



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 375 (as reported without amendment)

Sponsor: Senator Jeff Irwin

Committee: Housing and Human Services

CONTENT

The bill would amend the Truth in Renting Act to do the following:

- Prohibit a rental agreement from including a provision that imposed charges for extending tenancy, misapplying rent payments, or requiring dispute arbitration.
- Prohibit a rental agreement from restricting lawful rent payment methods or imposing a fee on all rent payment methods.
- Prohibit a rental agreement from including unreasonable or unrelated fees, including those related to third-party services, excessive late fees, or penalties for not renewing a lease for longer than a month.
- Allow a landlord to require a tenant to arrange and pay for a service provided by a public utility and prohibit a landlord from imposing an additional cost or surcharge for the service unless directly incurred by the landlord for that service.

MCL 554.632 & 554.633

BRIEF RATIONALE

Generally, "junk fees" are unexpected or hidden fees that are not clearly disclosed until late in or following a transaction. Leasing companies or landlords may charge junk fees, which take the form of convenience, processing, administrative, or other fees. Some believe that junk fees are harmful, especially to low-income renters, to whom unexpected fees may be disruptive. Accordingly, it has been suggested that leasing companies and landlords be required to provide residents and prospective renters greater transparency concerning fees.

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 661 of the 2023-2024 Legislative Session.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill could have a positive fiscal impact on district courts to an unknown degree. As the bill would limit a landlord's discretion to charge additional fees beyond monthly rent, it could reduce the number of summary proceeding filings by landlords against tenants for a failure to pay such fees.

Date Completed: 9-10-25

Fiscal Analyst: Michael Siracuse