



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 19 (Substitute S-1 as reported)
Senate Bills 20 through 22 (as reported without amendment)
Sponsor: Senator Sarah Anthony
Committee: Housing and Human Services

Date Completed: 6-12-25

CONTENT

Senate Bill 19 (S-1) would amend the Revised Statutes of 1846, which governs legal rights and responsibilities related to real estate, to do the following:

- Prescribe time requirements for a lessor or licensor to commence repairs upon written notice from a lessee, such as a 24-hour period to commence repairs for a condition that was imminently hazardous to life or the health and safety of the lessee or licensee.
- Upon a licensor or lessor's failure to commence a repair within the prescribed timeline, allow a lessee or licensee to withhold rent until the repairs were complete or commence the repairs and deduct the cost from rent.
- Prescribe requirements a lessee or licensee would have to meet to commence repairs and deduct the cost from rent, including obtaining at least three free estimates from an individual licensed under the Occupational Code and sending estimates to the lessor or licensor.
- Prohibit retaliation against a lessee or licensee that withheld rent or commenced repairs and deducted the cost from rent.
- Require new rental agreements to notify a lessee or licensee of the rights to withhold rent or commence repairs as provided by the bill.
- Delete a provision allowing the parties to a lease or license to modify the obligations of the Statute if the current term of the lease is at least one year.

Senate Bill 20 would amend the Truth in Renting Act to delete a reference to a provision that Senate Bill 19 (S-1) would delete.

Senate Bill 21 would amend the Truth in Renting Act to do the following:

- Prohibit a rental agreement from including a provision that waived or altered a lessee's or licensee's right to commence a repair and deduct its cost from rent or withhold rent until the completion of a repair as proposed by Senate Bill 19 (S-1).
- Require a rental agreement to include a statement on the process a landlord would have to follow upon intent to offer a lease renewal with a rent increase.

Senate Bill 22 would amend the landlord-tenant Act to specify that a landlord would not have to send a check to a tenant with the difference between a tenant's security deposit and the damages claimed against the security deposit as currently required by the Act if the landlord instead sent the difference to the tenant's bank account through direct deposit or electronic transfer or to the tenant through an internet or mobile payment application. The landlord would have to send the amount within 10 days of mailing the required notice of damages claimed against a tenant's security deposit.

Senate Bills 19 through 21 are tie-barred.
MCL 554.139 (S.B. 19)

554.636 (S.B. 20)
554.633 & 554.634 (S.B. 21)
554.609 (S.B. 22)

BRIEF RATIONALE

As of December 2024, Lansing had 739 properties tagged for not meet minimum safety standards.¹ According to testimony before the Senate Committee on Housing and Human Services, many unsafe properties exist due to those landlords poorly maintaining basic housing standards. Additionally, current law requires landlords to return the difference in claimed damages and the amount of the security deposit by a check or money order. Testimony also indicates that digital transactions are an increasingly popular and safe way to transfer funds, and often a recipient will have access to digitally transferred funds sooner than funds received by check or money order. To improve rental properties and transactions between landlords and tenants, allowing renters to arrange repairs and deduct the cost from their rent in instances where maintenance is not made in a timely manner and allowing a landlord to transfer the difference of a security deposit through direct deposit or electronic transfer have been suggested.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 19 through 21 are respectively similar to Senates Bills 902 through 904 of the 2023-2024 Legislative Session. Senate Bill 22 is a reintroduction of Senate Bill 539 of the 2023-2024 Legislative Session. Senate Bill 539 passed the Senate and was reported from the House Committee on Economic Development and Small Business but received no further action.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bills would not have a direct fiscal impact on the State, local governments, or local court systems. The bills could reduce evictions for local systems, which would have indirect benefits related to homelessness, productivity, and tax revenue. See: Collison, Robert, *Eviction and Poverty in American Cities*, National Bureau of Economic Research, 2022.

Fiscal Analyst: Michael Siracuse

¹ "Red Tag/Pink Tag Reports", City of Lansing, <https://www.lansingmi.gov/1121/Red-TagPink-Tag-Reports> Retrieved 6-11-25.