



Senate Fiscal Agency  
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House Bill 4693 (as reported without amendment)  
Sponsor: Representative Steven Johnson  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Reform

### **CONTENT**

The bill would amend Article 25 of the Occupational Code, which governs real estate brokers, real estate associate brokers, and real estate salespersons, to increase the amount of consideration that a landlord may offer and a tenant may accept for a referral of a prospective tenant that does not constitute participation in a real estate transaction or paying of real estate commissions.

Under the Code, the following actions do not constitute participation in a real estate transaction or in the payment of real estate commissions:

- As an owner or an authorized agent of the owner, offering an existing tenant of the owner's property a consideration of a value of one-half month's rent or less for referring a prospective tenant to the owner or the authorized agent of the owner for the purpose of entering into a lease agreement.
- As an existing tenant of rental property, accepting a consideration of one-half month's rent or less for the referral of prospective tenants.

The bill would increase, from one-half month's rent to one month's rent, the maximum value of consideration a landlord could offer, and a tenant could accept for referring a prospective tenant that would not constitute participation in a real estate transaction or paying of real estate commissions.

MCL 339.2512b

Legislative Analyst: Eleni Lionas

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 2-10-22

Fiscal Analyst: Elizabeth Raczkowski