

## ANN ARBOR CITY APPROVAL NOTICE

ORDINANCE NO. ORD-24-23

### HOME ENERGY RATING DISCLOSURE

AN ORDINANCE TO AMEND CHAPTER 102 (HOME ENERGY RATING DISCLOSURE) OF TITLE VIII.

The City of Ann Arbor ordains that Chapter 102 of Title VIII of the Code of the City of Ann Arbor be amended as follows:

Section 1. That Chapter 102 (Home Energy Rating Disclosure) of Title VIII of the Code of the City of Ann Arbor is amended as follows:

#### **8:391. Legislative purpose.**

The purpose of this chapter is to require sellers of certain residential dwellings to provide information to buyers about residential building energy performance. This information will enable more knowledgeable decisions about the full costs of operating dwellings prior to purchase and ~~to~~ motivate investments in home improvements that increase the health, safety, and welfare of occupants and lower utility bills, reduce carbon emissions, and increase comfort. This chapter shall be known as the Home Energy Rating Disclosure.

#### **8:392. Definitions.**

The following shall apply in the interpretation and enforcement of this chapter:

*Accessory Dwelling Unit* means a dwelling unit for not more than 1 family which is an integral part of a single-family dwelling or is included in a detached accessory building, and that meets all of the requirements of section 5.16.6D of the Unified Development Code (UDC). The dwelling includes 1 or more rooms with kitchen and sanitary facilities defined as a unit for occupancy by single-family, independent of the principal ~~b~~Building.

*Approved Alternative Energy Score* means a score received on an alternative energy score program approved by the Director and outlined in the Home Energy Rating Disclosure regulations.

*Director* means the Director of the Office of Sustainability and Innovations or their designee.

*Dwelling* means any building which is wholly or partly used or is intended to be used as a habitable space by human occupant(s).

*Home Energy Assessor* means a person who is a Home Energy Score Certified Assessor by the United States Department of Energy ("DOE") Home Energy Score

system or a person who is trained in assessing a Dwelling to provide an Approved Alternative Energy Score and maintains their applicable certification.

*Home Energy Score* means the DOE Home Energy Score Asset Rating or Approved Alternative Energy Score that is based on physical inspection of the Dwelling or design documents used for the Dwelling's construction and completed by a Home Energy Assessor.

*Home Energy Score Report* means the report prepared by a Home Energy Assessor in compliance with the DOE Home Energy Score Standard or an Approved Alternative Energy Score assessment.

*Listing Service* means a database tool established and used by cooperating real estate professionals to provide and share data about properties for sale.

*Public Listing* means listing real property for sale on the real estate market whether by printed advertisement, internet posting, or through a private database intended for use by real estate licensees or buyers with the purpose of identifying and comparing real properties for purchase.

*Real Estate Listing* means a listing of real property for sale in the City of Ann Arbor either by a listing agreement between a Seller of real property and a real estate broker or principal real estate broker, or by an individual property owner when they are advertising their home for sale without a real estate license. This includes listings by printed advertisement, internet posting, or through a Listing Service.

*Sale* means a conveyance of title to real property.

*Seller* means any individual or entity possessing title to real property that is seeking to sell the property, or the association of unit owners or other representative body responsible for management of a condominium with authority that has authorized the listing of real property.

### **8:393. Home energy rating disclosure regulations.**

The Director may adopt regulations implementing this chapter. Those regulations shall take effect 30 days after being filed with the City Clerk unless modified or disapproved by the City Council.

### **8:394. Applicability of seller home energy rating disclosure requirements.**

The Seller disclosure requirements of section 396 apply to the transfer of any interest in real estate of any residential Dwelling.

### **8:395. Exceptions to seller home energy rating disclosure requirements.**

The Seller disclosure requirements of section 396 do not apply to the following:

- (1) A single dwelling unit in a building containing multiple dwelling units that are stacked vertically, such as an apartment or other single unit in a multifamily structure, which is sold independently;
- (2) Detached accessory dwelling units;

- (3) Manufactured housing or mobile homes;
- (4) Commercial buildings; and
- (5) Any of the transfers listed in section 3 of the Seller Disclosure Act, MCL 565.953.

