

HOUSE BILL No. 6121

September 17, 1998, Introduced by Rep. Callahan and referred to the Committee on Urban Policy and Economic Development.

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,"

(MCL 554.601 to 554.616) by adding section 601b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 601B. (1) IF A TENANT VACATES A RENTAL UNIT, EITHER
2 BEFORE OR AT THE TERMINATION OF THE RENTAL AGREEMENT, AND LEAVES
3 PERSONAL PROPERTY AT THE RENTAL UNIT, THE LANDLORD MAY DO 1 OF
4 THE FOLLOWING, SUBJECT TO SUBSECTION (4):

5 (A) STORE THE PERSONAL PROPERTY, ON OR OFF THE PREMISES, IN
6 A MANNER DESIGNED TO SAFEGUARD THE PERSONAL PROPERTY. THE COST
7 OF REMOVAL AND STORAGE BECOMES A LIEN ON THE PERSONAL PROPERTY.
8 WITHIN 10 DAYS AFTER THE REMOVAL AND STORAGE OF THE PERSONAL

1 PROPERTY, THE LANDLORD SHALL NOTIFY THE TENANT OF THE COST OF
2 REMOVAL AND THE DAILY STORAGE CHARGES. THE NOTICE MAY BE BY PER-
3 SONAL SERVICE OR BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF
4 THE TENANT. MEDICINE OR MEDICAL EQUIPMENT IS NOT SUBJECT TO A
5 LIEN AND SHALL BE PROMPTLY RETURNED TO THE TENANT UPON REQUEST.

6 (B) STORE THE PERSONAL PROPERTY WITHOUT A LIEN AND RETURN IT
7 TO THE TENANT.

8 (C) EXCEPT AS PROVIDED IN SUBSECTION (4), IF THE LANDLORD
9 DETERMINES THAT THE PERSONAL PROPERTY IS OF NO VALUE, THE LAND-
10 LORD MAY DISCARD THE PERSONAL PROPERTY WITHOUT STORING IT AND
11 WITHOUT NOTICE TO THE TENANT. A LANDLORD WHO IN GOOD FAITH DIS-
12 CARDS PERSONAL PROPERTY UNDER THIS SUBDIVISION IS NOT LIABLE IN A
13 CIVIL ACTION BASED UPON DISCARDING THE PERSONAL PROPERTY FOR THE
14 VALUE OF THE PERSONAL PROPERTY OR OTHER DAMAGES.

15 (2) AFTER THE EXPIRATION OF 5 DAYS AFTER THE DATE NOTICE WAS
16 PERSONALLY SERVED UNDER SUBSECTION (1) OR AFTER THE EXPIRATION OF
17 10 DAYS FROM THE DATE NOTICE WAS MAILED UNDER SUBSECTION (1), THE
18 LANDLORD MAY, EXCEPT AS PROVIDED IN SUBSECTION (4) AND SUBJECT TO
19 THE NOTICE REQUIRED IN THIS SUBSECTION, DISPOSE OF THE PERSONAL
20 PROPERTY BY PUBLIC OR PRIVATE SALE OR OTHER APPROPRIATE METHOD.
21 BEFORE THE SALE, THE LANDLORD SHALL GIVE NOTICE OF THE PROPOSED
22 SALE TO THE TENANT BY PERSONAL SERVICE OR BY FIRST-CLASS MAIL TO
23 THE LAST KNOWN ADDRESS OF THE TENANT. IF THE TENANT DOES NOT PAY
24 THE LIEN AND CLAIM HIS OR HER PERSONAL PROPERTY WITHIN 10 DAYS
25 AFTER THE NOTICE WAS PERSONALLY SERVED OR MAILED, THE LANDLORD
26 MAY, EXCEPT AS PROVIDED IN SUBSECTION (4), DISPOSE OF THE
27 PERSONAL PROPERTY. THE PROCEEDS FROM THE SALE, IF ANY, SHALL BE

1 RETURNED TO THE TENANT AFTER THE LANDLORD RETAINS AN AMOUNT TO
2 SATISFY THE LIEN. IF THE TENANT CANNOT BE LOCATED AND THE TENANT
3 HAS NOT RESPONDED TO THE NOTICE OF THE SALE WITHIN 60 DAYS, THE
4 LANDLORD SHALL, EXCEPT AS PROVIDED IN SUBSECTION (4), IMMEDIATELY
5 SEND THE REMAINING PROCEEDS, IF ANY, TO THE MICHIGAN STATE HOUS-
6 ING DEVELOPMENT AUTHORITY FOR DEPOSIT IN AN ACCOUNT FOR AID TO
7 HOMELESS PERSONS.

8 (3) EXCEPT FOR MEDICINE AND MEDICAL EQUIPMENT, THE LIEN CRE-
9 ATED IN SUBSECTION (1) APPLIES TO ALL PERSONAL PROPERTY FOUND AT
10 THE VACATED RENTAL UNIT WHETHER OWNED BY THE TENANT OR BY OTHER
11 PERSONS. THE LANDLORD MAY INCLUDE DAMAGES OR RENT DUE AS PART OF
12 THE AMOUNT RETAINED TO SATISFY THE LIEN CREATED IN
13 SUBSECTION (1). THE TENANT OR OTHER SECURED PARTY MAY CLAIM THE
14 PERSONAL PROPERTY AT ANY TIME BEFORE THE SALE BY PAYING THE
15 AMOUNT OF THE LIEN CREATED IN SUBSECTION (1).

16 (4) IF A LANDLORD RETAINS PERSONAL PROPERTY UNDER THIS SEC-
17 TION AND IF THE PERSONAL PROPERTY IS TITLED, REGISTERED, OR
18 ENCUMBERED BY A PERFECTED SECURITY INTEREST IN THE NAME OF THE
19 TENANT OR ANOTHER PERSON, THE LANDLORD MAY APPLY FOR A NEW TITLE,
20 REGISTRATION, OR SECURITY INTEREST. IF THE OLD TITLE, REGISTRA-
21 TION, OR SECURITY INTEREST CONTAINED 1 OR MORE SECURITY INTERESTS
22 IN THE PERSONAL PROPERTY, A LANDLORD WHO APPLIES FOR AND OBTAINS
23 A NEW TITLE UNDER THIS SUBSECTION SUCCEEDS TO THE INTEREST OF THE
24 OWNER, BUT REMAINS SUBORDINATE TO THE INTEREST OF EACH SECURED
25 PARTY.

26 (5) THE REMEDIES PROVIDED BY THIS SECTION ARE NOT EXCLUSIVE,
27 AND THE USE OF THOSE REMEDIES BY THE LANDLORD DOES NOT PREVENT

1 THE LANDLORD FROM USING ANY OTHER AVAILABLE COMMON LAW OR
2 STATUTORY PROCEDURE OR REMEDY OR FROM DISPOSING OF THE TENANT'S
3 PROPERTY.