

# HOUSE BILL NO. 4538

June 03, 2025, Introduced by Reps. Rheingans, Coffia, Price, Morgan, Byrnes, Wegela, Tsernoglou, Young, Wilson, MacDonell and Foreman and referred to Committee on Communications and Technology.

A bill to amend 1972 PA 348, entitled

"An act to regulate relationships between landlords and tenants relative to rental agreements for rental units; to regulate the payment, repayment, use and investment of security deposits; to provide for commencement and termination inventories of rental units; to provide for termination arrangements relative to rental units; to provide for legal remedies; and to provide penalties,"

by amending the title and section 1 (MCL 554.601), as amended by 2024 PA 179, and by adding section 1e.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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| 1 | TITLE  |
| 2 | An act to regulate relationships between landlords and tenants |

1 relative to rental agreements for rental units; to regulate the  
 2 payment, repayment, use and investment of security deposits; to  
 3 provide for commencement and termination inventories of rental  
 4 units; to provide for termination arrangements relative to rental  
 5 units; **to prohibit the use of certain rent pricing devices**; to  
 6 provide for legal remedies; and to provide penalties.

7 Sec. 1. As used in this act:

8 (a) **"Algorithmic pricing device" means a device that uses 1 or**  
 9 **more algorithms to perform calculations of data, including data**  
 10 **concerning local or statewide rent amounts being charged to tenants**  
 11 **by landlords, for the purpose of advising a landlord of the amount**  
 12 **of rent that the landlord may consider charging a prospective**  
 13 **tenant or tenant. Algorithmic pricing device includes a service or**  
 14 **product that incorporates an algorithmic pricing device.**

15 Algorithmic pricing device does not include any of the following:

16 (i) Any report published periodically, but not more frequently  
 17 than monthly, by a trade association that receives tenant data and  
 18 publishes it in an aggregated and anonymous manner.

19 (ii) A product used for establishing rent or income limits in  
 20 accordance with the affordable housing program guidelines of a  
 21 local government, this state, the United States government, or a  
 22 political subdivision of this state.

23 (b) ~~(a)~~—"Landlord" means any of the following:

24 (i) The owner, lessor, or sublessor of a rental unit or the  
 25 property of which it is a part.

26 (ii) A person authorized to exercise any aspect of the  
 27 management of the premises, including a person that, directly or  
 28 indirectly, acts as a rental agent or receives rent, other than as  
 29 a bona fide purchaser, and that has no obligation to deliver the

1 receipts to another person.

2 (c) "Nonpublic competitor data" means information that is not  
3 widely available or easily accessible to the public, including  
4 information about actual rent prices, occupancy rates, rental  
5 agreement start and end dates, or similar data, regardless of  
6 whether the data is attributable to a specific competitor or is  
7 anonymous, and that is derived from or otherwise provided by  
8 another person that competes in the same market as a person or a  
9 related market.

10 (d) "Prospective tenant" means an individual who makes a  
11 request to a landlord to rent or lease a rental unit.

12 (e) ~~(b)~~—"Rental agreement" means an agreement that establishes  
13 or modifies the terms, conditions, rules, regulations, or any other  
14 provisions concerning the use and occupancy of a rental unit.

15 (f) ~~(e)~~—"Rental unit" means a structure or part of a structure  
16 used as a home, residence, or sleeping unit by a single person or  
17 household unit, or any grounds, or other facilities or area  
18 promised for the use of a residential tenant. Rental unit includes,  
19 but is not limited to, apartment units, boarding houses, rooming  
20 houses, mobile home spaces, and single and 2-family dwellings.

21 (g) ~~(d)~~—"Security deposit" means a deposit, in any amount,  
22 paid by the tenant to the landlord or the landlord's agent to be  
23 held for the term of the rental agreement, or any part of the term,  
24 and includes any required prepayment of rent other than the first  
25 full rental period of the lease agreement; any sum required to be  
26 paid as rent in any rental period in excess of the average rent for  
27 the term; and any other amount of money or property returnable to  
28 the tenant on condition of return of the rental unit by the tenant  
29 in condition as required by the rental agreement. Security deposit

1 does not include either of the following:

2 (i) An amount paid for an option to purchase, pursuant to a  
3 lease with an option to purchase, unless it is shown the intent was  
4 to evade this act.

5 (ii) An amount paid as a subscription for or purchase of a  
6 membership in a cooperative housing association incorporated under  
7 the laws of this state. As used in this subparagraph, "cooperative  
8 housing association" means a consumer cooperative that provides  
9 dwelling units to its members.

10 (h) ~~(e)~~—"Senior citizen housing" means housing for individuals  
11 62 years of age or older that is subsidized in whole or in part  
12 under any local, state, or federal program.

13 (i) ~~(f)~~—"Source of income" includes benefits or subsidy  
14 programs including housing assistance, housing choice vouchers  
15 provided under 42 USC 1437f, public assistance, veterans' benefits,  
16 Social Security, supplemental security income or other retirement  
17 programs, and other programs administered by any federal, state,  
18 local, or nonprofit entity. Source of income does not include  
19 either of the following:

20 (i) Income that a prospective tenant cannot demonstrate is  
21 derived from sources and activities permitted by law and is  
22 provided on an ongoing basis.

23 (ii) Housing assistance that is not approved by the appropriate  
24 agency within 30 days after the landlord provides all information  
25 required as a condition of the agency's approval, including  
26 evidence that all repairs required before occupancy have been  
27 completed.

28 (j) ~~(g)~~—"Tenant" means an individual who occupies a rental  
29 unit for residential purposes with the landlord's consent for an

1 agreed upon consideration.

2       Sec. 1e. (1) A landlord shall not use, incorporate, or train  
3 an algorithmic pricing device with nonpublic competitor data to do  
4 any of the following for the purpose of advising the landlord of  
5 the amount of rent to charge a tenant or prospective tenant for the  
6 occupancy of a rental unit:

7       (a) Coordinate price, supply, or other rental housing  
8 information among 2 or more landlords.

9       (b) Enter into an agreement or contract with other landlords  
10 in restraint of the rental housing market.

11       (2) A violation of subsection (1) constitutes a violation of  
12 the Michigan antitrust reform act, 1984 PA 274, MCL 445.771 to  
13 445.788.