

SENATE BILL NO. 206

March 16, 2023, Introduced by Senators BAYER, CAVANAGH, IRWIN, MOSS, CHERRY, MCMORROW, SHINK, WOJNO, CHANG and KLINEFELT and referred to the Committee on Housing and Human Services.

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 section 1 (MCL 554.601), as amended by 1995 PA 79.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Landlord" means any of the following:

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

3 (ii) A person authorized to exercise any aspect of the
4 management of the premises, including a person that, directly or
5 indirectly, acts as a rental agent or receives rent, other than as
6 a bona fide purchaser, and that has no obligation to deliver the
7 receipts to another person.

8 (b) "Rental agreement" means an agreement that establishes or
9 modifies the terms, conditions, rules, regulations, or any other
10 provisions concerning the use and occupancy of a rental unit.

11 (c) ~~(a)~~—"Rental unit" means a structure or part of a structure
12 used as a home, residence, or sleeping unit by a single person or
13 household unit, or any grounds, or other facilities or area
14 promised for the use of a residential tenant. ~~and~~ **Rental unit**
15 includes, but ~~without limitation,~~ **is not limited to,** apartment
16 units, boarding houses, rooming houses, mobile home spaces, and
17 single and 2-family dwellings.

18 ~~(b) "Rental agreement" means an agreement that establishes or~~
19 ~~modifies the terms, conditions, rules, regulations, or any other~~
20 ~~provisions concerning the use and occupancy of a rental unit.~~

21 ~~(c) "Landlord" means the owner, lessor, or sublessor of the~~
22 ~~rental unit or the property of which it is a part and, in addition,~~
23 ~~means a person authorized to exercise any aspect of the management~~
24 ~~of the premises, including a person who, directly or indirectly,~~
25 ~~acts as a rental agent, receives rent, other than as a bona fide~~
26 ~~purchaser, and who has no obligation to deliver the receipts to~~
27 ~~another person.~~

28 ~~(d) "Tenant" means a person who occupies a rental unit for~~
29 ~~residential purposes with the landlord's consent for an agreed upon~~

1 ~~consideration.~~

2 **(d)** ~~(e)~~—"Security deposit" means a deposit, in any amount,
 3 paid by the tenant to the landlord or ~~his or her~~ **the landlord's**
 4 agent to be held for the term of the rental agreement, or any part
 5 of the term, and includes any required prepayment of rent other
 6 than the first full rental period of the lease agreement; any sum
 7 required to be paid as rent in any rental period in excess of the
 8 average rent for the term; and any other amount of money or
 9 property returnable to the tenant on condition of return of the
 10 rental unit by the tenant in condition as required by the rental
 11 agreement. Security deposit does not include either of the
 12 following:

13 (i) An amount paid for an option to purchase, pursuant to a
 14 lease with **an** option to purchase, unless it is shown the intent was
 15 to evade this act.

16 (ii) An amount paid as a subscription for or purchase of a
 17 membership in a cooperative housing association incorporated under
 18 the laws of this state. As used in this subparagraph, "cooperative
 19 housing association" means a consumer cooperative that provides
 20 dwelling units to its members.

21 **(e)** ~~(f)~~—"Senior citizen housing" means housing for individuals
 22 62 years of age or older that is subsidized in whole or in part
 23 under any local, state, or federal program.

24 **(f)** "Source of income" includes benefits or subsidy programs
 25 including housing assistance, public assistance, emergency rental
 26 assistance, veterans benefits, Social Security, supplemental
 27 security income or other retirement programs, and other programs
 28 administered by any federal, state, local, or nonprofit entity. The
 29 term does not include income derived in an illegal manner.

1 (g) "Tenant" means an individual who occupies a rental unit
2 for residential purposes with the landlord's consent for an agreed
3 upon consideration.

4 Enacting section 1. This amendatory act does not take effect
5 unless Senate Bill No. 205 of the 102nd Legislature is enacted into
6 law.