

# Legislative Analysis

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## HOUSING LAW AMENDMENTS

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### Senate Bill 313 (Substitute H-2)

**Sponsor: Sen. Dave Robertson**

**House Committee: Local Government**

**Senate Committee: Local Government and Elections**

**Complete to 12-11-14**

## A REVISED SUMMARY OF SENATE BILL 313 (H-2) AS REPORTED BY HOUSE COMMITTEE

Senate Bill 313 (H-2) would amend the Housing Law of Michigan to do the following:

- Provide that the law would apply to each city, village, and township with a population of at least 10,000, but would not apply to private and two-family dwellings in any city, village, or township with a population of less than 100,000, unless the applicable legislative body adopted the act's provisions by resolution.
- Allow, rather than require, an enforcing agency to maintain a registry of owners and premises regulated by the act.
- Allow an enforcing agency to charge the owner of a regulated dwelling a fee to register the premises. (The bill defines "registration fee" to mean any fee associated with the registration or re-registration of the premises, whether designated as a registration, administrative, compliance certification, licensing, or other fee.)
- Specify that an existing registration would remain valid, and prohibit the enforcing agency from charging a new registration fee, unless (1) additional dwelling units were constructed after a registration was filed; (2) there was a change of address for either the owner or the property manager; or (3) the premises were sold or there was a transfer of ownership.
- Provide that a local governmental unit may, rather than shall, inspect multiple dwellings and rooming houses.
- Revise provisions regarding the frequency of inspections of a multiple dwelling or rooming house so that a local governmental unit could provide for a maximum period between inspections not longer than 10 years, rather than six years as is currently the law.
- Provide that a renter would have to grant permission for an inspection in order for an enforcing agency to require an owner to give the agency access to a leasehold.
- Specifically, provide an enforcing agency access to the leased unit only if (1) the lease provided the owner and the local governmental unit a right of entry for

inspections by the local enforcement agency; or (2) a lessee had granted permission for the inspection. (To implement this provision, a local governmental unit could adopt either an ordinance or a resolution.)

- Allow an enforcing agency to require that a landlord notify a renter of the enforcement agency's request to inspect a leasehold; make a good-faith effort to obtain permission for an inspection; notify the enforcing agency of the lessee's response; and if requirements are met, arrange for the inspection.
- Specify that a landlord's notice that a renter can refuse an inspection would not be evidence of failure to make a good-faith effort to obtain the renter's permission for an inspection.
- Require that payment of an inspection fee would not be required sooner than six-months before the inspection was to take place.

Now the law establishes a maximum period of four years between inspections of multiple dwellings and rooming houses. A local unit may provide by ordinance for a *maximum* period between inspections of up to six years, if the most recent inspection found no violation and the building has not changed ownership during that time. The bill provides that, under these circumstances, a local unit could provide for a maximum period between inspections of up to 10 years.

Currently, if a lessee vacates a leasehold after the enforcing agency has requested to inspect it, the owner must notify the agency within 10 days after the leasehold is vacated. Under the bill, this requirement would apply if the lessee vacated the leasehold within 60 days after the enforcing agency requested to inspect it.

MCL 125.401 et al.

## **FISCAL IMPACT:**

The bill would have an indeterminate but likely negative effect on local units of government. Inspection fees are limited by the act to the cost of the inspection itself; therefore, under current law, inspections have a net cost of zero. The bill would allow residents to refuse an inspection, and each refusal represents some expenses that cannot then be recovered through a fee. Additionally, local units would lose revenue from any fines and fees related to violations that they would have otherwise found if the resident had not refused the inspection. If local units simply initiate fewer inspections, these losses would be limited to foregone fines and fees.

### Community Health Impact

Reducing the frequency and/or occurrence of housing inspections may have an offsetting effect on state-funded efforts to reduce incidence of childhood lead poisoning. Current Department of Community Health efforts are focused on prevention, education, and outreach, as well as identifying lead-poisoned children and eliminating exposure of those children to lead in their homes and child care settings, including lead hazard abatement/remediation. Funds invested in prevention of lead poisoning save medical

and/or special education costs that may occur with affected children. Current DCH efforts are funded at \$5.6 million (\$1.9 million GF/GP) for childhood lead and healthy homes programs.

## **POSITIONS:**

The Apartment Association of Michigan supports the bill. (12-4-14)  
The Rental Property Owners Association supports the bill. (12-4-14)  
The Home Builders Association of Southeast Michigan supports the bill. (12-4-14)  
The Michigan Realtors support the bill. (12-4-14)  
The Property Management Association of Michigan supports the bill. (12-4-14)

The Michigan Fire Chiefs Association opposes the bill. (12-4-14)  
The Brighton Fire Authority opposes the bill. (12-4-14)  
The Michigan Fire Inspectors Society opposes the bill. (12-4-14)  
The Michigan Municipal League opposes the bill. (12-4-14)  
The City of Detroit opposes the bill. (12-4-14)  
The City of Grand Rapids opposes the bill. (12-4-14)  
The Conference of Western Wayne County opposes the bill. (12-4-14)  
The City of Jackson (and 21 Jackson citizens) opposed the bill. (12-4-14)  
The City of East Lansing opposes the bill. (12-4-14)  
Michigan State University opposes the bill. (12-4-14)  
The City of Kalamazoo opposes the bill. (12-4-14)  
The Michigan Townships Association opposes the bill. (12-4-14)  
The Michigan Alliance on Lead Safe Housing and Healthy Homes of West Michigan opposes the bill. (12-4-14)

A coalition of 20 health care organizations oppose the bill, based generally on its potential negative impact on efforts to protect children from lead poisoning. The coalition includes the following:

The American Academy of Pediatrics – Michigan Chapter; the Arc of Michigan, Inc.; The Arc of Oakland County; CLEAR Corps/Detroit; Detroit Lead Partnership; Ecology Center; Family Promise of Grand Rapids; Healthy Homes Coalition of West Michigan; Ingham County Health Department; Michigan Association of Local Public Health; Michigan Breast Cancer Coalition; Michigan Council for Maternal and Child Health; Michigan Environmental Council; Michigan Network for Children's Environmental Health; Michigan Nurses Association; Michigan's Children; School-Community Health Alliance of Michigan; Sierra Club Michigan Chapter; Southeastern Michigan Association of Neonatal Nurses; and We Are For Children (a West Michigan pediatric-focused primary care group). (12-4-14)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.