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BILL ANALYSIS



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Senate Bill 372 (as introduced 6-10-25)
Sponsor: Senator Rosemary Bayer
Committee: Housing and Human Services

Date Completed: 6-23-25

CONTENT

The bill would amend the landlord-tenant Act to do the following:

- **Allow a landlord to elect to accept a reusable consumer screening report from a prospective tenant that was prepared at the prospective tenant's request.**
- **Prohibit a landlord that accepted a prospective tenant's screening report from collecting a rental application fee from that individual.**
- **Allow a landlord to charge a \$25 rental application fee upon declining to accept a screening report from a prospective tenant but specify that the fee only could be used by the landlord to obtain such a report if the landlord provided the following notification to the applicant.**
- **Require a landlord to notify a prospective tenant of certain information such as criteria for an application's denial or approval and information on the occupancy available, among other things.**
- **Prohibit a landlord from using a prospective tenant's credit score or the fact that the prospective tenant was a party to a judicial action involving a dispute that arose under a tenancy in which there was no finding of liability against the prospective tenant in determining a prospective tenant's eligibility for a lease.**
- **Upon denying or conditionally approving a prospective tenant's rental application, require a landlord to inform the prospective tenant of such and provide the prospective tenant a copy of the report relied on in the decision and an opportunity to meet with the landlord to discuss the decision.**
- **Allow a tenant to bring a civil action against a landlord who violated the bill's provisions for actual damages up to \$1,000, reasonable attorney fees, and the costs of bringing the action.**

Prospective Tenant Reusable Screening Report

The bill would allow a landlord to elect to accept a reusable screening report from a prospective tenant. If a landlord accepted a reusable screening report in accordance with the bill, the landlord could require the prospective tenant to state, in writing, that there had not been a material change to the information in the reusable screening report.

"Prospective tenant" would mean a person that makes a request to a landlord or the landlord's agent to rent or lease a rental unit.

"Reusable screening report" would mean a consumer report that was prepared within the previous 45 days by a consumer reporting agency at the request and expense of a prospective tenant, made directly available to a landlord for use in the rental application process, or is provided through a third-party website that regularly engages in the business of providing a reusable tenant screening report and complies with all State and Federal laws pertaining to

use and disclosure of information contained in a consumer report by a consumer reporting agency, and is available to the landlord at no cost to access or use.

"Consumer report" would mean any written, oral, or other communication of information by a consumer reporting agency bearing on a consumers credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in any of the following:

- Credit or insurance to be used primarily for personal, family, or housing purposes.
- Employment purposes.
- Any purpose authorized under Federal law for the permissible purposes of consumer reports.

"Consumer reporting agency" would mean any person that, for monetary fees or dues or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties using any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

A landlord that maintained a website that advertised the rental premises for rent would have to include a statement in the advertisement that provided whether the landlord would accept a reusable screening report from a prospective tenant.

A landlord that accepted a reusable screening report from a prospective tenant could not charge the prospective tenant a rental application fee. A landlord that declined to accept a reusable screening report from a prospective tenant could charge the prospective tenant a fee of not more than \$25 that included the cost of obtaining a consumer report and the rental application fee, only if the landlord complies with the prospective tenant notice requirements described below.

"Rental application fee" would mean a nonrefundable payment of money charged by a landlord or the landlord's agent to a prospective tenant to receive, validate, review, or otherwise process an application for the rent or lease of a rental unit, and includes the cost of obtaining or assessing a consumer report.

Prospective Tenant Application Notice

Before accepting a rental application or a rental application fee from a prospective tenant, a landlord would have to inform the prospective tenant of all the following, in writing:

- The information that would be accessed to screen the tenant's application.
- What criteria could result in the denial of the prospective tenant's application.
- If a consumer report obtained by a landlord or reusable screening report obtained by the tenant would be required.
- That the prospective tenant had a right to obtain a free copy of the consumer report obtained by the landlord if the landlord took an adverse action against the tenant, or to dispute the accuracy of information contained in a consumer report obtained by the landlord or reusable screening report provided by the prospective tenant.
- Whether rental units were available for occupancy in the rental premises for which the prospective tenant would be applying for tenancy.
- Whether the landlord would accept a reusable screening report.
- If rental units were available for occupancy, the number of units available, by number of bedrooms.

- If rental units were not available for occupancy, whether the landlord maintained a waiting list for prospective tenants.

The bill specifies that if the landlord maintained a waiting list, the notice also would have to include how many other prospective tenants were on the waiting list above where the prospective tenant would be, including for each number of bedrooms unit type the prospective tenant was applying for.

Prohibited Considerations for Tenant Eligibility

Beginning on the bill's effective date, a landlord could not use in determining a prospective tenant's eligibility for a lease the prospective tenant's credit score or the fact that the prospective tenant was a party to a judicial action involving a dispute that arose under a tenancy in which there was no finding of liability against the prospective tenant.

"Credit score" would mean the numerical score ranging from 300 to 850 assigned by a consumer reporting agency to measure credit risk and includes FICO credit score.

Adverse Actions

Under the bill, if, after the receipt of an application for a rental unit and payment of the application fee by the prospective tenant or acceptance of a reusable screening report for the prospective tenant, a landlord took adverse action against the prospective tenant, the landlord would have to promptly do all the following:

- Provide a written notice of the adverse action to the prospective tenant.
- Give the prospective tenant, without charge, a copy of any consumer report or reusable screening report the landlord relied on in taking the adverse action, if the landlord had not already given the prospective tenant that report.

"Adverse action" would mean denying a rental application or approving a rental application with conditions.

Additionally, a landlord would have to provide the prospective tenant an opportunity to meet to discuss the adverse action, including a meaningful and fair opportunity to rebut any information contained in the consumer report or reusable screening report. A landlord would have to consider any rebuttal information and evidence the prospective tenant presents, including the inaccuracy of information appearing in a consumer report or reusable screening report fairly and in good faith. Within seven days after meeting the prospective tenant as described above, a landlord would have to notify the prospective tenant in writing of the landlord's final decision on the adverse action.

The written notice of the adverse action would have to state the reasons for the action and contain certain information in a form prescribed by the bill, which generally would include the notice of the decision that was made regarding a prospective tenant's application and the criteria used to make that determination.

Civil Action

If a landlord did not provide a prospective tenant with the required notices described above, considered information prohibited by the bill in determining a prospective tenant's eligibility for a lease, or did not meet the bill's requirements following an adverse action, the prospective tenant could bring a civil action against the landlord for actual damages up to \$1,000, reasonable attorney fees, and the costs of bringing the action.

Allowed Actions of Landlord

Beginning on the bill's effective date, a landlord would have to do all the following:

- In determining a prospective tenant's eligibility for a lease, consider the prospective tenant's current ability to pay rent and suitability for tenancy, according to a landlord's rental application criteria.
- Note the date and time of when the landlord received a completed rental application for a rental unit from a prospective tenant and screen all complete rental applications for that rental unit in the order in which the rental application for that rental unit was received.

MCL 554.601 et al.

PREVIOUS LEGISLATION

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

The bill is a reintroduction of Senate Bill 883 of the 2023-2024 Legislative Session.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would not likely have a fiscal impact on State or local courts. It does not generate revenue or create significant costs for courts. While a violation by a landlord under the language of the bill could increase costs for district courts, the use of reusable reports could indirectly reduce such costs.

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.