

HOUSE BILL NO. 5228

November 06, 2025, Introduced by Reps. Hoadley, Cavitt, Fairbairn, Liberati and Pavlov and referred to Committee on Regulatory Reform.

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending section 2517 (MCL 339.2517), as amended by 2008 PA 91.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2517. (1) A licensee shall ~~disclose~~**provide a written**
2 **agency disclosure** to a potential buyer or seller in a real estate
3 transaction ~~all types of agency relationships available and the~~
4 ~~licensee's duties that each agency relationship creates before the~~
5 **a** disclosure by the potential buyer or seller to the licensee of
6 any confidential information specific to that potential buyer or

1 seller.

2 ~~(2) Unless knowingly waived by execution of a limited service~~
 3 ~~agreement, a~~ **A** real estate broker or real estate salesperson
 4 providing services under any service provision agreement shall, at
 5 a minimum, provide to the client the duties described in section
 6 2512d(2) and the services described in section 2512d(3). **However, a**
 7 **seller or lessor may waive the services described in section**
 8 **2512d(3) (b), (c), and (d) in a limited service agreement.**

9 ~~(3) The~~ **A written agency** disclosure ~~of the type of agency~~
 10 ~~relationship shall be in writing, shall be provided to the client,~~
 11 ~~and shall~~ **form must** substantially conform to the following:

12 DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

13 Before you disclose confidential information to a real estate
 14 licensee regarding a real estate transaction, you should understand
 15 ~~what type of that licensee's agency relationship you have with that~~
 16 ~~licensee.~~ **status.** A real estate transaction is a transaction
 17 involving the sale or lease of any legal or equitable interest in
 18 real estate consisting of not less than 1 or not more than 4
 19 residential dwelling units or consisting of a building site for a
 20 residential unit on either a lot as **that term is** defined in section
 21 102 of the land division act, 1967 PA 288, MCL 560.102, or a
 22 condominium unit as **that term is** defined in section 4 of the
 23 condominium act, 1978 PA 59, MCL 559.104.

24 (1) An agent providing services under any service provision
 25 agreement owes, at a minimum, the following duties to the client:

26 (a) The exercise of reasonable care and skill in representing
 27 the client and carrying out the responsibilities of the agency
 28 relationship.

29 (b) The performance of the terms of the service provision

1 agreement.

2 (c) Loyalty to the interest of the client.

3 (d) Compliance with the laws, rules, and regulations of this
4 state and any applicable federal statutes or regulations.

5 (e) Referral of the client to other licensed professionals for
6 expert advice related to material matters that are not within the
7 expertise of the licensed agent.

8 (f) An accounting in a timely manner of all money and property
9 received by the agent in which the client has or may have an
10 interest.

11 (g) Confidentiality of all information obtained within the
12 course of the agency relationship, unless disclosed with the
13 client's permission or as provided by law, including the duty not
14 to disclose confidential information to any licensee ~~who~~**that** is
15 not an agent of the client.

16 (2) A real estate broker or real estate salesperson acting
17 ~~pursuant to~~**in accordance with** a service provision agreement shall
18 provide the following services to ~~his or her~~**the real estate**
19 **broker's or real estate salesperson's** client:

20 (a) When the real estate broker or real estate salesperson is
21 representing a seller or lessor, the marketing of the client's
22 property in the manner agreed ~~upon~~**on** in the service provision
23 agreement.

24 (b) Acceptance of delivery and presentation of offers and
25 counteroffers to buy, sell, or lease the client's property or the
26 property the client seeks to purchase or lease.

27 (c) Assistance in developing, communicating, negotiating, and
28 presenting offers, counteroffers, and related documents or notices
29 until a purchase or lease agreement is executed by all parties and

1 all contingencies are satisfied or waived.

2 (d) After execution of a purchase agreement by all parties,
3 assistance as necessary to complete the transaction under the terms
4 specified in the purchase agreement.

