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## BILL ANALYSIS



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Senate Bill 374 (as reported without amendment)

Sponsor: Senator Erika Geiss

Committee: Housing and Human Services

**CONTENT**

The bill would amend Chapter 57 (Summary Proceedings to Recover Possession of Premises) of the Revised Judicature Act to do the following:

- Allow a court to seal eviction records under certain conditions.
- Require a court to automatically expunge eviction records three years after a judgement entered into summary proceedings were final.
- Allow a court to release sealed records for certain purposes if personally identifying information were redacted, unless the court granted the disclosure of the information under specific circumstances.
- Allow a prospective tenant to bring a civil action against a housing provider that based an adverse action on a sealed court record.

MCL 600.5755

**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> Low-income households face barriers in accessing rental housing. For example, testimony indicates that leasing companies and landlords often are unwilling to rent to individuals who have an eviction on record. Some believe this is an unreasonable barrier to housing, as low-income households may be more likely to be evicted due to financial instability or could be wrongfully recorded as having been evicted due to clerical error. As a result, it has been suggested that courts be allowed to seal and expunge eviction records, providing renters with a second chance at obtaining rental housing.

Legislative Analyst: Abby Schneider

**FISCAL IMPACT**

The bill would add administrative costs for district courts to implement a process for the sealing of summary proceedings records. Summary proceedings are expedited civil proceedings initiated to terminate possessory interests in property for nonpayment of rent or land contract payments. The number of summary proceedings filings for district courts can vary, often dependent upon the number of rental properties within a district court's

<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. The monthly rent affordable at 30% AMI is \$729 a month, according to the Coalition.

jurisdiction. For example, in 2019, there were over 30,000 summary proceedings filings in Detroit's 36<sup>th</sup> District Court, but only 60 for that same year in Houghton County's 96<sup>th</sup> District Court. There were nearly 200,000 dispositions in summary proceedings cases statewide in 2023.

Although the sealing of records for any particular civil dispute would not create any great expense for a district court, the review of cases and/or records requests under the proposed language of the bill would likely take time, particularly for those district courts with a large volume of summary proceedings dispositions. No appropriations are included in the bill to accommodate these new administrative procedures, and any related costs would likely be absorbed by district courts.

The bill also would create a cause of action for prospective tenants for adverse actions taken against them by housing providers who based such actions on sealed court records. Any such filings would likely be few in number because they would be hard to prove; however, such civil filings would create a nominal amount of court fee revenue for district courts.

Date Completed: 9-10-25

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.