

MICHIGAN REALTORS®

Protecting the Independent Contractor Status of REALTOR® **OPPOSE SB 6-7**

Real estate is an appealing career path for those who want the freedom to build their own business, manage their own schedules, and work independently. The independent contractor relationship between brokers and agents is well established recognized under both IRS guidelines and Michigan law. This professional model should remain exempt from the proposed “ABC” test, which is not designed to fit the unique structure of real estate practice.

Increase Splits Allowed Under the Michigan Land Division Act **SUPPORT HB 4081 / SB 23**

To promote housing density, we support increasing the allowable number of land divisions from 4 to 10 within the first 10 acres. This change would create more buildable lots and expand development opportunities. Additionally, giving municipalities the discretion to approve further divisions can help lower the overall cost of development and improve housing affordability.

Drain Code Changes for Stormwater Utilities **OPPOSE SB 441**

Granting a drain commissioner the authority to establish a permanent water management board to oversee rainwater and runoff effectively creates a new form of governance. This could allow for costly assessments to be imposed on taxpayers without their consent, all while offering no assurance that necessary infrastructure will be built or that drainage will improve.

Expanding Uncapping Exemptions **SUPPORT HB 4014**

House Bill 4014 updates Michigan’s property tax law to ensure that family members aren’t hit with higher taxes when property is transferred within the family. Currently, property transfers can trigger a taxable value “uncapping,” leading to unexpected tax hikes. HB 4014 fixes this by clarifying that transfers to the transferor’s spouses, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter would qualify for the uncapping exemption. This keeps family properties affordable and helps preserve generational ownership without penalty.

Right to Repair OPPOSE SB 19, 20, 21

Senate Bills 19 through 21 propose significant changes to landlord-tenant law in Michigan by expanding tenant rights and imposing new requirements on rental property owners. These bills mandate strict repair timelines, allow tenants to withhold rent or conduct repairs themselves if landlords fail to act, and prohibit lease terms that limit these rights. They also introduce notice requirements for rent increases and lease renewals. While well intentioned, these proposals shift the balance heavily toward tenants, potentially discouraging investment in rental properties and increasing legal and financial risks for housing providers ultimately threatening housing supply and affordability in an already strained market.

Expanding Michigan's Consumer Protection Act OPPOSE SB 134

Senate Bill 134 would expand the Michigan Consumer Protection Act in a way that could unfairly impact REALTORS®, who are already heavily regulated. Real estate professionals are licensed and overseen by the Department of Licensing and Regulatory Affairs and are already subject to the MCPA for deceptive practices. By removing current exemptions and opening the door to class-action lawsuits and large penalties, SB 134 creates overlapping enforcement that could expose REALTORS® to costly legal actions for conduct already regulated under existing state law. This creates uncertainty and risk for independent contractors who are playing by the rules.

Promote the Use of Post-Closing Occupancy Agreements

In today's competitive real estate market, it's common for sellers to remain in the home for a period after closing due to timing challenges with their next move. To protect both buyers and sellers, Michigan law should clearly define this post-closing occupancy arrangement. Recognizing and standardizing this unique contractual relationship will bring clarity, reduce disputes, and support smoother transactions.

Increasing Housing Supply Through Local Zoning Reforms

Michigan is facing a critical housing shortage, and outdated local regulations has been a major barrier to new development. We need legislation that supports local governments in modernizing their zoning rules to allow for more housing to be built. Key reforms include permitting duplexes by right in single-family residential zones, addressing excessive parking requirements, and modernizing the petition process and development study requirements.