

# HOUSE BILL NO. 5385

November 14, 2023, Introduced by Reps. Mentzer, Breen, Hope and Roth and referred to the Committee on Judiciary.

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) "Rental unit" means a structure or part of a structure~~

3 ~~used as a home, residence, or sleeping unit by a single person or~~

1 ~~household unit, or any grounds, or other facilities or area~~  
 2 ~~promised for the use of a residential tenant and includes, but~~  
 3 ~~without limitation, apartment units, boarding houses, rooming~~  
 4 ~~houses, mobile home spaces, and single and 2-family dwellings.~~

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

8 (a) ~~(e)~~ "Landlord" means **the any of the following:**

9 (i) **The** owner, lessor, or sublessor of the rental unit or the  
 10 property of which it is a part. ~~and, in addition, means a~~

11 (ii) **The** person authorized to exercise any aspect of the  
 12 management of the premises, including a person ~~who, that,~~ directly  
 13 or indirectly, acts as a rental agent ~~, or~~ receives rent, other  
 14 than as a bona fide purchaser, ~~and who~~ **whether or not the person**  
 15 ~~has an~~ obligation to deliver the ~~receipts~~ **rental payments** to  
 16 another person.

17 ~~(d) "Tenant" means a person who occupies a rental unit for~~  
 18 ~~residential purposes with the landlord's consent for an agreed upon~~  
 19 ~~consideration.~~

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

23 (c) "Rental unit" means a structure or part of a structure  
 24 used as a home, residence, or sleeping unit by a single person or  
 25 household unit, or any grounds or other facilities or area promised  
 26 for the use of a residential tenant. Rental unit includes, but is  
 27 not limited to, an apartment unit, a boarding house, a rooming  
 28 house, a mobile home space, or a single- or 2-family dwelling.  
 29 Rental unit does not include a residence occupied by a seller on a

1 **temporary basis after the sale of that residence.**

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~~ **under**  
14 a lease with 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) **"Tenant" means a person that occupies a rental unit for**  
25 **residential purposes with the landlord's consent for an agreed-upon**  
26 **consideration.**