

## REPRESENTATION OF LIMITED LIABILITY COMPANIES IN EVICTION PROCEEDINGS

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**House Bill 4509 as introduced**  
**Sponsor: Rep. Scott VanSingel**  
**Committee: Judiciary**  
**Complete to 5-20-19**

### SUMMARY:

House Bill 4509 would amend Chapter 57 of the Revised Judicature Act (RJA), which regulates summary proceedings to recover possession of premises. The bill would add section 5707, which would allow a limited liability company (LLC) to be represented by a person other than a lawyer in an eviction case, but only if certain conditions were met.

Under the bill, if a complaint in a summary proceeding requested only the recovery of possession of the premises, or both recovery and a money judgment (not including taxable costs), and if a party to the proceeding were an LLC, that party could be represented in the proceeding by a member of the LLC.

However, such representation could only occur if both of the following applied:

- The member has direct and personal knowledge of the facts alleged in the complaint.
- The amount is less than the applicable limit of the small claims division, as described in section 8401 of the RJA, when a complaint requests the recovery of possession *and* a money judgment, not including taxable costs. (The limit is currently \$6,000; beginning January 1, 2021, it will be \$6,500; and it is set to increase to \$7,000 in 2024.)

Such representation could also only occur if one of the following applied to the LLC:

- The LLC has only one member, and the member is an individual.
- The LLC has only two members, who are married to one another. In this case, both members would have to sign a verified statement authorizing the representation, and the original signed copy would be filed with the court in the summary proceeding. Before the hearing, a designated court employee would have to review the file and determine that the verified statement had been filed with the court. This provision would not apply if there was an action for divorce or separate maintenance pending between the members or if a judgment for separate maintenance had been entered as to the members.

A party seeking to proceed under the new section would have to prove that it qualifies to do so. The bill also states that representation under this new section would not violate section 916, which prohibits the unauthorized practice of law.

Proposed MCL 600.5707

**FISCAL IMPACT:**

House Bill 4509 would have an indeterminate fiscal impact on the state and on local court funding units. Costs would depend on how provisions of the bill affected court staff workloads, court caseloads, and related administrative costs.

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