



**House  
Legislative  
Analysis  
Section**

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**HOUSING DISCRIMINATION BASED ON INCOME**

House Bill 4610 as introduced  
First Analysis (5-10-89)

**RECEIVED**

JUN 06 1989

Sponsor: Rep. Charlie Harrison, Jr. Mich. State Law Library  
Committee: Civil Rights

***THE APPARENT PROBLEM:***

Lower-income residents face severe problems in the competition for safe, affordable housing in Michigan, as evidenced by the growing numbers of homeless individuals and families. Demolitions, conversions, renovations and increased rents have all played a role in the decline in the number of affordable units in the private sector, and in the public sector production of low-income rental housing has all but stopped due to cuts in federal subsidy programs. At the same time, minorities face discrimination in efforts to secure satisfactory housing. The National Housing Task Force, in its March, 1988, report, states that "... the average minority household — regardless of economic status, and whether seeking to buy a home or rent an apartment — encounters racially based discrimination when it enters the housing market."

Landlords of low-income housing and real estate brokers also exacerbate the low-income housing problem by discriminating against recipients of public assistance, social security, and disability payments. Although state and federal laws prohibit discrimination on the basis of race, religion, color, national origin, creed, age, sex, marital status, height or weight, as well as discrimination against handicappers, discriminatory practices continue to be a barrier to obtaining housing for the poor. As a solution to this latter problem, some feel that prohibiting discrimination based on source of income would provide a legal mechanism for those who believe they have been discriminated against.

***THE CONTENT OF THE BILL:***

The Elliott-Larsen Civil Rights Act prohibits discriminatory practices based upon religion, race, color, national origin, age, sex, height, weight, or marital status. The bill would amend the act to also prohibit discrimination based on a person's source of legal income. Under the bill, the opportunity to obtain housing without discrimination due to the source of a person's legal income would be a civil right. A real estate broker, salesperson, or employee would be prohibited from discriminating against a person in a real estate transaction because of the source of the person's legal income, and any condition, restriction, prohibition or representation that limited the use or occupancy of property or induced the sale of property based on source of legal income would be considered void, except as provided under the act.

MCL 37.2102 et al.

***FISCAL IMPLICATIONS:***

According to the House Fiscal Agency, the bill would have no fiscal implications. (5-10-89)

***ARGUMENTS:***

***For:***

Many of those who experience discrimination because of the source of their income are those least able to help themselves: the disabled, the mentally handicapped, the

aged, and the children of poverty-stricken families. These are the individuals who increasingly make up the homeless population. Although there is no single solution to the problems faced by those who cannot find affordable housing, the state cannot afford to ignore them. Although enforcement would be difficult, prohibiting discrimination based on source of income is good public policy and would at least provide a legal mechanism for tenants who believe they have been discriminated against.

***Against:***

The bill would make it illegal for landlords to refuse to rent to Department of Social Services (DSS) clients. This would place an unfair burden on landlords, in situations where — for example — DSS clients vacate housing units without informing the landlord, and often do considerable damage, for which the landlord receives no compensation.

***Response:*** This problem could be solved if DSS developed an improved system of security deposits for clients. Currently, shelter deposits are provided only if a household is homeless or is about to become homeless. Clients are forced to leave without paying the last month's rent if they are to have sufficient funds to pay a deposit on a new housing unit. If, as advocacy groups have proposed, DSS provided landlords with reusable security vouchers, with all or part of the voucher to be paid only if there were verified instances of non-payment or damages, clients would have the incentive to care for their housing in order to assure that they would have future security benefits.

***POSITIONS:***

The Department of Civil Rights supports the bill. (5-9-89)

H.B. 4610 (5-10-89)