

HOUSE BILL No. 5974

March 23, 2010, Introduced by Reps. Haveman, Crawford, Neumann, Knollenberg, Walsh, Hansen, Meekhof, Rogers, Stanley, Bolger, Haugh, Lund, Kowall and Haines and referred to the Committee on Commerce.

A bill to amend 1978 PA 59, entitled
"Condominium act,"
by amending sections 31, 32, 33, and 90 (MCL 559.131, 559.132, 559.133, and 559.190), sections 31, 32, and 33 as amended by 1982 PA 538 and section 90 as amended by 2002 PA 283.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 31. If the condominium project contains any convertible
2 area, the master deed shall contain the following:

3 (a) A reasonably specific reference to the convertible area
4 within the condominium project.

5 (b) A statement of the maximum number of condominium units

1 that may be created within the convertible area.

2 (c) A general statement describing what types of condominium
3 units may be created on the convertible area.

4 (d) A statement of the extent to which a structure erected on
5 the convertible area will be compatible with structures on other
6 portions of the condominium project.

7 (e) A general description of improvements that may be made on
8 the convertible area within the condominium project.

9 (f) A description of the developer's reserved right, if any,
10 to create limited common elements within any convertible area, and
11 to designate common elements therein which may subsequently be
12 assigned as limited common elements.

13 (g) A time limit of not more than ~~6~~10 years after initial
14 recording of the master deed, by which the election to use this
15 option expires.

16 Sec. 32. If the condominium project is an expandable
17 condominium project, the master deed shall contain the following:

18 (a) The explicit reservation of an election on the part of the
19 developer or its successors to expand the condominium project.

20 (b) A statement of any restrictions on the election in
21 subdivision (a), including, without limitation, a statement as to
22 whether the consent of any co-owners is required, and if so, a
23 statement as to the method whereby the consent is ascertained; or a
24 statement that the limitations do not exist.

25 (c) A time limit based on size and nature of the project, of
26 not more than ~~6~~10 years after the initial recording of the master
27 deed, upon which the election to expand the condominium project

1 expires.

2 (d) A description of the land that may be added to the
3 condominium project. The description shall be a legal description
4 by metes and bounds or by reference to subdivided land unless the
5 land to be added can be otherwise specifically described.

6 (e) A statement as to whether, if any of the additional land
7 is added to the condominium project, all of it or any particular
8 portion of it must be added, and if not, a statement of any
9 limitations as to what portions may be added.

10 (f) A statement as to whether portions of the additional land
11 may be added to the condominium project at different times,
12 together with appropriate restrictions fixing the boundaries of
13 those portions by legal descriptions setting forth the metes and
14 bounds of the land and regulating the order in which they may be
15 added to the condominium project. If the order in which portions of
16 the additional land may be added is not restricted, a statement
17 shall be included that the restrictions do not exist.

18 (g) A statement of the specific restrictions, if any, as to
19 the locations of any improvements that may be made on any portions
20 of the additional land added to the condominium project.

21 (h) A statement of the maximum number of condominium units
22 that may be created on the additional land. If portions of the
23 additional land may be added to the condominium project and the
24 boundaries of those portions are fixed in accordance with
25 subdivision (f), the master deed shall state the maximum number of
26 condominium units that may be created on each portion added to the
27 condominium project.

1 (i) With respect to the additional land and to the portion or
2 portions of the additional land that may be added to the
3 condominium project, a statement of the maximum percentage of the
4 aggregate land and floor area of all condominium units that may be
5 created on the additional land that may be occupied by condominium
6 units not restricted exclusively to residential use.

7 (j) A statement of the extent to which any structures erected
8 on any portion of the additional land added to the condominium
9 project are compatible with structures on the land included in the
10 original master deed.

11 (k) A description of improvements that shall be made on any
12 portion of the additional land added to the condominium project or
13 a statement of any restrictions as to what other improvements may
14 be made on the additional land.

15 (l) A statement of any restrictions as to the types of
16 condominium units that may be created on the additional land.

17 (m) A description of the developer's reserved right, if any,
18 to create limited common elements within any portion of the
19 original condominium project or additional land added to the
20 condominium project and to designate common elements which may
21 subsequently be assigned as limited common elements.

22 (n) A statement as to whether the condominium project shall be
23 expanded by a series of successive amendments to the master deed,
24 each adding additional land to the condominium project as then
25 constituted, or whether a series of separate condominium projects
26 shall be created within the additional land area, all or some of
27 which shall then be merged into an expanded condominium project or

1 projects by the ultimate recordation of a consolidating master
2 deed.

