



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5028 (Substitute H-3 as reported without amendment)

Sponsor: Representative Ranjeev Puri

House Committee: Natural Resources, Environment, Tourism and Outdoor Recreation

Senate Committee: Housing and Human Services

CONTENT

The bill would enact the "Homeowners' Energy Policy Act" to do the following:

- Prohibit a Homeowners Association (HOA) from requiring approval for or prohibiting a member from installing or maintaining an energy-saving improvement or modification.
- Prohibit a local unit of government from requiring a member to obtain HOA approval for installing or modifying an energy-saving system.
- Require each HOA to adopt a written solar energy policy within one year of the bill's enactment and specify that the policy would have to enforce the Act's standards, among other requirements of the policy.
- Prescribe the process for a member to apply to an HOA for the installation or modification of a solar energy system.
- Specify that if an HOA failed to adopt a policy within one year of the Act's effective date or failed to approve or deny a member's request within a certain time the member could proceed with the installation of the solar energy system.
- Allow an HOA to deny an application for a solar energy system under specified circumstances, including if the system violated a law.
- Prohibit an HOA from imposing a fine or penalizing a member that complied with the Act.
- Require an HOA to approve a member's application within 30 days of receipt unless certain conditions applied.
- Allow a member to resubmit an application that was denied prior to the HOA writing its solar energy policy.
- Allow a member to bring a civil action against an HOA for damages in the case of violations of the Act.
- Specify that the Act's provisions would not apply to common areas or shared roofs.

BRIEF RATIONALE

An HOA manages and enforces rules like home color and materials, parking, rental ability, yard work, and additions. An HOA may deny members certain modifications. Reportedly, some members wish to add clean energy options to their homes but have been prohibited from doing so by an HOA. It has been suggested that members be able to decide where their energy comes from without outright prohibition from an HOA.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would not have a direct fiscal impact on the State or local courts systems. An increase in homeowner complaints against HOAs is possible, which would increase court dockets, but this impact is indeterminate and expected to be minor

Date Completed: 2-21-24

Fiscal Analyst: Bobby Canell; Michael Siracuse

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

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