



KELLEY CAWTHORNE

SHAPING CHANGE

PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

October 2020

PMAM PRIORITY ISSUES

- **House Bills 4910 and 4911 - Rep. Matt Hall (R-Emmett Twp.) and Rep. Sara Cambensy (D-Marquette). Senate Bills 608-610 - Sen. Zorn (R-Ida)/Emotional Support Animals.** We support prohibiting a person from representing that he or she is in possession of an emotional support animal unless that person has a verified disability related need for such support.

STATUS: Rep. Matt Hall and Rep. Sara Cambensy introduced House Bills 4910 and 4911 and bills referred to House Regulatory Reform Committee. The bills create a new act dealing with Emotional Support Animals. Held a hearing on Tuesday, December 3, 2019 and bills reported from committee and referred to House Judiciary Committee. Met with Rep. Hall to work on some potential changes based on committee testimony. On March 3, 2020, bills reported out of House Judiciary Committee and sent to the House floor. On March 17, 2020, House voted on both bills: **HB 4910 passed by a vote of 59-33** (18 Not Voting) **HB 4911 passed by a vote of 67-26** (17 Not Voting). Bills sent to the Senate and expecting a referral to Senate Regulatory Reform Committee. Working with Sen. Nesbitt on scheduling for a committee hearing in September. The Senate Regulatory Reform Committee had a testimony-only hearing on Tuesday, Sept. 22 at 3:00 pm in the Harry T. Gast Appropriations room on the 3rd floor of the Capitol Building. Pushing for movement out of committee in early November and passage in *Lame Duck*. Senate Regulatory Reform Committee members:

- Aric Nesbitt – R – 26th Lawton
- Lana Theis - R – 22nd Brighton
- Ruth Johnson – R – 14th Holly
- Dan Lauwers – R – 25th Brockway
- Curt VanderWall - R – 35th Ludington
- Dale Zorn – R – 17th Ida
- Jeremy Moss - D – 11th Southfield
- Dayna Polehanki – D – 7th Livonia
- Paul Wojno – D – 9th Warren

Sen. Zorn introduced Senate Bill 608-610 and bills referred to Senate Committee on Local Government. Senate Local Government Committee held a hearing on the bills on Thursday, October 31 in room 1200 of the Senate Office Building. Met with Sen. Zorn's staff

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on Wednesday, November 20th to discuss concerns raised in committee and potential next steps. Committee members:

- Dale Zorn – R – 17th Ida
- Ruth Johnson – R – 14th Holly
- Kevin Daley – R – 31st Lum
- Betty Jean Alexander – D – 5th Detroit
- Jeremy Moss – D – 11th Southfield

- **House Bill 4777 - Rep. Iden (R-Kalamazoo)/Stop Bedbugs in Michigan.** We support legislation which creates statewide standards for eradicating bedbugs in residential rentals.

STATUS: Rep. Iden introduced bill with co-sponsors Reps Crawford, Hall, Hoitenga, Howell, Miller, VanSingel, and Webber. Working with Rep. Webber on scheduling bill for a committee hearing. House Regulatory Reform regularly meets on Tuesdays at 10:30 am in room 521 of the House Office Building. **House Bill 4777** referred to House Regulatory Reform Committee (Rep. Webber -R, Chair). Committee members:

- Michael Webber – R – 45th Rochester Hills
- Ryan Berman – R – 39th Commerce Twp.
- Kathy Crawford – R – 38th Novi
- Diana Farrington – R – 30th Utica
- Ben Frederick – R – 85th Owosso
- Michele Hoitenga – R – 102nd Manton
- Graham Filler – R – 93rd DeWitt
- Matt Hall – R – 63rd Emmett Twp.
- Pauline Wendzel – R – 75th Watervliet
- John Chirkun – D – 22nd Roseville
- Frank Liberati – D – 13th Allen Park
- Sara Cambensy – D – 109th Marquette
- Jewell Jones – D – 11th Inkster
- Alex Garza – D – 12th Taylor
- Isaac Robinson – D – 4th Detroit

- **House Bill 4587 – Rep. Sheppard (R-Temperance)/Make Late Fees Uniform.** We support a uniform state policy on rent payment late fees, to be presumed valid at \$50 or 10% of the rent, whichever is higher. Like Self-Storage Act.

