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House Bill 4693 (as passed by the House)
Sponsor: Representative Steven Johnson
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 1-25-22

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: Stephen Jackson

FISCAL IMPACT

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

Fiscal Analyst: Elizabeth Raczkowski

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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.