**8:396. Seller home energy rating disclosure requirements.**

- (1) In connection with the Public Listing of ~~Prior to publicly listing~~ any real property described in section 394 for sale, the Sseller shall:
  - (a) Obtain a Home Energy Score Report from a Home Energy Assessor prior to the Public Listing;
  - (b) Provide a copy of the Home Energy Score Report to:
    - 1. All licensed real estate agents working on the Sseller's behalf;
    - 2. The Director prior to or at the time of the Public Listing;
  - (c) Include an active link or URL to the Home Energy Score and the Home Energy Score Report in at least one (1) Rreal Eestate Llisting for such real property. This Real Estate Listing must be accessible to a member of the general public without the aid of a real estate agent or any other special credentials and must remain accessible until the real property is sold or otherwise taken off the market. The Sseller shall provide the Director the location of the publicly accessible real estate listing that contains the link or URL to the Home Energy Score and the Home Energy Score Report.
- (2) At the time of Ssale, the Sseller shall provide the buyer(s) the Home Energy Score Report.
- (3) Each Home Energy Score Report required in subsections (1) and (2) above must include the following:
  - ~~(a) The date the report was supplied to the seller;~~
  - ~~(ab)~~ A DOE Home Energy Score and an explanation of the score or an Approved Alternative Energy Score;
  - ~~(c) An estimate of the total annual energy generated by on-site solar electric, wind electric, hydroelectric, geothermal, and solar water heating systems;~~
  - ~~(bd)~~ An estimate of the total annual energy used in the Ddwelling in retail units of energy, by fuel type;
  - ~~(ce)~~ An estimate of the total monthly or annual cost of energy purchased for use in the Ddwelling in dollars, by fuel type, based on the current average annual retail residential energy price serving the Ddwelling at the time of the report and the average annual energy prices of non-regulated fuels, by fuel type, as provided by the Energy Information Administration or State of Michigan, as available;

(~~df~~) The current average annual utility retail residential energy price in dollars, by fuel type, and the average annual energy prices of non-regulated fuels, by fuel type, provided by Energy Information Administration and used to determine the costs described in this section;

(~~eg~~) At least 1 comparison Home Energy Score that provides context for the range of possible scores. Examples of comparison include, but are not limited to, a similar ~~D~~dwelling with Ann Arbor's average energy consumption, the same ~~D~~dwelling built to current Michigan energy code applicable to new construction, and the same Dwelling with certain energy efficiency updates;

(~~fh~~) The name ~~of and contact information for~~ the entity that assigned the Home Energy Score or Approved Alternative Energy Score;

(~~gi~~) The date the Home Energy Assessment was performed;

~~(j) The expiration date for the Home Energy Score Report;~~

(~~hk~~) The address, year built, and heated square footage of the ~~D~~dwelling; and

~~(i) Any recommendations for improvement that come with automatic Home Energy Score estimated CO2 emissions reductions. An estimate of the Dwelling's greenhouse gas emissions based on the Home Energy Score or Approved Alternative Energy Score estimate of the dwelling's energy use, fuel types, and utility and fuel specific emission factors.~~

(4) A Home Energy Assessor may enter real property or a ~~D~~dwelling only with the consent of the ~~S~~seller or occupant. Where a ~~S~~seller or occupant demands a warrant for entry of a Home Energy Assessor, the Director shall obtain a warrant from a court of competent jurisdiction prior to entry.

### **8:397. Waiver from home energy rating disclosure requirements.**

(1) A Seller may request a waiver from the seller disclosure requirements of section 396 in writing. The Sseller shall submit to the Director any documentation reasonably necessary to substantiate the request or otherwise assist the Director in the waiver determination. Any waiver granted will be limited to the sale for which the request was made and does not extend to past or future sales.

(2) The Director may, in their sole discretion, waive the seller disclosure requirements if they determine that a Sseller cannot meet them because a Home Energy Score Report is not applicable to the Dewelling or compliance with the requirements are otherwise not feasible for the Dewelling. The Director shall review and decide each waiver request within 14 days of receipt.

(3) A decision on a waiver request may be appealed to the City Administrator by submitting a written appeal to the Director along with any supporting documentation within 14 days from the date of the decision.

### **8:398. Maintenance of records.**

The Director shall maintain all records submitted in compliance with this chapter for a period of eight (8)~~5~~ years.

### **8:399. Penalties.**

(1) Prior to the time of Ssale, the city shall not impose any penalty for a Sseller's failure to comply with this chapter. The penalties in subsection (2) below do not begin to apply until a Sseller is not in compliance with this chapter at the time of Ssale.

(2) A violation of any provision of this chapter is a civil infraction punishable by a fine of not more than \$500.00 for a first offense, and not more than \$1,000.00 for each additional or subsequent offense, plus the costs of prosecution including court costs. Each act or violation shall constitute a separate offense. ~~Violations of this chapter shall be enforced by Building and Rental Services Unit Employees. Development Services Inspectors are eligible to enforce.~~ The court may issue and enforce any judgment, writ, or order necessary to enforce this chapter.

(3) Knowingly submitting a false Home Energy Score Report or submitting it with reckless disregard for the truth and accuracy of it is a civil infraction punishable by a fine of not more than \$500.00 plus the costs of prosecution, including court costs.

(4) The remedies set forth in this section are not exclusive. In addition to any remedies provided in this section, the city may also seek equitable or other remedies.

Section 2. In the event that any court of competent jurisdiction shall hold any provision of this Ordinance invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 3. This ordinance shall take effect immediately upon legal publication.

**As Amended and Adopted on Second Reading on October 7, 2024**

I hereby certify that the foregoing ordinance was adopted by the Council of the City of Ann Arbor, Michigan, at its regular session of October 7, 2024.

Jacqueline Beaudry, Ann Arbor City Clerk  
Christopher Taylor, Mayor of the City of Ann Arbor

**Published: 10/17/2024 on the City Clerk's Webpage.**