STATUS: Bill introduced as **House Bill 4587** by Rep. Sheppard and referred to House Judiciary Committee (Rep. Filler-R, Chair). Reported out of House Judiciary Committee on March 3, 2020 and sent to the House floor. Passed the full House of Representatives on March 12, 2020 by a **vote of 80-27**. Bill has been referred to Senate Judiciary and Public Safety Committee. The Senate Judiciary and Public Safety Committee regularly meets on Thursdays at 8:30 am in room 1100 of the Binsfeld Office Building. The sponsor and I have reached out to Chairman Lucido to encourage movement out of committee in November for passage during Lame Duck. Senate Judiciary and Public Safety Committee members:

- Peter Lucido – R – 8th Shelby Township
- Curt VanderWall - R – 35th Ludington

- Tom Barrett – R – 24th Charlotte
 - Ruth Johnson – R – 14th Holly
 - Jim Runestad - R – 15th White Lake
 - Stephanie Chang – D – 1st Detroit
 - Jeff Irwin – D – 18th Ann Arbor
- **House Bill 4160 – Rep. Hoitenga (R-Manton)/Stop Unnecessary Licensing.** Currently, leasing agents must have a real estate license. This is an unnecessary barrier to entry level jobs in our industry which has no public policy benefit.
STATUS: Met with Rep. Webber (Chair of House Regulatory Reform) to discuss holding a hearing on HB 4160. Rep. Hoitenga has requested a committee hearing. House Regulatory Reform regularly meets on Tuesdays at 10:30 am in room 521 of the House Office Building. Will continue to work with Rep. Hoitenga and Chairman Rep. Webber on scheduling a date. Rep. Hoitenga’s staff met with the MI Realtors to discuss issue. MI Association of Realtors acknowledged again that the position level that we are attempting to address may need changes but they would prefer some listing of functions/duties that an unlicensed person would be eligible to perform and maybe a separate license or certification for these positions as opposed to the current testing and licensing. Working with Rep. Webber on scheduling the bill for a hearing in September to flush out concerns. **House Bill 4160** referred to House Regulatory Reform Committee (Rep. Webber -R, Chair). Committee members:
 - Michael Webber – R – 45th Rochester Hills
 - Ryan Berman – R – 39th Commerce Twp.
 - Kathy Crawford – R – 38th Novi
 - Diana Farrington – R – 30th Utica
 - Ben Frederick – R – 85th Owosso
 - Michele Hoitenga – R – 102nd Manton
 - Graham Filler – R – 93rd DeWitt
 - Matt Hall – R – 63rd Emmett Twp.
 - Pauline Wendzel – R – 75th Watervliet
 - John Chirkun – D – 22nd Roseville
 - Frank Liberati – D – 13th Allen Park
 - Sara Cambensy – D – 109th Marquette
 - Jewell Jones – D – 11th Inkster
 - Alex Garza – D – 12th Taylor
 - Isaac Robinson – D – 4th Detroit

2019-20 BILLS OF INTEREST

- **Senate Bill 3 – Sen. Lucido (R- Shelby Township)/Execution of Eviction Notice.** Revises the list of persons allowed to serve an order of eviction. Currently, a court that enters a judgment for possession in a summary proceeding must issue a writ commanding the sheriff, or any other officer authorized to serve the process, to restore the plaintiff to full possession of the premises. Senate Bill 3 would allow the court to issue a writ to a court

officer appointed by the court, a bailiff of the court, the sheriff or a deputy sheriff of the county where the court is located, or an officer of the law enforcement agency of the local unit of government where the court is located.

STATUS: We discussed bill with Sen. Lucido during lobby day. Passed both chambers and signed by Governor as **Public Act 2 of 2019**. Effective date of July 2, 2019. **NEUTRAL**

- **Senate Bill 112 – Sen. Lucido (R- Shelby Township)/Court Official/Deputy Sheriff Required for Evictions Without Court Order.** As introduced, this bill removed authority of property owner to evict while acting in good faith without a court order and replaced that authority with a Court Officer, Bailiff, or Deputy Sheriff. Same as HB 6096 from last session that we OPPOSED.

STATUS: After meeting with Sen. Lucido, he agreed to put “owner” back into the bill and that is reflected in current S-3 version that has passed the Senate and House. The bill has been signed by the Governor as **Public Act 41 of 2019**. **NEUTRAL**

- **House Bill 4509 – Rep. VanSingel (R-Grant)/Landlord-Tenant/Eviction/Allows LLC members to represent themselves in certain cases.** Rep. VanSingel, a landlord himself, re-introduced the same bill from last session. Under the bill, if a complaint in a summary proceeding requested only the recovery of possession of the premises, or both recovery and a money judgment (not including taxable costs), and if a party to the proceeding was an LLC, that party could be represented in the proceeding by a member of the LLC.

