SB-0135, As Passed House, July 2, 2003SB-0135, As Passed Senate, March 13, 2003

## SUBSTITUTE FOR

## SENATE BILL NO. 135

A bill to amend 1993 PA 92, entitled

"Seller disclosure act,"

by amending section 7 (MCL 565.957), as amended by 2000 PA 13.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 7. (1) The disclosures required by this act shall be
 made on the following form:

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## SELLER'S DISCLOSURE STATEMENT

4	Property Address:	
5	Street	
6 7	City, Village, or Township	Michigan
8	<b>Purpose of Statement:</b> This statement is a disclosure of	the
9	condition of the property in compliance with the seller	
10	disclosure act. This statement is a disclosure of the	condition
11	and information concerning the property, known by the s	eller.

1 Unless otherwise advised, the seller does not possess any expertise in construction, architecture, engineering, or any 2 other specific area related to the construction or condition of 3 the improvements on the property or the land. Also, unless 4 5 otherwise advised, the seller has not conducted any inspection of generally inaccessible areas such as the foundation or roof. 6 This statement is not a warranty of any kind by the seller or by 7 any agent representing the seller in this transaction, and is not 8 a substitute for any inspections or warranties the buyer may wish 9 10 to obtain.

Seller's Disclosure: The seller discloses the following 11 12 information with the knowledge that even though this is not a 13 warranty, the seller specifically makes the following representations based on the seller's knowledge at the signing of 14 this document. Upon receiving this statement from the seller, 15 the seller's agent is required to provide a copy to the buyer or 16 the agent of the buyer. The seller authorizes its agent(s) to 17 18 provide a copy of this statement to any prospective buyer in connection with any actual or anticipated sale of property. 19 The following are representations made solely by the seller and are 20 not the representations of the seller's agent(s), if any. This 21 22 information is a disclosure only and is not intended to be a part of any contract between buyer and seller. 23 Instructions to the Seller: (1) Answer ALL questions. (2) Report 24 known conditions affecting the property. (3) Attach additional 25 pages with your signature if additional space is required. (4) 26

27 Complete this form yourself. (5) If some items do not apply to

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your property, check NOT AVAILABLE. If you do not know the
 facts, check UNKNOWN. FAILURE TO PROVIDE A PURCHASER WITH A
 SIGNED DISCLOSURE STATEMENT WILL ENABLE A PURCHASER TO TERMINATE
 AN OTHERWISE BINDING PURCHASE AGREEMENT.

5 <u>Appliances/Systems/Services</u>: The items below are in working order 6 (the items below are included in the sale of the property only if 7 the purchase agreement so provides):

8		Yes	No	Unknown	Not
9					Avail-
10					able
11	Range/Oven				
12	Dishwasher				
13	Refrigerator				
14	Hood/fan				
15	Disposal				
16	TV antenna, TV rotor & controls				
17	Electrical system				
18	Garage door opener & remote control				

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1 Alarm system 2 Intercom 3 Central vacuum 4 Attic fan 5 Pool heater, wall liner & equipment \_\_\_\_\_ 6 Microwave \_ \_\_\_\_ 7 Trash compactor 8 Ceiling fan \_ \_ \_ 9 Sauna/hot tub \_\_\_\_ 10 Washer 11 Dryer \_\_\_\_\_ \_\_\_\_ 12 Lawn sprinkler system 13 Water heater 14 Plumbing system \_\_\_\_ \_\_\_\_

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1	Water softener/conditioner	 	 
2	Well & pump	 	 
3	Septic tank & drain field	 	 
4	Sump pump	 	 
5	City Water System	 	 
6	City Sewer System	 	 
7	Central air conditioning	 	 
8	Central heating system	 	 
9	Wall furnace	 	 
10	Humidifier	 	 
11	Electronic air filter	 	 
12	Solar heating system	 	 
13	Fireplace & chimney	 	 
14	Wood burning system	 	 

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**15** Explanations (attach additional sheets if necessary):

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1 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 5 6 UNLESS OTHERWISE AGREED, ALL HOUSEHOLD APPLIANCES ARE SOLD IN 7 WORKING ORDER EXCEPT AS NOTED, WITHOUT WARRANTY BEYOND DATE OF 8 CLOSING. 9 Property conditions, improvements & additional information: 10 1. Basement/crawl space: Has there been evidence of water? 11 yes \_\_ no \_\_ If yes, please explain: \_\_\_\_\_ 12 13 2. Insulation: Describe, if known\_\_\_\_\_ 14 Urea Formaldehyde Foam Insulation (UFFI) is installed? 15 unknown \_\_\_ yes \_\_\_ no \_\_\_ 16 3. Roof: Leaks? yes \_ no \_\_\_ 17 Approximate age if known 4. Well: Type of well (depth/diameter, age, and repair history, 18 if known): \_\_\_\_\_ 19 20 Has the water been tested? yes \_\_ no \_\_ If yes, date of last report/results: 21 22 5. Septic tanks/drain fields: Condition, if known:

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1 2 6. Heating System: Type/approximate age:\_\_\_\_\_ 3 7. Plumbing system: Type: copper\_\_ galvanized\_\_ other\_\_ 4 Any known problems?\_\_\_\_\_ 5 8. Electrical system: Any known problems?\_\_\_\_\_ 6 7 9. History of infestation, if any: (termites, carpenter ants, 8 etc.)\_\_\_\_\_ 10. Environmental Problems: Are you aware of any substances, 9 10 materials, or products that may be an environmental hazard such as, but not limited to, asbestos, radon gas, 11 12 formaldehyde, lead-based paint, fuel or chemical storage 13 tanks and contaminated soil on the property. 14 unknown \_\_\_ yes \_\_\_ no \_\_\_ If yes, please explain:\_\_\_\_\_\_ 15

