

**SUBSTITUTE FOR  
SENATE BILL NO. 539**

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 9 (MCL 554.609).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 9. **(1)** In case of damage to the rental unit or other  
2 obligation against the security deposit, the landlord shall mail to  
3 the tenant, within 30 days after the termination of occupancy, **a**  
4 **notice of damages that contains** an itemized list of damages claimed  
5 for which the security deposit may be used as provided in section



1 7, including the estimated cost of repair of each ~~property~~-damaged  
2 **property** item and the amounts and bases on which ~~he~~-**the landlord**  
3 intends to assess the tenant. ~~The list shall~~

4 (2) **Except as otherwise provided in subsection (3), the notice**  
5 **of damages must** be accompanied by a check or money order for the  
6 difference between the damages claimed and the amount of the  
7 security deposit held by the landlord and ~~shall~~-**must** not include  
8 any damages that were claimed on a previous termination inventory  
9 checklist prior to the tenant's occupancy of the rental unit.

10 (3) **Beginning on the effective date of the amendatory act that**  
11 **added this subsection, a notice of damages may not be accompanied**  
12 **by a check or money order as described in subsection (2) if the**  
13 **landlord transmits the difference between the damages claimed and**  
14 **the amount of the security deposit held by the landlord as**  
15 **described in subsection (2) to the tenant through direct deposit or**  
16 **electronic transfer to a bank account, or to an internet or mobile**  
17 **payment account or application. A landlord that complies with this**  
18 **subsection must deposit the amount determined in accordance with**  
19 **subsection (2) into the tenant's account in a financial institution**  
20 **or internet or mobile payment account or application within 10 days**  
21 **after mailing the notice of damages.**

22 (4) The notice of damages ~~shall~~-**must** include the following  
23 statement in 12 point boldface type ~~which shall be~~-**that is** at least  
24 4 points larger than the body of the notice: "You must respond to  
25 this notice by mail within 7 days after receipt of ~~same~~, **the notice**  
26 **of damages**, otherwise you will forfeit the amount claimed for  
27 damages."