However, such representation could only occur if both of the following applied:

- The member has direct and personal knowledge of the facts alleged in the complaint.
- The amount is less than the applicable limit of the small claims division, as described in section 8401 of the RJA, when a complaint requests the recovery of possession and a money judgment, not including taxable costs. (The limit is currently \$6,000; beginning January 1, 2021, it will be \$6,500; and it is set to a final increase to \$7,000 in 2024.)

Such representation could also only occur if one of the following applied to the LLC:

- The LLC has only one member, and the member is an individual.
- The LLC has only two members, who are married to one another. In this case, both members would have to sign a verified statement authorizing the representation, and the original signed copy would be filed with the court in the summary proceeding. Before the hearing, a designated court employee would have to review the file and determine that the verified statement had been filed with the court. This provision would not apply if there was an action for divorce or separate maintenance pending between the members or if a judgment for separate maintenance had been entered as to the members.

STATUS: Bill moved out of House Judiciary and passed House 62-47. Referred to Senate Judiciary and Public Safety Committee. **SUPPORT**

- **House Bill 4915 - Rep. Berman (R-Commerce Twp.)/Tree Owner Liability Act.** Creates a new act to specify that the owner of property on which a tree is located would be liable to the owner of adjacent property for damage proximately caused by any part of the

tree falling on that adjacent property, regardless of whether the tree falling was an act of God.

STATUS: Bill has been referred to House Committee on Local Government and Municipal Finance. **NEUTRAL**

- **House Bills 5086, 5091 and 5092 - Rep. Iden (R-Kalamazoo)/Uniform Assignment of Rent Act.** Creates a new act, the Michigan Uniform Assignment of Rents Act. Rep. Iden indicated this language is consistent with recommendations from the Uniform Law Commission.
STATUS: Bills have been referred to House Judiciary Committee. **NEUTRAL**
- **Rep. Tate (D- Detroit) and Sen. Chang (D-Detroit)/Background Checks and PPO.** Bill states that a landlord that conducts a background check on a prospective tenant shall not include in its evaluation of the prospective tenant the issuance of a personal protection order or foreign protection order issued for the protection of the prospective tenant.
STATUS: Bill is currently a draft and has not yet been introduced. Rep. Tate shared the language with us for input. **NEUTRAL**
- **House Bill 5154 – Rep. Yancey (D-Detroit), House Bill 5157 – Rep. Clemente (D-Lincoln Park), Senate Bill 602 – Sen. Bayer (D-Beverly Hills), Senate Bill 603 – Sen. Geiss (D-Taylor)/Domestic Violence.** A package of Democrat bills to provide protections to victims of domestic violence with respect to: sick leave; unemployment benefits; protections under Elliott-Larsen Civil Rights Act; prohibiting local unit of government from penalizing or sanctioning tenants, occupant, or landlords of rental dwellings for contacts made for police or emergency assistance in domestic violence situations.
STATUS: House Bills referred to House Judiciary and Senate Bills referred to Senate Government Operations. **NEUTRAL**
- **House Bill 5224 – Rep. Byrd (D-Detroit)/Housing Discrimination, Military Veterans.** Adds “Military Status” to protections under the Elliott-Larsen Civil Rights Act.
STATUS: Referred to House Committee on Government Operations. **SUPPORT**
- **Senate Bill 687 – Sen. Irwin (D- Ann Arbor)/Income-Based Housing Discrimination.** Amends the Elliott-Larsen Civil Rights Act to add “source of income” as a protected class which prohibits landlords from discriminating based on source of income.
STATUS: Referred to Senate Committee on Local Government. **OPPOSE**
- **Senate Bill 720 – Sen. Lucido (R- Shelby Township)/Require Convictions to Recover Premises.** Amends the Revised Judicature Act to require a conviction as opposed to a formal police report in proceedings to recover possession of premises because of assault, battery, or unlawful drugs.
STATUS: Referred to Senate Committee on Judiciary and Public Safety. **OPPOSE**
- **House Bill 4750 – Rep. Kennedy (D-Davison) and Senate Bill 400 – Sen. Hertel (D-East Lansing)/Notification of Lead Service Lines.** Amends the Safe Drinking Water Act

to require a supplier who knows that a customer's residence is serviced by a lead service line to notify the customer of that fact.

