

HOUSE BILL NO. 6535

November 30, 2022, Introduced by Rep. Rabhi and referred to the Committee on Commerce and Tourism.

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending sections 6, 10, and 47 (MCL 559.106, 559.110, and
559.147), sections 6 and 10 as amended by 2000 PA 379 and section
47 as amended by 1987 PA 31, and by adding section 47b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Co-owner" means a person, firm, corporation,
2 partnership, association, trust, or other legal entity or any
3 combination of those entities ~~, who~~ **that** owns a condominium unit
4 within the condominium project. Co-owner includes land contract

1 vendees and land contract vendors ~~, who~~ **that** are considered jointly
2 and severally liable under this act and the condominium documents,
3 except as the recorded condominium documents provide otherwise.

4 (2) "Developer" means a person engaged in the business of
5 developing a condominium project as provided in this act. Developer
6 does not include any of the following:

7 (a) A real estate broker acting as agent for the developer in
8 selling condominium units.

9 (b) A residential builder who acquires title to 1 or more
10 condominium units for the purpose of residential construction on
11 those condominium units and subsequent resale.

12 (c) Other persons exempted from this definition by rule or
13 order of the administrator.

14 (3) **"Energy-saving improvement or modification" includes, but**
15 **is not limited to, all of the following:**

16 (a) **A clothesline.**

17 (b) **Geothermal.**

18 (c) **Heat pumps.**

19 (d) **Insulation.**

20 (e) **Reflective roofing.**

21 (f) **Energy efficient appliances.**

22 (g) **Solar water heaters.**

23 (h) **Electric charging stations for vehicles.**

24 (i) **Energy efficient windows.**

25 (j) **Energy efficient insulation materials.**

26 (4) ~~(3)~~ "Escrow agent" means a bank, savings and loan
27 association, or title insurance company, licensed or authorized to
28 do business in this state or a representative designated to
29 administer escrow funds in the name, and on behalf, of the escrow

1 agent.

2 (5) ~~(4)~~ "Expandable condominium" means a condominium project
3 to which additional land may be added in accordance with this act.

4 (6) ~~(5)~~ "General common elements" means the common elements
5 other than the limited common elements.

6 Sec. 10. (1) "Record" means to record ~~pursuant to~~ **under** the
7 laws of this state relating to the recording of deeds except that
8 the provisions of the land division act, 1967 PA 288, MCL 560.101
9 to 560.293, do not control divisions made for any condominium
10 project.

11 (2) **"Renewable energy generating system" means any of the**
12 **following:**

13 (a) **A photovoltaic generation system, a wind generation**
14 **system, or a solar-thermal generation system with a capacity of up**
15 **to 150 kilowatts and used to offset home or personal vehicle energy**
16 **usage.**

17 (b) **Necessary equipment for grid interconnection and home**
18 **energy storage.**

19 (3) ~~(2)~~ "Residential builder" ~~is~~ **means** a person licensed as a
20 residential builder under article 24 of the occupational code, 1980
21 PA 299, MCL 339.2401 to 339.2412.

22 (4) ~~(3)~~ "Size" means the number of cubic feet, or the number
23 of square feet of ground or floor space, within each condominium
24 unit as computed by reference to the condominium subdivision plan
25 and rounded off to a whole number. Certain spaces within the
26 condominium units including, ~~without limitation,~~ **but not limited**
27 **to,** attic, basement, and garage space may be omitted from the
28 calculation or partially discounted by the use of a ratio, if the
29 same basis of calculation is employed for all condominium units in

1 the condominium project, that basis is used for each condominium
2 unit in the condominium project, and that basis is disclosed in
3 appropriate condominium documents furnished to each co-owner.

4 (5) ~~(4)~~—"Time-share unit" means a condominium unit in which a
5 time-share estate or a time-share license exists.

6 (6) ~~(5)~~—"Time-share estate" means a right to occupy a
7 condominium unit or any of several condominium units during 5 or
8 more separated time periods over a period of at least 5 years,
9 including renewal options, coupled with a freehold estate or an
10 estate for years.

