



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1256 (Substitute S-2 as reported)
Sponsor: Senator Jason E. Allen
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Condominium Act to allow an association of condominium co-owners, by majority, to modify restrictions or covenants imposed by a developer who was no longer in business or no longer had a financial interest in the association.

Under the Act, the developer or co-owner of a condominium project may impose reasonable restrictions or covenants running with the land upon a unit in the project, in addition to the reasonable restrictions and covenants that may be contained in the condominium documents, as long as they are not otherwise prohibited by law and are consistent with the condominium documents. The restrictions and covenants may include provisions governing the joint or common ownership of units in the project and the basis upon which the use of the unit or units may be shared from time to time by the joint or common owners.

Under the bill, an association of co-owners, by a majority of those voting, could modify such restrictions or covenants if they were imposed by a developer who was no longer in business or no longer had a financial interest in the association. The bill also provides that a restriction or restrictive covenant that was part of the condominium bylaws could be modified in this way.

MCL 559.146 & 559.153

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

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

Date Completed: 6-23-10

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