master deed or six years after the recording of an amendment to the master deed by which the developer last exercised expansion, contraction, or convertibility rights, whichever period ended later, if the master deed conferred those rights on the developer.
- Allow an association of condominium co-owners, by an affirmative two-thirds vote, to declare that undeveloped land would remain part of the project but revert to common elements and that rights to construct condominium units on that undeveloped land would cease; and delete a requirement that the undeveloped land remain part of the project as common elements.
- Require the association of co-owners to give written notice of its declaration to the developer by first-class mail.
- Allow the developer, within 60 days after receiving notice of the co-owners' declaration, to withdraw the undeveloped land from the condominium project or convert the undeveloped condominium units to "must be built".

The bill would define "undeveloped land" as land on which were recorded one or more condominium units, none of which were identified in the condominium subdivision plan as "must be built" or have had construction commenced, although infrastructure construction or common element construction may have begun. The term would not include condominium units that are depicted or described on the condominium subdivision plan as containing no vertical improvements.

MCL 559.167

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Date Completed: 3-2-16

Fiscal Analyst: Josh Sefton

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Bill Analysis @ www.senate.michigan.gov/sfa

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