11 (7) ~~(6)~~—"Time-share license" means a right to occupy a
12 condominium unit or any of several condominium units during 5 or
13 more separated time periods over a period of at least 5 years,
14 including renewal options, not coupled with a freehold estate or an
15 estate for years.

16 (8) ~~(7)~~—"Transitional control date" means the date on which a
17 board of directors for an association of co-owners takes office
18 pursuant to an election in which the votes that may be cast by
19 eligible co-owners unaffiliated with the developer exceed the votes
20 which may be cast by the developer.

21 Sec. 47. (1) Subject to the prohibitions and restrictions in
22 the condominium documents, a co-owner may make improvements or
23 alterations within a condominium unit that do not impair the
24 structural integrity of a structure or otherwise lessen the support
25 of a portion of the condominium project. Except as provided in
26 ~~section~~**sections 47a ,—and 47b**, a co-owner shall not do anything
27 which would change the exterior appearance of a condominium unit or
28 of any other portion of the condominium project except to the
29 extent and subject to the conditions as the condominium documents

1 may specify.

2 (2) If a co-owner acquires an adjoining condominium unit, or
3 an adjoining part of a condominium unit, then the co-owner may
4 remove all or part of an intervening partition or create doorways
5 or other apertures therein, notwithstanding that the partition may
6 in whole or in part be a common element, so long as a portion of
7 any bearing wall or bearing column is not weakened or removed and a
8 portion of any common element other than that partition is not
9 damaged, destroyed, or endangered. The creation of doorways or
10 other apertures ~~shall~~**must** not be ~~deemed~~**considered** an alteration
11 of condominium unit boundaries.

12 **Sec. 47b. (1) Notwithstanding any prohibitions and**
13 **restrictions in the condominium documents, a co-owner may replace,**
14 **maintain, install, or operate an energy-saving improvement or**
15 **modification or a renewable energy generating system in the co-**
16 **owner's condominium unit, including to common elements and to the**
17 **route from the public way to the door of the co-owner's condominium**
18 **unit, at his or her expense. The replacement, maintenance,**
19 **installation, or operation of an energy-saving improvement or**
20 **modification or a renewable energy generating system must not**
21 **impair the structural integrity of a structure or otherwise lessen**
22 **the support of a portion of the condominium project. The co-owner**
23 **is liable for the cost of repairing any damage to a common element**
24 **caused by the replacement, maintenance, installation, or operation**
25 **of an energy-saving improvement or modification or a renewable**
26 **energy generating system, unless the damage could reasonably be**
27 **expected in the normal course of the replacement, maintenance,**
28 **installation, or operation of the energy-saving improvement or**
29 **modification or renewable energy generating system. The**

1 replacement, maintenance, installation, or operation of an energy-
2 saving improvement or modification or renewable energy generating
3 system must comply with all applicable state and local building
4 code requirements, permit requirements, and health and safety laws
5 and ordinances and must be made as closely as reasonably possible
6 in conformity with the intent of applicable prohibitions and
7 restrictions regarding safety and aesthetics of the proposed
8 modification in the condominium documents.

9 (2) The replacement, maintenance, installation, or operation
10 of an energy-saving improvement or modification or a renewable
11 energy generating system that affects the exterior of the
12 condominium unit must not unreasonably prevent passage by other
13 residents of the condominium project. A co-owner who replaces,
14 maintains, installs, or operates an energy-saving improvement or
15 modification or a renewable energy generating system to the
16 exterior of the condominium unit shall notify the association of
17 co-owners in writing of the co-owner's intention to convey or lease
18 his or her condominium unit to any person at least 30 days before
19 the conveyance or lease. Not more than 30 days after receiving a
20 notice from a co-owner under this subsection, the association of
21 co-owners may require the co-owner to remove the energy-saving
22 improvement or modification or renewable energy generating system
23 at the co-owner's expense. If the co-owner fails to give timely
24 notice of a conveyance or lease, the association of co-owners may,
25 at any time, remove or require the co-owner to remove the energy-
26 saving improvement or modification or renewable energy generating
27 system at the co-owner's expense. However, the association of co-
28 owners may not remove or require the removal of the energy-saving
29 improvement or modification or renewable energy generating system

1 if a co-owner intends to resume residing in the unit within 12
2 months or a co-owner conveys or leases his or her condominium unit
3 to a person who wishes to retain the energy-saving improvement or
4 modification or renewable energy generating system.