- If part of a residence served by a lead service line was used as a rental unit, the owner would have to disclose the contents of the above notice requirements to the tenant in the rental agreement or a separate disclosure statement developed by the Department of Energy, Great Lakes, and the Environment (EGLE), in consultation with representatives of the rental industry.
- If the supplier provided the owner with notice that a residence was serviced by a lead service line, and that fact had not been disclosed in the tenant's rental agreement or disclosure, the owner would have to notify the tenant of that change.
- If an owner knowingly violated the requirement to disclose the existence of a lead service line to a tenant, the owner would be responsible for a civil infraction and could be ordered to pay a fine of up to \$250. However, the total fines for a multifamily dwelling in which the owner failed to notify tenants in multiple units could not exceed \$500.

STATUS: House Bill 4750 Passed out of House Committee on Natural Resources and Outdoor Recreation and referred to the House Committee on Ways and Means. Senate Bill 400 in Senate Environmental Quality Committee. **NEUTRAL**

- **House Bill 5287 – Rep. Wittenberg (D- Huntington Woods)/Income-Based Housing Discrimination.** Rep. Wittenberg introduced his bill dealing with income-based housing discrimination. Amends Landlord-Tenant Act to provide that a landlord shall not deny a tenancy or discriminate based on source of income of a prospective or current tenant. Rep. Wittenberg understands our concerns but wants options for low income renters and believes that his bill will help with the issue.
STATUS: Referred to House Committee on Local Government and Municipal Finance.
OPPOSE
- **House Bill 5288 – Rep. Rabhi (D- Ann Arbor)/Income-Based Housing Discrimination.** Same as Senate Bill 687 introduced by Sen. Irwin. Amends the Elliott-Larsen Civil Rights Act to add “source of income” as a protected class which prohibits landlords from discriminating based on source of income.
STATUS: Referred to House Committee on Local Government and Municipal Finance.
OPPOSE
- **HB 5362 – Rep. Gay-Dagnogo (D-Detroit)/Housing Inspections Lead-Based Paint.** Re-introduction of HB 5388 from last session. Bill to amend Housing Law for inspection and correction of violations under the housing law to include lead-based paint inspection.
STATUS: Referred to House Committee on Regulatory Reform. **OPPOSE**
- **HB 5486 – Rep. Brann (R-Wyoming)/Require Public Accommodations to Permit Use of Service Animals for Training or Socializing.** Amends MI Penal Code to provide that a public accommodation shall modify its policies, practices, and procedures to permit the use of a service animal by a trainer or animal raiser, if the trainer or animal raiser is being

accompanied by the service animal for the purpose of training or socializing the service animal.

“Animal Raiser” is defined as an individual who raises and socializes a young animal that may later be trained by a service animal agency accredited by Assistance Dogs International or the International Guide Dog Federation.

“Trainer” is defined as an individual who is employed by a service animal agency that is accredited by Assistance Dogs International or the International Guide Dog Federation.

STATUS: Referred to House Committee on Regulatory Reform. **NEUTRAL**

- **Senate Bills 912 – Sen. Geiss (D-Taylor), Senate Bill 913 – Sen. Irwin (D-Ann Arbor), Senate Bill 914 – Sen. Alexander (D-Detroit)/Emergency Rental Relief Act.** A package of Democrat bills to create the Emergency Rental Relief Act to specify the following during a declared emergency:
 - A landlord shall not attempt to recover possession of property held under a lease.
 - A court shall not advance an action for summary proceedings or any other action to recover possession of property under the lease AND/OR enter a judgment for possession or issue an order for eviction or writ of restitution for property held under a lease.
 - A landlord shall not charge, collect, or seek to collect a penalty or other charge for late payment or nonpayment of rent.
 - A tenant under a lease may declare the lease terminated by giving notice.

STATUS: Referred to Senate Finance Committee. **OPPOSED**

- **HB 5962 – Rep. Anthony (D-Lansing)/Eviction Prohibition During COVID-19.** This bill prohibits nonessential evictions during the COVID-19 emergency. The bill provides that from the effective date of the amendatory act to 60 days after termination of the COVID-19 emergency, a **landlord or owner of a property shall not**, for purposes of a nonessential eviction for a residential dwelling unit, do either of the following:
 - Terminate a tenancy.
 - Send any notice, including a notice to quit, requesting or demanding that a tenant of a residential dwelling unit vacate the premises.

