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## BILL ANALYSIS



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Senate Bills 19 through 22 (as introduced 1-22-25)

Sponsor: Senator Sarah Anthony

Committee: Housing and Human Services

Date Completed: 6-2-25

**CONTENT**

**Senate Bill 19 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 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 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.
- 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.

## **Senate Bill 19**

Beginning on the bill's effective date, a lessee or licensee would have to notify a lessor or licensor of a defective condition on the premises. On receipt of a written notice, or otherwise actual notice, a lessor or licensor would have to commence repairs in accordance with the following:

- If the defective condition were imminently hazardous to life or the health and safety of the lessee or licensee, the lessor or licensor would have to commence repairs or removal within 48 hours after receipt of the written notice.
- If the defective condition were the presence or reasonable suspicion of mold, the lessor or licensor would have to commence repairs or removal within 72 hours of receipt of the written notice and the repairs or removal would have to be in accordance with the American National Standards Institute/Institute of Inspection Cleaning and Restoration Certification Standard 520 (ANSI/IICRC S520) for Professional Mold Remediation or its successor publication.<sup>1</sup>
- If the defective condition were the presence of bedbugs or other pests or were not imminently hazardous to life or the health and safety of the lessee or licensee but deprived the lessee or licensee of the use of appliances supplied by the lessor or licensor, the lessor or licensor would have to commence repairs within 72 hours after the receipt of the written notice.
- In all other cases, the lessor or licensor would have to commence repairs within seven days of receipt of the written notice.

"Commence repairs" would mean physically initiating repairs.

A lessor or licensor that did not commence repairs within the applicable time period described above would be considered to have breached the rental agreement, warranty of habitability, and duty to repair. Under such a circumstance, the lessee or licensee could withhold rent, deposit the rent into an escrow account, and remit the rent to the lessor or licensor within 24 hours after the lessor or licensor completed the repair or commence repairs and deduct the cost from the rent.

A lessee or licensee that elected to commence repairs and deduct the repair cost from the rent would have to do all the following:

- Obtain at least three free written repair estimates from an individual licensed under the Occupational Code.
- Send the written repair estimates to the lessor or licensor with a written notice that stated that the lessee or licensee would make the repairs unless the lessor or licensor agreed to make the repairs within 24 hours after the receipt of the written repair estimates and the notice, and that the cost of making the repairs would be deducted from the rent.
- Keep all receipts related to the repairs and note the dates of repair.
- Send copies of all receipts and the remaining portion of the rent to the lessor or licensor.

The bill would prohibit a lessor or licensor from retaliating or discriminate against a lessee or licensee that took action to withhold rent or commence a repair as described above.

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<sup>1</sup> The ANSI/IICRC S520 Standard for Professional Mold Remediation is a procedural standard for the remediation of, and precautions for, mold in residential, commercial, and institutional buildings as well as the systems and personal property within those structures.

A rental agreement entered or renewed on or after the bill's effective date would have to incorporate the lessee's or licensee's right to repair and deduct or withhold rent until repairs were completed.

Additionally, the Statute allows 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. The bill would delete this provision.

### **Senate Bill 20**

The Truth in Renting Act requires rental agreements to contain certain disclosures and include a statement that Michigan law establishes rights and obligations for parties to rental agreements and all rental agreements are required to comply with Act's provisions. Additionally, rental agreements cannot contain clauses that: a) waive a tenant's right to safe and habitable housing; b) waive a tenant's legal rights to a security deposit; c) discriminate against protected groups; d) include a confession of judgement; or e) excuse the lessor from certain legal responsibilities, among other clauses.

If a rental agreement contains the required disclosures and statements but contains a provision in the agreement that violates the Act solely because of a judicial interpretation by a court of record of a provision of one of the required or prohibited clauses of a rental agreement, in an action where the lessor was a party, the lessor may avoid penalty for that violation by providing written notice to tenants within 30 days of the court's final determination.

The Act specifies that for the purpose of the provision described above allowing a lessor to avoid penalty, Section 39(2) of Chapter 66 (Estates in Dower, By the Curtesy, and General Provisions Concerning Real Estate) of the Revised Statutes of 1846 must not be considered to have been judicially construed.<sup>2</sup> The bill would delete this provision.

### **Senate Bill 21**

As described under Senate Bill 20, the Truth in Renting Act requires that all rental agreements contain specific disclosures and statements and are prohibited from including certain provisions. Under the bill, a rental agreement also could not include a provision that waived or altered a lessee's or licensee's right to repair and deduct or withhold rent until repairs were completed as described in Senate Bill 19.

Additionally, any rental agreement also would have to include a statement that if the landlord intended to offer a lease renewal at the end of the lease, the landlord would have to send a written lease renewal notice that included the increased rent amount to the tenant within 90 days before the end of the lease for a fixed term tenancy of one year or more, if applicable.

### **Senate Bill 22**

Generally, in the case of damage to a rental property or other obligations against a security deposit a landlord must mail an itemized list of damages to the tenant within 30 days of termination of occupancy. The itemized list must include an estimated cost of repair of each damaged property item and the amounts and bases that the landlord intends to assess the

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<sup>2</sup> Section 39(2), which Senate Bill 19 would delete, allows parties to a lease or license to modify obligations to maintain the premises of rental units and keep the premises in reasonable repair during the term of a lease if the current term of the lease is at least one year.

tenant through the tenant's security deposit. The list must be accompanied by a check or money order for the difference between the deposit and claimed damages.

Under the bill, the landlord would have to mail a notice that contained an itemized list of the damages assessed against the security deposit, including an estimated cost of repair of each property damaged item and the amounts and bases on which the landlord intended to assess the tenant. Beginning on the bill's effective date, a notice of damages would not have to be accompanied by a check or money if the landlord sent the difference between the damages claimed and the amount of the security deposit held by the landlord to the tenant's bank account through direct deposit or electronic transfer, or to an internet or mobile payment account or application. A landlord that complied with this provision would have to deposit the amount to the tenant as described above within 10 days of mailing the notice of damages

MCL 554.139 (S.B. 19)  
554.636 (S.B. 20)  
554.633 & 554.634 (S.B. 21)  
554.609 (S.B. 22)

### **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

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.