5 (3) If the replacement, maintenance, installation, or
6 operation of the energy-saving improvement or modification or
7 renewable energy generating system affects the exterior of the
8 condominium unit, the co-owner shall maintain liability insurance,
9 underwritten by an insurer authorized to do business in this state
10 and naming the association of co-owners as an additional insured,
11 in an amount adequate to compensate for personal injuries caused by
12 the replacement, maintenance, installation, or operation of the
13 energy-saving improvement or modification or renewable energy
14 generating system to the exterior of the condominium unit. The co-
15 owner is not liable for acts or omissions of the association of co-
16 owners under this subdivision and is not required to maintain
17 liability insurance with respect to any common element. The
18 association of co-owners is responsible for the maintenance,
19 repair, and replacement of the energy-saving improvement or
20 modification or renewable energy generating system only to the
21 extent of the cost currently incurred by the association of co-
22 owners for the maintenance, repair, and replacement of the common
23 elements covered or replaced by the energy-saving improvement or
24 modification or renewable energy generating system. All costs of
25 maintenance, repair, and replacement of the improvement or
26 modification exceeding that currently incurred by the association
27 of co-owners for the maintenance, repair, and replacement of the
28 common elements covered or replaced by the energy-saving
29 improvement or modification or renewable energy generating system

1 must be assessed to and paid by the co-owner or the condominium
2 unit serviced by the energy-saving improvement or modification or
3 renewable energy generating system.

4 (4) Before the replacement, maintenance, installation, or
5 operation of an energy-saving improvement or modification or
6 renewable energy generating system to a common element or exterior
7 of a condominium unit, the co-owner shall submit plans and
8 specifications for the replacement, maintenance, installation, or
9 operation of the energy-saving improvement or modification or
10 renewable energy generating system to the association of co-owners
11 for review and approval. The association of co-owners shall
12 determine whether the proposed replacement, maintenance,
13 installation, or operation of the energy-saving improvement or
14 modification or renewable energy generating system substantially
15 conforms to the requirements of this section and shall not deny a
16 proposed replacement, maintenance, installation, or operation of an
17 energy-saving improvement or modification or a renewable energy
18 generating system without good cause. If the association of co-
19 owners denies a proposed replacement, maintenance, installation, or
20 operation of the energy-saving improvement or modification or
21 renewable energy generating system, the association of co-owners
22 shall list, in writing, the changes needed to make the proposed
23 replacement, maintenance, installation, or operation of the energy-
24 saving improvement or modification or renewable energy generating
25 system conform to the requirements of this section and shall
26 deliver that list to the co-owner. The association of co-owners
27 shall approve or deny the proposed replacement, maintenance,
28 installation, or operation of the energy-saving improvement or
29 modification or renewable energy generating system not later than

1 60 days after the plans and specifications are submitted by the co-
2 owner proposing the replacement, maintenance, installation, or
3 operation of the energy-saving improvement or modification or
4 renewable energy generating system to the association of co-owners.
5 If the association of co-owners does not approve or deny the
6 submitted plans and specifications within the 60-day period, the
7 co-owner may make the proposed replacement, maintenance,
8 installation, or operation of the energy-saving improvement or
9 modification or renewable energy generating system without the
10 approval of the association of co-owners. A co-owner may bring an
11 action against the association of co-owners and the officers and
12 directors to compel those persons to comply with this section if
13 the co-owner disagrees with a denial by the association of the co-
14 owner's proposed replacement, maintenance, installation, or
15 operation of the energy-saving improvement or modification or
16 renewable energy generating system.

17 (5) An association of co-owners may adopt reasonable rules and
18 regulations regarding the placement of an energy-saving improvement
19 or modification or a renewable energy generating system if those
20 rules do not prevent or adversely affect any of the following:

21 (a) The replacement, maintenance, installation, or operation
22 of the energy-saving improvement or modification or renewable
23 energy generating system.

24 (b) The functioning of the energy-saving improvement or
25 modification or renewable energy generating system.

26 (c) The cost or efficiency of the energy-saving improvement or
27 modification or renewable energy generating system.