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17 11. Flood insurance: Do you have flood insurance on the

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1 property? 2 unknown \_\_\_ yes \_\_\_ no \_\_\_ 3 12. Mineral rights: Do you own the mineral rights? 4 unknown \_\_\_ yes \_\_\_ no \_\_\_ Other Items: Are you aware of any of the following: 5 6 1. Features of the property shared in common with the adjoining landowners, such as walls, fences, roads and driveways, or other 7 features whose use or responsibility for maintenance may have an 8 9 effect on the property? 10 unknown \_\_\_ yes \_\_\_ no \_\_\_ 2. Any encroachments, easements, zoning violations, or 11 12 nonconforming uses? 13 unknown \_\_\_ yes \_\_\_ no \_\_\_ 14 3. Any "common areas" (facilities like pools, tennis courts, 15 walkways, or other areas co-owned with others), or a homeowners' **16** association that has any authority over the property? 17 unknown \_\_\_ yes \_\_\_ no \_\_\_ Structural modifications, alterations, or repairs made 18 4. 19 without necessary permits or licensed contractors? 20 unknown \_\_\_ yes \_\_\_ no \_\_\_ 21 5. Settling, flooding, drainage, structural, or grading 22 problems? 23 unknown \_\_\_ yes \_\_\_ no \_\_\_ 24 6. Major damage to the property from fire, wind, floods, or **25** landslides? 26 unknown \_\_\_ yes \_\_\_ no \_\_\_ 27 7. Any underground storage tanks?

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1 unknown \_\_\_ yes \_\_\_ no \_\_\_ 2 8. Farm or farm operation in the vicinity; or proximity to a 3 landfill, airport, shooting range, etc.? 4 unknown \_\_\_ yes \_\_\_ no \_\_\_ 5 9. Any outstanding utility assessments or fees, including any **6** natural gas main extension surcharge? 7 unknown \_\_\_ yes \_\_\_ no \_\_\_ Any outstanding municipal assessments or fees? 8 10. unknown \_\_\_ yes \_\_\_ no \_\_\_ 9 11. Any pending litigation that could affect the property or the 10 11 seller's right to convey the property? 12 unknown \_\_\_ yes \_\_\_ no \_\_\_ 13 If the answer to any of these questions is yes, please explain. 14 Attach additional sheets, if necessary:\_\_\_\_\_ 15 16 17 18 The seller has lived in the residence on the property from 19 20 \_\_\_\_\_ (date) to \_\_\_\_\_ (date). The seller has owned 21 the property since \_\_\_\_\_ (date). The seller has indicated 22 above the condition of all the items based on information known 23 to the seller. If any changes occur in the 24 structural/mechanical/appliance systems of this property from the 25 date of this form to the date of closing, seller will immediately 26 disclose the changes to buyer. In no event shall the parties 27 hold the broker liable for any representations not directly made

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1 by the broker or broker's agent.

2 Seller certifies that the information in this statement is true
3 and correct to the best of seller's knowledge as of the date of
4 seller's signature.

5	BUYER SHOULD OBTAIN PROFESSIONAL
6	ADVICE AND INSPECTIONS OF THE
7	PROPERTY TO MORE FULLY DETERMINE THE
8	CONDITION OF THE PROPERTY.

9 BUYERS ARE ADVISED THAT CERTAIN 10 INFORMATION COMPILED PURSUANT TO THE 11 SEX OFFENDERS REGISTRATION ACT, 1994 PA 295, MCL 28.721 TO 28.732, IS 12 AVAILABLE TO THE PUBLIC. BUYERS 13 14 SEEKING THAT INFORMATION SHOULD CONTACT THE APPROPRIATE LOCAL LAW 15 ENFORCEMENT AGENCY OR SHERIFF'S 16 17 DEPARTMENT DIRECTLY.

18 BUYER IS ADVISED THAT THE STATE 19 EQUALIZED VALUE OF THE PROPERTY, 20 -HOMESTEAD PRINCIPAL RESIDENCE 21 EXEMPTION INFORMATION, AND OTHER 22 REAL PROPERTY TAX INFORMATION IS 23 AVAILABLE FROM THE APPROPRIATE LOCAL 24 ASSESSOR'S OFFICE. BUYER SHOULD NOT 25 ASSUME THAT BUYER'S FUTURE TAX BILLS

1	ON THE PROPERTY WILL BE THE SAME AS		
2	THE SELLER'S PRESENT TAX BILLS.		
3	UNDER MICHIGAN LAW, REAL PROPERTY		
4	TAX OBLIGATIONS CAN CHANGE		
5	SIGNIFICANTLY WHEN PROPERTY IS		
6	TRANSFERRED.		
7	SellerDate		
8	SellerDate		
9	Buyer has read and acknowledges receipt of this statement.		
10	BuyerDateTime:		
11	BuyerDateTime:		
12	(2) A form described in subsection (1) printed before $-$ the		
13	effective date of the 2000 amendatory act that amended this		
14	subsection March 8, 2000 that was in compliance with this		
15	section at that time may be utilized and shall be considered in		
16	compliance with this section until -90 days after the effective		
17	date of the 2000 amendatory act that amended this subsection		
18	June 6, 2000.		
19	Enacting section 1. This amendatory act takes effect		
20	January 1, 2004.		
21	Enacting section 2. This amendatory act does not take		
22	effect unless Senate Bill No. 133 of the 92nd Legislature is		
23	enacted into law.		

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