OWNER BUILT RESIDENCE TRANSFER ACT
Act 6 of 2008

AN ACT 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.

History: 2008, Act 6, Eff. Aug. 10, 2008.

The People of the State of Michigan enact:

445.881 Short title.

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

History: 2008, Act 6, Eff. Aug. 10, 2008.

445.883 Definitions.

Sec. 3. As used in this act:

(a) "Owner-builder" means an individual who is not a licensed residential builder and who builds, or acts as a general contractor for the construction of, a residential structure in which that individual or a member of that individual's family actually resides, or intends to occupy for his or her own use, upon the issuance of an occupancy permit.

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

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

History: 2008, Act 6, Eff. Aug. 10, 2008.

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445.885 Owner-builder residing in residential structure; duties upon completion of construction and issuance of occupancy permit; sale or transfer of ownership; limitation.

Sec. 5. (1) An owner-builder intending to live in the residential structure at the onset of construction shall do either of the following upon completion of construction and issuance of the occupancy permit regarding a residential structure:

(a) Reside in the residential structure.

(b) Place the residential structure up for sale in any manner allowed by law if, due to unforeseen circumstances, the owner-builder is unable to reside in the residential structure. This subdivision allows the owner-builder to utilize this exception not more than once per calendar year.

(2) An owner-builder who actually lives, full- or part-time, in that residential structure shall not sell or transfer ownership of the residential structure to another person for at least 365 days after the owner-builder actually begins living, full- or part-time, in that residential structure.

History: 2008, Act 6, Eff. Aug. 10, 2008.

445.887 Owner-builder notice; requirements.

Sec. 7. (1) An owner-builder who sells the residential structure, within 2 years or less after the date of the issuance of the occupancy permit, shall note in the owner-builder notice the fact that the residential structure was built by the owner.

(2) An owner-builder shall supply, at the time of offering the residential structure and on a separate sheet of paper, an owner-builder notice stating in 12-point font or larger that the residential structure was built by an owner-builder that is not a licensed builder. The notice shall be signed and dated by the owner-builder.

History: 2008, Act 6, Eff. Aug. 10, 2008.

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445.889 Failure to disclose; liability; remedies.

Sec. 9. (1) An owner-builder who fails to make the disclosures required under this act is liable for the following for up to 24 months after the completion of construction, first occupancy, or purchase, whichever occurs later:

(a) The cost of repair regarding any defects in workmanship.

(b) The cost of any repairs needed to bring the structure into compliance with the building code in effect at the time of the issuance of the occupancy permit.

(c) The cost for temporary shelter for the buyers if the repairs require the buyer to vacate temporarily or if the defects in the residential structure render it uninhabitable.

(2) The buyer of an owner-builder residential structure may bring an action in a court of competent jurisdiction for damages resulting from a violation of the disclosures required under this act. The action shall be brought not later than 24 months after completion of construction, first occupancy, or purchase, whichever comes later. If the buyer prevails in whole or part in an action brought under this section, the court shall award cost and actual attorney fees.

(3) The remedies under this act are cumulative and the use of a remedy under this act does not prevent the use of any other remedies allowed under law.

History: 2008, Act 6, Eff. Aug. 10, 2008.

445.891 Effective date.

Sec. 11. This act takes effect 180 days after the date it is enacted into law.

History: 2008, Act 6, Eff. Aug. 10, 2008.

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