



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 373 (as reported without amendment)  
Sponsor: Senator Mary Cavanagh  
Committee: Housing and Human Services

## **CONTENT**

The bill would amend the Truth in Renting Act to prohibit rental agreements from including a provision that imposed an additional charge or fee on all allowable methods of rent payments and would specify that at least one fee-free payment method would have to be available to a tenant.

MCL 554.633

## **BRIEF RATIONALE**

According to the National Low Income Housing Coalition, 27% of Michigan households rent their homes.<sup>1</sup> The Coalition found that 28% of the State's renter population make 30% of the Area Median Income (AMI), a threshold the U.S. Department of Housing and Urban Development uses to classify households as extremely low-income.<sup>2</sup> The Coalition found the monthly rent affordable at 30% AMI is \$729; however, the average fair market rent for a two-bedroom apartment in 2025 is \$1,272 a month.<sup>3</sup> Low-income households may struggle to afford rent. Leasing companies or landlords may further add to the cost burden by requiring renters to pay rent or utilities using methods that impose additional fees. Accordingly, some have suggested that leasing companies and landlords be required to provide the option of a fee-free payment method to help low-income renters afford housing.

Legislative Analyst: Abby Schneider

## **FISCAL IMPACT**

The bill would have no fiscal impact on State or local courts.

Date Completed: 9-10-25

Fiscal Analyst: Michael Siracuse

<sup>1</sup> National Low Income Housing Coalition, *2025 State Report: Michigan*, p. 1, 2025.

<sup>2</sup> Generally, the AMI is the midpoint of an area's income distribution; 50% of households in the region make more than the AMI, while 50% make less. The Coalition found Michigan's AMI as \$97,246 and 30% of the State's AMI as \$29,174.

<sup>3</sup> National Low Income Housing Coalition, *2025 State Report: Michigan*, p. 2, 2025.