5 (e) ~~For~~ **Except as otherwise provided in this subdivision, for**
6 a broker or associate broker who is involved at the closing of a
7 real estate or business opportunity transaction furnishing, or
8 causing to be furnished, to the buyer and seller, a complete and
9 detailed closing statement signed by the broker or associated
10 broker showing each party all receipts and disbursements affecting
11 that party. **However, this subdivision does not apply if the closing**
12 **is conducted by a title insurance company, or a person that is**
13 **designated to act as the agent of a title insurance company, that**
14 **is licensed or authorized to do business in this state.**

15 Michigan law requires real estate licensees ~~who~~ **that** are
16 acting as agents of sellers or buyers of real property to advise
17 the potential sellers or buyers ~~with whom they work~~ of the nature
18 of ~~their~~ **the licensee's** agency relationship.

19 Seller's Agents

20 A seller's agent, under a listing agreement with the seller,
21 acts solely on behalf of the seller. A seller can authorize a
22 seller's agent to work with subagents ~~, and/or~~ buyer's agents.
23 ~~and/or transaction coordinators.~~ A subagent is ~~one~~ **an individual**
24 who has agreed to work with the listing agent, and who, like the
25 listing agent, acts solely on behalf of the seller. Seller's agents
26 and subagents will disclose to the seller known information about
27 the buyer ~~which~~ **that** may be used to the benefit of the seller.
28 Individual services may be waived by the seller through execution
29 of a limited service agreement. Only those services set forth in

paragraph (2)(b), (c), and (d) above may be waived by the execution of a limited service agreement.

Buyer's Agents

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. Buyer's agents ~~and subagents~~ will disclose to the buyer known information about the seller ~~which~~ **that** may be used to benefit the buyer. ~~Individual services may be waived by the buyer through execution of a limited service agreement. Only those services set forth in paragraph (2)(b), (c), or (d) above may be waived by execution of a limited service agreement.~~

Dual Agents

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer.

In ~~such~~ a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller, and the buyer.

Licensee Disclosure (check one)

I hereby disclose that the agency status of the licensee named below is:

- ☐ Seller's Agent
- ☐ Seller's Agent - limited service agreement
- ☐ Buyer's Agent
- ☐ ~~Buyer's Agent - limited service agreement~~
- ☐ Dual Agent

1 agreement:

2 LIMITED SERVICE AGREEMENT **(SELLERS OR LESSORS ONLY)**

3 ~~Pursuant to~~ **In accordance with** Michigan law certain services
 4 provided by a real estate licensee may be waived **by a seller**
 5 **or lessor**. A real estate licensee **representing a seller or**
 6 **lessor** is required to perform certain services for ~~his or her~~
 7 **the licensee's** client unless these services are waived by the
 8 client. By signing below, you agree that the real estate
 9 licensee will not be required to perform the services
 10 initialed (only initial the services waived).

11 Initial if waived:

12 -Acceptance of delivery and presentation of offers and
 13 counteroffers to ~~buy, sell, or lease~~ your property. ~~or the~~
 14 ~~property you seek to purchase or lease.~~

15 _____
 16 -Assistance in developing, communicating, negotiating, and
 17 presenting offers, counteroffers, and related documents or
 18 notices until a purchase or lease agreement is executed by all
 19 parties and all contingencies are satisfied or waived.

20 _____
 21 -After execution of a purchase agreement by all parties,
 22 assistance as necessary to complete the transaction under the
 23 terms specified in the purchase agreement.

24 _____
 25 Agreement to Waive **(Sellers/Lessors)**

26 By signing below, I acknowledge that the duties owed to me
 27 ~~pursuant to~~ **under** Michigan law have been explained to me and that I
 28 knowingly agree that the real estate licensee ~~who~~ **that** represents
 29

me will not provide the services that are initialed above. I also understand that in any proposed real estate transaction, no other real estate licensee is required to provide the waived services unless I subsequently hire ~~them~~ **a real estate licensee** to do so. I also acknowledge that in order to protect my interests I may need to retain other professionals, such as an attorney.

Seller or ~~Buyer~~ **Lessor**

Date

Seller or ~~Buyer~~ **Lessor**

Date

Real Estate Broker or Salesperson

Date

Brokerage Name

(5) This article does not prevent a licensee from acting as a transaction coordinator ~~upon~~ **on** proper notice to all parties to a real estate transaction.

(6) A broker and a client may enter into a designated agency agreement. In the absence of a written designated agency agreement, a client is considered to have an agency relationship with the broker and all affiliated licensees.

