

HOUSE BILL NO. 5564

March 12, 2024, Introduced by Reps. Fink, Wozniak, Bezotte, Bollin and Smit and referred to the Committee on Economic Development and Small Business.

A bill to amend 1988 PA 226, entitled
"An act to limit the powers of a local governmental unit regarding
the leasing of private residential property,"
by amending section 1 (MCL 123.411), as amended by 2018 PA 585, and
by adding section 1a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) As used in this ~~section, "local governmental unit"~~
2 **act:**
3 (a) **"Local governmental unit"** means a political subdivision of
4 this state including, but not limited to, a county, city, village,

1 or township, if the political subdivision provides local government
2 services for residents in a geographically limited area of this
3 state as its primary purpose and has the power to act primarily on
4 behalf of that area.

5 (b) "Landlord" means any of the following:

6 (i) The owner, lessor, or sublessor of the rental unit or the
7 property of which it is a part.

8 (ii) A person authorized to exercise any aspect of the
9 management of the premises, including a person that, directly or
10 indirectly, acts as a rental agent, receives rent other than as a
11 bona fide purchaser, and has no obligation to deliver the receipts
12 to another person.

13 (c) "Prospective tenant" means an individual who inquires
14 about or applies to lease a rental unit from a landlord for
15 residential purposes.

16 (d) "Rental agreement" means an agreement that establishes or
17 modifies the terms and conditions concerning the use and occupancy
18 of a rental unit.

19 (e) "Rental unit" means a structure or part of a structure
20 used as a home, residence, or sleeping unit by a single individual
21 or household unit, or any grounds, or other facilities or area
22 promised for the use of a residential tenant, including, but not
23 limited to, an apartment unit, a boarding house, a rooming house, a
24 mobile home space, a single-family dwelling, or a unit in a 2-
25 family dwelling.

26 (f) "Tenant" means an individual who occupies a rental unit
27 for residential purposes with the landlord's consent for an agreed-
28 upon consideration.

29 (2) Subject to subsections (3) and (4), a local governmental

1 unit shall not enact, maintain, or enforce an ordinance or
2 resolution that would have the effect of controlling the amount of
3 rent charged for leasing private residential property.

4 (3) This section does not impair the right of any local
5 governmental unit to manage and control residential property in
6 which the local governmental unit has a property interest.

7 (4) This section does not limit the power of a local
8 governmental unit to adopt an ordinance or resolution to implement
9 a plan to use voluntary incentives and agreements to increase the
10 supply of moderate- or low-cost private residential property
11 available for lease.

12 **Sec. 1a. (1) A local governmental unit shall not enact,**
13 **maintain, or enforce an ordinance that does any of the following:**

14 (a) Prohibits or limits a landlord from obtaining, using, or
15 attempting to obtain and use any of the following information from
16 a tenant to renew the tenancy or a prospective tenant to determine
17 eligibility for a lease:

18 (i) Monthly household income.

19 (ii) Occupation.

20 (iii) Rental history.

21 (iv) Credit history.

22 (v) Court records, including arrest and conviction records
23 that are publicly accessible.

24 (vi) Social Security number or other proof of identity.

25 (b) Limits how far back in time a prospective tenant's credit
26 history, conviction record, or previous rental history may be taken
27 into account by a landlord to determine eligibility for a lease.

28 (c) Prohibits a landlord from entering into a rental agreement
29 for a rental unit with a prospective tenant during the tenancy of a

1 current tenant of the rental unit.

2 (d) Prohibits a landlord from showing a rental unit to a
3 prospective tenant during the tenancy of the current tenant of the
4 rental unit.

5 (2) An ordinance enacted before or after the effective date of
6 the amendatory act that added this section that is inconsistent
7 with subsection (1) does not apply and may not be enforced.