

Act No. 179
Public Acts of 2024
Approved by the Governor
December 30, 2024
Filed with the Secretary of State
December 30, 2024
EFFECTIVE DATE: April 2, 2025

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2024**

Introduced by Senators Bayer, Cavanagh, Irwin, Moss, Cherry, McMorrow, Shink, Wojno,
Chang, Klinefelt and Geiss

ENROLLED SENATE BILL No. 206

AN ACT to amend 1972 PA 348, 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,” by amending the title and section 1 (MCL 554.601), section 1 as amended by 1995 PA 79.

The People of the State of Michigan enact:

TITLE

An act to regulate relationships between landlords and tenants relative to rental agreements for rental units; to guarantee full and equal access to, and full and equal use and enjoyment of, residential rental accommodations regardless of a tenant’s or prospective tenant’s source of income; 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.

Sec. 1. As used in this act:

(a) “Landlord” means any of the following:

(i) The owner, lessor, or sublessor of a rental unit or the property of which it is a part.

(ii) A person authorized to exercise any aspect of the management of the premises, including a person that, directly or indirectly, acts as a rental agent or receives rent, other than as a bona fide purchaser, and that has no obligation to deliver the receipts to another person.

(b) “Rental agreement” means an agreement that establishes or modifies the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a rental unit.

(c) “Rental unit” means a structure or part of a structure used as a home, residence, or sleeping unit by a single person or household unit, or any grounds, or other facilities or area promised for the use of a residential tenant. Rental unit includes, but is not limited to, apartment units, boarding houses, rooming houses, mobile home spaces, and single and 2-family dwellings.

(d) “Security deposit” means a deposit, in any amount, paid by the tenant to the landlord or the landlord’s agent to be held for the term of the rental agreement, or any part of the term, and includes any required

prepayment of rent other than the first full rental period of the lease agreement; any sum required to be paid as rent in any rental period in excess of the average rent for the term; and any other amount of money or property returnable to the tenant on condition of return of the rental unit by the tenant in condition as required by the rental agreement. Security deposit does not include either of the following:

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

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

(e) "Senior citizen housing" means housing for individuals 62 years of age or older that is subsidized in whole or in part under any local, state, or federal program.

(f) "Source of income" includes benefits or subsidy programs including housing assistance, housing choice vouchers provided under 42 USC 1437f, public assistance, veterans' benefits, Social Security, supplemental security income or other retirement programs, and other programs administered by any federal, state, local, or nonprofit entity. Source of income does not include either of the following:

(i) Income that a prospective tenant cannot demonstrate is derived from sources and activities permitted by law and is provided on an ongoing basis.

(ii) Housing assistance that is not approved by the appropriate agency within 30 days after the landlord provides all information required as a condition of the agency's approval, including evidence that all repairs required before occupancy have been completed.

(g) "Tenant" means an individual who occupies a rental unit for residential purposes with the landlord's consent for an agreed upon consideration.

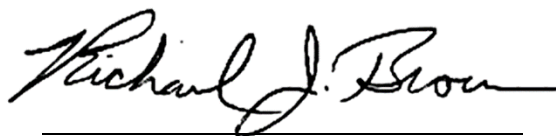
Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 102nd Legislature are enacted into law:

(a) Senate Bill No. 205.

(b) House Bill No. 4062.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor