



HOUSE BILL No. 4287

February 2, 1995, Introduced by Reps. Dolan, Ryan, Goschka, McManus, Jellema, Brewer, DeHart, Dalman, Oxender, Dobb, Ciaramitaro, Martinez, Pitoniak, Hammerstrom, Bodem, Middleton, McNutt and Stallworth and referred to the Committee on Commerce.

A bill to amend section 1 of Act No. 348 of the Public Acts of 1972, entitled

"An act to regulate relationships between landlords and tenants relative to rental agreements for rental units; to regulate the payment, repayment, use and investment of security deposits; to provide for commencement and termination inventories of rental units; to provide for termination arrangements relative to rental units; to provide for legal remedies; and to provide penalties,"

as amended by Act No. 297 of the Public Acts of 1984, being section 554.601 of the Michigan Compiled Laws; and to add section 1a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1 of Act No. 348 of the Public Acts of
2 1972, as amended by Act No. 297 of the Public Acts of 1984, being
3 section 554.601 of the Michigan Compiled Laws, is amended and
4 section 1a is added to read as follows:

1 Sec. 1. As used in this act:

2 (a) "Rental unit" means a structure or part ~~thereof~~ OF A
3 STRUCTURE used as a home, residence, or sleeping unit by a single
4 person or household unit, or any grounds, or other facilities or
5 area promised for the use of a residential tenant and includes,
6 but without limitation, apartment units, boarding houses, rooming
7 houses, mobile home spaces, and single and 2-family dwellings.

8 (b) "Rental agreement" means ~~all agreements which establish~~
9 ~~or modify~~ AN AGREEMENT THAT ESTABLISHES OR MODIFIES the terms,
10 conditions, rules, regulations, or any other provisions concern-
11 ing the use and occupancy of a rental unit.

12 (c) "Landlord" means the owner, lessor, or sublessor of the
13 rental unit or the property of which it is a part and, in addi-
14 tion, means a person authorized to exercise any aspect of the
15 management of the premises, including a person who, directly or
16 indirectly, acts as a rental agent, receives rent, ~~or any part~~
17 ~~thereof~~, other than as a bona fide purchaser, and who has no
18 obligation to deliver the ~~whole of such~~ receipts to another
19 person.

20 (d) "Tenant" means ~~any~~ A person who occupies a rental unit
21 for residential purposes with the landlord's consent for an
22 agreed upon consideration.

23 (e) "Security deposit" means a deposit, in any amount, paid
24 by the tenant to the landlord or his or her agent to be held for
25 the term of the rental agreement, or any part ~~thereof~~ OF THE
26 TERM, and includes any required prepayment of rent other than the
27 first full rental period of the lease agreement; any sum required

1 to be paid as rent in any rental period in excess of the average
2 rent for the term; and any other amount of money or property
3 returnable to the tenant on condition of return of the rental
4 unit by the tenant in condition as required by the rental
5 agreement. Security deposit does not include either of the
6 following:

7 (i) An amount paid for an option to purchase, pursuant to a
8 lease with option to purchase, unless it is shown the intent was
9 to evade this act.

10 (ii) An amount paid as a subscription for or purchase of a
11 membership in a cooperative housing association incorporated
12 under the laws of this state. As used in this subparagraph,
13 "cooperative housing association" means a consumer cooperative
14 that provides dwelling units to its members.

15 (F) "SENIOR CITIZEN HOUSING" MEANS HOUSING FOR INDIVIDUALS
16 62 YEARS OF AGE OR OLDER THAT IS SUBSIDIZED IN WHOLE OR IN PART
17 UNDER ANY LOCAL, STATE, OR FEDERAL PROGRAM.

18 SEC. 1A. A RENTAL AGREEMENT SHALL PROVIDE THAT A TENANT WHO
19 HAS OCCUPIED A RENTAL UNIT FOR MORE THAN 13 MONTHS MAY TERMINATE
20 A LEASE BY A 60-DAY WRITTEN NOTICE TO THE LANDLORD IF 1 OF THE
21 FOLLOWING OCCURS:

22 (A) THE TENANT BECOMES ELIGIBLE DURING THE LEASE TERM TO
23 TAKE POSSESSION OF A SUBSIDIZED RENTAL UNIT IN SENIOR CITIZEN
24 HOUSING AND PROVIDES THE LANDLORD WITH WRITTEN PROOF OF THAT
25 ELIGIBILITY.

1 (B) THE TENANT BECOMES INCAPABLE DURING THE LEASE TERM OF
2 LIVING INDEPENDENTLY, AS CERTIFIED BY A PHYSICIAN IN A NOTARIZED
3 STATEMENT.