3 (o) A description of the developer's reserved right, if any,
4 to create easements within any portion of the original condominium
5 project for the benefit of land outside the condominium project.

6 Sec. 33. If the condominium project is a contractable
7 condominium project, the master deed shall contain the following:

8 (a) The explicit reservation of an election on the part of the
9 developer or its successors to contract the condominium project.

10 (b) A statement of the restrictions on that election,
11 including, without limitation, a statement as to whether the
12 consent of any co-owners are required, and if so, a statement as to
13 the method whereby the consent shall be ascertained.

14 (c) A time limit of not more than ~~6~~10 years after the initial
15 recording of the master deed, by which the election to contract the
16 condominium project expires, together with a statement of the
17 circumstances, if any, which terminate that option before the
18 expiration of the specified time limit.

19 (d) A general description of the land which may be withdrawn
20 from the condominium project.

21 (e) A statement as to whether portions of the land may be
22 withdrawn from the condominium project at different times, together
23 with the restrictions fixing the boundaries of those portions by
24 general descriptions of the land and regulating the order in which
25 they may be withdrawn from the condominium project.

26 Sec. 90. (1) The condominium documents may be amended without
27 the consent of co-owners or mortgagees if the amendment does not

1 materially alter or change the rights of a co-owner or mortgagee
2 and if the condominium documents contain a reservation of the right
3 to amend for that purpose to the developer or the association of
4 co-owners. An amendment that does not materially change the rights
5 of a co-owner or mortgagee includes, but is not limited to, a

6 **EITHER OF THE FOLLOWING:**

7 (A) A modification of the types and sizes of unsold
8 condominium units and their appurtenant limited common elements.

9 (B) AN EXTENSION OF TIME FOR EXPANDING, CONTRACTING, OR
10 CONVERTING UNITS OR COMMON ELEMENTS WITHIN A CONDOMINIUM PROJECT AS
11 PERMITTED UNDER SECTION 31, 32, OR 33.

12 (2) Except as provided in this section, the master deed,
13 bylaws, and condominium subdivision plan may be amended, even if
14 the amendment will materially alter or change the rights of the co-
15 owners or mortgagees, with the consent of not less than 2/3 of the
16 votes of the co-owners and mortgagees. A mortgagee shall have 1
17 vote for each mortgage held. The 2/3 majority required in this
18 section may not be increased by the terms of the condominium
19 documents, and a provision in any condominium documents that
20 requires the consent of a greater proportion of co-owners or
21 mortgagees for the purposes described in this subsection is void
22 and is superseded by this subsection. Mortgagees are not required
23 to appear at any meeting of co-owners except that their approval
24 shall be solicited through written ballots. Any mortgagee ballots
25 not returned within 90 days of mailing shall be counted as approval
26 for the change.

27 (3) The developer may reserve, in the condominium documents,

1 the right to amend materially the condominium documents to achieve
2 specified purposes, except a purpose provided for in subsection
3 (4). Reserved rights shall not be amended except by or with the
4 consent of the developer. If a proper reservation is made, the
5 condominium documents may be amended to achieve the specified
6 purposes without the consent of co-owners or mortgagees.

7 (4) The method or formula used to determine the percentage of
8 value of units in the project for other than voting purposes shall
9 not be modified without the consent of each affected co-owner and
10 mortgagee. A co-owner's condominium unit dimensions or appurtenant
11 limited common elements may not be modified without the co-owner's
12 consent.

13 (5) Co-owners shall be notified of proposed amendments under
14 this section not less than 10 days before the amendment is
15 recorded.

16 (6) A person causing or requesting an amendment to the
17 condominium documents shall be responsible for costs and expenses
18 of the amendment, except for amendments based upon a vote of a
19 prescribed majority of co-owners and mortgagees or based upon the
20 advisory committee's decision, the costs of which are expenses of
21 administration.

22 (7) A master deed amendment, including the consolidating
23 master deed, dealing with the addition, withdrawal, or modification
24 of units or other physical characteristics of the project shall
25 comply with the standards prescribed in section 66 for preparation
26 of an original condominium subdivision plan for the project.

27 (8) For purposes of this section, the affirmative vote of a

- 1 2/3 of co-owners is considered 2/3 of all co-owners entitled to
- 2 vote as of the record date for such votes.