(7) A designated agency agreement ~~shall~~ **must** contain the name of all associate brokers who are authorized to act as supervisory brokers. If designated agents who are affiliated licensees represent different parties in the same real estate transaction, the broker and all supervisory brokers are considered disclosed consensual dual agents for that real estate transaction. Designated agents who are affiliated licensees representing different parties in the same transaction shall notify their clients that ~~their~~ **the**

1 **clients'** broker represents both buyer and seller before an offer to
2 purchase is made or presented.

3 (8) Except as otherwise provided in subsection (7), a client
4 with a designated agency agreement is not considered to have an
5 agency relationship with any affiliated licensees of the designated
6 agent. Two designated agents who are affiliated licensees may each
7 represent a different party in the same transaction and ~~shall~~**are**
8 not ~~be~~ considered dual agents. The designated agent's knowledge of
9 confidential information of a client is not imputed to any
10 affiliated licensee not having an agency relationship with that
11 client.

12 (9) A designated agent shall not disclose confidential
13 information of a client to any licensee, whether or not an
14 affiliated licensee, except that a designated agent may disclose to
15 any supervisory broker confidential information of a client for
16 purposes of seeking advice or assistance for the benefit of the
17 client. A licensee ~~who~~**that** represents a client in an agency
18 capacity does not breach any duty or obligation owed to that client
19 by failing to disclose to that client information obtained through
20 a present or prior agency relationship.

21 (10) A listing agreement or a buyer's agency agreement may be
22 amended to establish a designated agency relationship, to change a
23 designated agent, or to change supervisory brokers at any time
24 ~~pursuant to~~**under** a written addendum signed by the parties.

25 (11) As used in this section:

26 (a) "Affiliated licensees" means individuals licensed as
27 salespersons or associate brokers who are employed by the same
28 broker.

29 (b) "Buyer" means a purchaser, tenant, or lessee of any legal

1 or equitable interest in real estate.

2 (c) "Buyer's agent" means a licensee acting on behalf of the
3 buyer in a real estate transaction who undertakes to accept the
4 responsibility of serving the buyer consistent with those fiduciary
5 duties existing under common law.

6 (d) "Designated agent" means an individual salesperson or an
7 associate broker who is designated by the broker as the client's
8 legal agent ~~pursuant to~~**under** a designated agency agreement.

9 (e) "Designated agency agreement" means a written agreement
10 between a broker and a client in which an individual salesperson or
11 associate broker affiliated with that broker is named as that
12 client's designated agent.

13 (f) "Dual agent" means a licensee ~~who~~**that** is acting as the
14 agent of both the buyer and the seller and provides services to
15 complete a real estate transaction without the full range of
16 fiduciary duties owed by a buyer's agent and a seller's agent.

17 (g) "Real estate transaction" means the sale or lease of any
18 legal or equitable interest in real estate where the interest in
19 real estate consists of not less than 1 or not more than 4
20 residential dwelling units or consists of a building site for a
21 residential unit on either a lot as **that term is** defined in section
22 102 of the land division act, 1967 PA 288, MCL 560.102, or a
23 condominium unit as **that term is** defined in section 4 of the
24 condominium act, 1978 PA 59, MCL 559.104.

25 (h) "Seller" means the equitable or legal owner of real
26 estate.

27 (i) "Seller's agent" means a licensee acting on behalf of the
28 seller in a real estate transaction ~~who~~**that** undertakes to accept
29 the responsibility of serving the seller consistent with those

1 fiduciary duties existing under common law.

2 (j) "Supervisory broker" means an associate broker designated
3 in a written agency agreement to act in a supervisory role in an
4 agency relationship.

5 (k) "Transaction coordinator" means a licensee ~~who is not~~
6 ~~acting as the agent of either~~ **that is facilitating a real estate**
7 **transaction for both** the buyer ~~or~~ **and** the seller **in a nonagency**
8 **capacity that is not serving as an advocate or advisor for either**
9 **party.**

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 103rd Legislature are
12 enacted into law:

13 (a) House Bill No. 5229 (request no. H04896'25).

14 (b) House Bill No. 5227 (request no. H04897'25).