



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 394 (as introduced 6-11-15)
Sponsor: Senator Dave Robertson
Committee: Local Government

Date Completed: 10-23-15

CONTENT

The bill would amend the Housing Law of Michigan to do the following:

- **Replace the population criteria for local units subject to the Law with a provision applying the Law to each city, village, and township that had a population of 10,000 or more as of the last Federal census.**
- **Allow, rather than require, an enforcing agency to maintain a registry of owners and premises.**
- **Specify that local units would not be required to inspect multiple dwellings and rooming houses, and delete a requirement that they do so.**
- **Revise provisions pertaining to entering a leasehold in the case of an emergency.**
- **Specify that an inspection fee would not be required to be paid sooner than six months before the inspections occurs.**

Applicability of Law

The Law applies to all of the following:

- Each city and organized village that had a population of at least 100,000, according to the last Federal census.
- Each city or village that reaches a population of 100,000, and the territory immediately adjacent and contiguous to the boundaries of that city or village and extending for a 2.5-mile radius.
- Each city and organized village that attains a population of at least 10,000, as determined by the last Federal census.

The Law's provisions related to private and two-family dwellings do not apply to any city or organized village with a population of at least 100,000 and lying outside the 2.5-mile radius, unless the local governmental unit's legislative body adopts those provisions by resolution. Those provisions may be applied to townships and charter townships by ordinance of the respective township board adopting them.

The bill would delete these provisions. Instead, the Law would apply to each city, village, and township that had a population of at least 10,000 according to the last Federal census. The Law's provisions related to private and two-family dwellings would not apply to any city, village, or township with a population of less than 100,000 unless the applicable legislative body adopted them by resolution.

Registry

The Law requires the enforcing agency to maintain a registry of owners and premises. The owners of multiple dwellings or rooming houses containing units offered to let, or to hire, for more than six months of the year must register within 60 days after the day on which any part of the premises is offered for occupancy. The bill would allow, rather than require, an enforcing agency to maintain a registry of owners and premises and would require owners to register within 60 days only if the enforcing agency maintained a registry of owners and premises.

("Enforcing agency" means the designated officer or agency charged with responsibility for administration and enforcement of the Housing Law.)

Inspection

Currently, the enforcing agency is required to inspect multiple dwellings and rooming houses regulated by the Law. The bill instead specifies that a local governmental unit would not be required to inspect multiple dwellings and rooming houses. If a local unit elected to inspect those facilities, the enforcing agency would have to inspect them in accordance with the Law.

Emergencies

Except as otherwise provided, the Law requires inspectors to request and receive permission to enter before entering a leasehold regulated by the Law to undertake an inspection. In the case of an emergency, as defined under rules promulgated by the enforcing agency, or upon presentment of a warrant, the inspector or team of inspectors may enter at any time. Under the bill, instead, in the case of an emergency including, but not limited to, fire, flood, or other threat of serious injury or death, or upon presenting a warrant, the inspector or team of inspectors could enter at any time without obtaining permission from the lessee.

In addition, except in the case of an emergency, before entering a leasehold regulated by the Law, the owner must request and obtain permission from the lessee to enter the leasehold. In an emergency, including but not limited to fire, flood, or other threat of serious injury or death, the owner may enter at any time. The bill specifies that the owner could enter in such an emergency without obtaining permission from the lessee.

Fees

The enforcing agency may establish and charge a reasonable fee for inspections conducted under the Law. The fee may not exceed the actual, reasonable cost of providing the inspection. An owner or property manager is not liable for an inspection fee if the inspection is not performed and the enforcing agency is the direct cause of the failure to perform the inspection.

The bill specifies that an inspection fee would not be required to be paid sooner than six months before the inspection was to take place.

MCL 125.401 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate effect on local unit revenue that would vary by location. The bill would eliminate a requirement for local units to inspect certain dwellings but would allow a local unit to elect to conduct those inspections. As a result, local units that chose not to conduct those inspections would likely receive less revenue and incur fewer expenses. Given that the Law requires inspection fees to be reasonable and not exceed the actual cost

of the inspection, the net impact of the bill's provisions regarding inspection fees would likely approximate zero.

The bill would have no fiscal impact on State government.

Fiscal Analyst: Elizabeth Pratt

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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.