



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4062 (Substitute H-4 as reported without amendment)
House Bill 4063 (Substitute H-3 as reported without amendment)
Sponsor: Representative Jennifer Conlin (H.B. 4062)
Representative Jason Morgan (H.B. 4063)
House Committee: Judiciary
Senate Committee: Housing and Human Services

CONTENT

House Bill 4062 (H-4) would amend the landlord-tenant Act to allow an individual who suffered a loss because of a landlord's source of income discrimination to bring a civil action to recover actual damages or a specified amount of rent.

House Bill 4063 (H-3) would amend the Eliot-Larson Civil Rights Act (ELRCA) to define "source of income".

House Bill 4062 is tie-barred to Senate Bills 205 and 206, which generally would prohibit a landlord or person engaging in real estate transactions from discriminating against a person based on that person's source of income and define source of income, respectively. House Bill 4063 is tie-barred to Senate Bills 206 and 207. Senate Bill 207 would prescribe the actions that would be considered housing discrimination.

Proposed MCL 554.601d (H.B. 4062)
MCL 37.2501 (H.B. 4063)

BRIEF RATIONALE

Currently, landlords can choose not to rent to tenants or prospective tenants using housing subsidies, specifically tenants or prospective tenants using Housing Choice (Section 8) Vouchers. The Housing Choice Program is a Federal Program meant to assist very low-income families, elderly, and disabled individuals in affording housing. Local public housing agencies administer the Program and pay housing subsidies directly to the landlord. It has been suggested that landlords be prohibited from discriminating against a tenant that would be subsidizing rent through a program or paying rent through other sources of income.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bills would have a minimal, indeterminate fiscal impact on local courts and the local governments within which courts are housed. The addition of "source of income" as a prohibition of discrimination for rental housing could increase court costs and administrative expenses for courts in the form of additional complaint filings under the ELCRA; however, some or all such costs could be covered by increased filing fee revenue, most of which is deposited into the State restricted Civil Filing Fee Fund. That Fund is distributed to several different subsidiary funds, including the State Court Fund, the Court Equity Fund, the Court Fee Fund, and the Judicial Technology Fund. All these funds contribute to cover a variety of statewide court administrative costs.

House Bill 4063 (H-3) likely would have a minor negative fiscal impact on the Department of Civil Rights. The addition of source of income as a protected category potentially could result in an increase in discrimination complaints made, investigated, and addressed by the Department. One or more additional full-time equivalents could be required. This would depend on the number of complaints made and the workload distribution among complaint investigators, as the addition of this category could result in a greater share of total complaints being related to housing. The hiring of additional staff likely would require an increase in appropriations.

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Fiscal Analyst: Elizabeth Raczowski
Michael Siracuse

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