



2023 Michigan End of Legislative Session Report

Community Associations Institute's (CAI) Michigan Legislative Action Committee (MI LAC) had a busy legislative session advocating on behalf of the approximately 1,412,000 Michiganders living in 578,000 homes in more than 8,550 community associations. More than 1,550 bills were introduced, and the MI LAC monitored 16 bills that would have directly affected community associations. The legislative session runs through 2024 with much action being deferred to the coming year. Below is a brief overview of the bills the MI LAC advocated on so far:

HB 5019 – Housing: condominium; requirements for an association of co-owners to conduct a reserve study and establish a reserve funding plan; modify. The MI LAC worked with several sponsors to introduce this legislation that aligns with CAI Public Policy regarding reserve studies. This legislation aligns tightly with CAI National's updated [Reserves Public Policy](#), amending existing law that requires associations to have a reserve fund, by requiring associations to conduct reserve studies. The bill specifically requires an existing condominium to conduct a reserve study within 3 years of passage of the legislation, and every 5 years after that. This legislation applies to condominiums with a budget of \$20,000 or more or at least 20 units. For condominiums still under developer control, the bill would require a reserve study to take place at least 30 days before transition. The bill is due to be considered in early 2024.

Status: Referred to House Committee. Carried over to 2024.

HB 5028– Housing: other; energy-saving home improvements; invalidate prohibition of by homeowners' association. Creates new act. The MI LAC opposed this legislation as drafted which would infringe on the ability of community associations to determine the best environmental policy for its owners and residents. In addition, the bill had a number of other issues with terminology and lack of definitions. As a result of an opposition campaign coordinated by the MI LAC, more than 45 Michiganders voiced their opposition, and because of that advocacy, the MI LAC was able to meet with the bill sponsors of the legislation to discuss concerns. The bill passed the House and is now pending in the Senate. The MI LAC has been meeting with members of the Senate's Energy and Policy Committee to discuss the reason for MI LAC's opposition and will continue to work to improve the language in the Senate.

Status: Referred to Senate Committee. Carried over to 2024.

SB 558 – Housing: other; solar generators; invalidate prohibition of by homeowners' association. Creates new act. The MI LAC opposed this legislation which would infringe on the ability of community associations to determine the best environmental policy for its owners and residents regarding solar generators. In addition, the bill had a number of other issues with terminology and lack of definitions.



More than 45 Michiganders voiced their opposition to the legislation and the bill was successfully stopped in the Senate.

Status: Referred to Senate Committee. Carried over to 2024.

HB 4416 – Property: other; certain restrictive covenants in deeds and other instruments; prohibit.

Creates new act. The MI LAC worked with Representative Sarah Anthony and her staff to help pass a new law that would allow the boards of community associations to easily amend their governing documents to remove discriminatory covenants. The bill authorizes boards to record a discharge to remove such covenants from their documents without a general vote. The LAC additionally helped amend the bill to ensure that it complied with the existing provisions of the Michigan Condominium Act regarding amendments and to ensure that association boards will be able to easily identify removable “prohibited restrictions” by more specifically defining this term in the bill. The bill was passed into law as the [“Discharge of Prohibited Restrictive Covenants Act”](#) and made effective December 13th, 2022. This legislation aligns with CAI national’s [public policy](#) on the simplified removal of discriminatory restrictive covenants by community association boards.

Status: Enacted

HB 4837/SB 541 – Construction: contracts; prompt payment law; establish for contractors to pay subcontractors and suppliers in a timely manner. Creates new act. The MI LAC opposed this legislation as in the last legislative session, which would require owners to make “prompt payment,” defined as within 30 days of completion, to contractors or pay 12% interest. **Status: Reported out of House Committee. Carried over to 2024.**

HB 4312 & HB 4313 – Businesses: nonprofit corporations; conversion of summer resort associations into nonprofit corporations; authorize. The MI LAC monitored this legislation which would permit the conversion of Summer Resort Associations into Nonprofit Corporations. CAI and the MI LAC support the ability of associations to incorporate as nonprofit entities. **Status: Reported out of House Committee. Carried over to 2024.**

HB 4003/SB 004 – Civil rights: general discrimination; sexual orientation and gender identity or expression; include as categories protected under the Elliott-Larsen civil rights act. The MI LAC monitored several discrimination bills in the 2023 legislative session, including this legislation that prohibits housing discrimination based on sexual orientation and gender identity. CAI supports the right of all individuals to be free from illegal discrimination on the basis of race, color, religion, sex, familial status, national origin or disability. **Status: SB 004 signed into law.**

HB 4063 – Civil rights: housing discrimination; housing discrimination based on source of income; prohibit. The MI LAC monitored several discrimination bills in the 2023 legislative session, including this legislation that prohibits housing discrimination based on source of income. CAI supports the right of all



individuals to be free from illegal discrimination on the basis of race, color, religion, sex, familial status, national origin or disability. **Status: Referred to House Committee. Carried over to 2024.**

SB 129 – Economic development: brownfield redevelopment authority; certain housing activities; allow, and modify tax capture revenues. The MI LAC monitored this legislation which would allow municipalities to establish redevelopment plans for brownfields, or lots, the development of which might be complicated by the potential presence of a hazardous, contaminating, or otherwise polluting substance. The MI LAC monitored this legislation in case the legislation was amended in a way that would impact community associations. **Status: Enacted.**

Marketable Record Title Act: In addition to the Bills described above, the MI LAC has been working with House members to introduce legislation to better protect community associations from the potential impact of the 2018 amendments to the Marketable Record Title Act. Legislation is expected to be introduced in early 2024. **Status: Legislation introduction pending.**

Your Assistance is Needed

The CAI Michigan LAC relies on outside resources such as professional lobbying as a vital and integral part of the legislative process. The volunteers who make up the Michigan Legislative Action Committee – including homeowner leaders, community managers, and business partners – greatly rely on contributions from management companies and business partners in addition to individuals to continue their important efforts in the legislature. The MI LAC needs your financial support to bolster their advocacy activities in 2023 and beyond. We encourage donations from Michigan community associations, business partners, and individuals. Please visit www.caionline.org/lacdonate/ and donate to “Michigan” to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador and help shape legislation in your state!

Michigan Contact Information

- [Community Associations Institute – Michigan Legislative Action Committee](#) (888) 224-4321
- [Community Associations Institute – Michigan Chapter](#) (517)260-7062



MICHIGAN LEGISLATIVE
ACTION COMMITTEE

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