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LEASE MAY BE BROKEN

House Bill 4287 as introduced
First Analysis (2-16-95)

Sponsor: Rep. Jan Dolan
Committee: Commerce

THE APPARENT PROBLEM:

Senior citizens who place their names on waiting lists for government subsidized housing often have to wait for three to six years before being notified that a rental unit is available for them. At that point, however, they may also be caught in another dilemma: the current rental agreement usually contains a lease, and the tenant is penalized if he or she breaks it. This can be a traumatic experience for those who can no longer afford a higher rent, but, more especially, for those who are no longer able to live independently, and who need the services provided in senior citizen housing units. To aid seniors in this predicament or those who cannot live independently, it is proposed that rental agreements entered into by such persons specify that the lease could be terminated within a period of 60 days if the tenant became eligible for government-subsidized senior citizen housing or was unable to live alone as certified by a physician.

THE CONTENT OF THE BILL:

The bill would amend the landlord-tenant act (MCL 554.601) to require a rental lease to include a provision specifying that a tenant who had occupied a rental unit for more than 13 months could terminate the lease by a 60-day written notice to the landlord, provided one of the following occurred:

- * The tenant provided the landlord with proof that he or she had become eligible during the lease term for senior citizen housing (defined under the bill to mean housing for persons 62 years of age or older that was subsidized in whole or in part under any local, state, or federal program).
- * The tenant became incapable of living independently during the lease term, as certified by a physician in a notarized statement.

BACKGROUND INFORMATION:

Similar legislation (House Bill 4349) passed the House during the 1993-94 legislative session but died in a Senate Committee.

FISCAL IMPLICATIONS:

The House Fiscal Agency says the bill would not affect state or local budget expenditures. (2-15-95)

ARGUMENTS:

For:

Elderly citizens shouldn't have to make a choice between paying for two rents at the same time, or else giving up an opportunity to move into a more affordable senior housing unit, yet many senior citizens are placed in this dilemma. The bill would help older citizens who have signed rental lease agreements but who, simultaneously, are on a waiting list for government subsidized housing that has become available to avoid such situations. Under the bill, a senior citizen who met the bill's criteria could break a lease and give a landlord a 60-day written notice of his or her intention to move, without being penalized by the landlord. In addition, the provisions of the bill would only apply to those who had occupied a rental unit for at least 13 months, so landlords wouldn't be faced with the problem of having to find new tenants every few months.

Against:

The bill would place an unfair burden on landlords, who would never know when a lease entered into with a senior citizen might be broken. The bill could also have the opposite effect from its intended purpose: landlords might be prejudiced from entering into leases with senior citizens, since they might reasonably conclude that a lease would carry

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little legal weight, particularly regarding the tenant's responsibilities. Rather than helping senior citizens with housing problems, the bill in fact could make it more difficult for them to find reasonable housing. The bill should be amended to at least require landlords to be notified as soon as a senior tenant placed his or her name on a list for "senior citizen housing."

POSITIONS:

The Office of Services to the Aging supports the bill. (2-15-95)

The Michigan State Housing Development Authority (MSHDA), within the commerce department, supports the bill. (2-15-95)

The Michigan Consumer Federation supports the bill. (2-15-95)

The Housing Bureau for Seniors, which serves Washtenaw County, supports the bill. (2-15-95)

The Michigan State Council of Senior Citizens supports the bill. (2-16-95)

The Michigan Association of Realtors supported a similar bill from the 1993-94 legislative session, but has no position on House Bill 4287. (2-15-94)

The Landlords of Mid-Michigan Association has not yet taken a position on the bill. (2-15-95)