From the effective date of the amendatory act that added this section to 60 days after the termination of the COVID-19 emergency, **a court shall not**, in a summary proceeding for a nonessential eviction for a residential dwelling unit, do any of the following:

- Accept for filing a summons or complaint.
- Enter an order or judgment for a plaintiff for possession.
- Issue a writ of restitution or order for eviction.
- Deny, on the request of a defendant, a stay of a writ of restitution or order for eviction or, on the request by a party, a continuance of a summary proceeding.
- Schedule a court event, including, but not limited to, a motion hearing or a trial.

STATUS: Referred to House Committee on Judiciary. **OPPOSED**

- **HB 5963 – Rep. Anthony (D-Lansing)/Security Deposit for Rent During State of Emergency.** This bill allows a security deposit to be used for rent during a state of emergency. A tenant may request that the landlord use the security deposit to cover the

rent due for the rental unit. If the landlord agrees to the request, the landlord shall apply the security deposit to the rent due for the rental unit.

STATUS: Referred to House Committee on Regulatory Reform. **OPPOSED**

- **HB 5984 – Rep. Haadsma (D-Battle Creek)/Rent and Mortgage Cancellation Relief Program Act.** This bill creates the Rent and Mortgage Cancellation Relief Program Act. The department of labor and economic opportunity shall create and operate the rent and mortgage cancellation relief program. The program must require the department to make payment from the fund to an eligible landlord, financial institution, or directly to an individual, financial institution, or business that was unable to pay rent or make mortgage payment due to the loss of employment or other financial negative impact of COVID.
STATUS: Referred to House Committee on Commerce and Tourism. **OPPOSED**

- **Senate Bill 863 – Sen. Lucido (R- Shelby Township)/Adjustments to Rent.** As introduced, this bill provides that a landlord may adjust rent or other terms of a tenancy at will or by sufferance by giving 1 month's notice to the tenant. If the rent reserved in a lease is payable at periods of less than 3 months, the time of notice is sufficient if it is equal to the interval between the times of payment. Notice is not void because it states a day for the adjustment to take effect that does not correspond to the conclusion or commencement of a rental period. The adjustment takes effect at the end of a period equal in length to the interval between times of payment.
STATUS: Referred to Senate Economic and Small Business Development Committee. A testimony-only hearing was held on Thursday, September 24 at 12:00 pm in the Harry T. Gast Appropriations room on the 3rd floor of the Capitol Building. **NEUTRAL**

- **Senate Bills 846 – Sen. Moss (D-Southfield)/Hotel and Lodging Pricing Protection Act.** This bill creates the Hotel and Lodging Pricing Protection Act and advertised as preventing price gouging at hotels and lodging establishments during an emergency. This bill is part of a three-bill package suggested to prevent people from profiting during emergencies. An example was given in committee about a motel in Southfield raising its prices from \$59 to \$400 per night during an emergency in 2017. The bill actually goes further than that. A testimony-only hearing was held on October 1st in Committee. Matt Miller testified against the bill making the following points:
 - It implements an **automatic eviction moratorium** during any state of emergency and for 30 days following its ending. If this bill were in effect now, we would have had an eviction moratorium on March 17 and we would still have one in effect today. Statewide. It would continue until the state of emergency ends (and who knows when that will be) and then for 30 more days. And there is no provision for anyone to pay anything to a landlord nor is there an explicit mention that rent continues to accrue during the state of emergency.
 - It refers to rent control multiple times as though it exists in Michigan. It also provides for \$1,000,000 in fines.**STATUS:** Referred to Senate Economic and Small Business Development Committee. **OPPOSED**

- **Senate Bills 1128 – Sen. Bullock (D-Detroit), Senate Bill 1129 – Sen. Irwin (D-Ann Arbor), Senate Bill 1130 – Sen. Chang (D-Detroit), Senate Bill 1131 – Sen. Chang (D-Detroit), Senate Bill 1132 – Sen. Alexander (D-Detroit)/Affordable Housing.** A package of Democrat bills to regulate affordable housing by implementing rent control. The bills address the following:
 - Best practice guidelines on needs assessment for older adults displaced by residential revitalization projects; require housing development authority to create and distribute.
 - Rent control policies; allow local governments to establish.
 - Require use of certain factors in local housing ordinances to designate area median income for affordable housing determinations.
 - Prohibition of local rent control; provide for exception under the rent limitation and specific tax authorization act.
 - Rent limitation for senior citizens and individuals with a disability; authorize local units to impose, and provide for a tax exemption and specific tax.

STATUS: Referred to Senate Local Government Committee. **OPPOSED**

OTHER ISSUES

- Michigan Supreme Court amendment Order on Landlord-Tenant Cases
- Legislative Calendar
- Election – November 3rd