

# SENATE BILL NO. 661

November 09, 2023, Introduced by Senators BAYER, CHANG, IRWIN, GEISS, SHINK and HERTEL and referred to the Committee on Housing and Human Services.

A bill to amend 1978 PA 454, entitled "Truth in renting act," by amending sections 2 and 3 (MCL 554.632 and 554.633), section 3 as amended by 1998 PA 72.

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

1       Sec. 2. As used in this act:  
2       (a) "Rent" means the amount paid under a rental agreement for  
3 the use or occupancy of a rental unit. Beginning on the effective  
4 date of the amendatory act that added this subdivision, rent  
5 includes the cost of providing essential services to a tenant that

1 are necessary for the use or occupancy of a rental unit. For  
 2 purposes of this subdivision, essential services that are necessary  
 3 for use and occupancy of a rental unit include heat, safe and clean  
 4 hot and cold running water, sewer, electric, gas service, safe and  
 5 operable plumbing and sewerage systems, ventilation, electrical,  
 6 drainage, roofing systems, trash removal, pest and vermin control,  
 7 snow removal, lawn care, locks for exterior doors, latches for  
 8 windows, and cooking appliances or a refrigerator that is supplied  
 9 by the landlord and is in compliance with applicable federal,  
 10 state, and local safety standards.

11 (b) ~~(a)~~—"Rental agreement" means a written agreement embodying  
 12 that incorporates the terms and conditions concerning the use and  
 13 occupancy of residential premises, but does not include an  
 14 agreement the terms of which are limited to 1 or more of the  
 15 following: ~~the~~

- 16 (i) **The** identity of the parties. ~~the~~
- 17 (ii) **A** description of the premises. ~~the~~
- 18 (iii) **The** rental period. ~~the~~
- 19 (iv) **The** total rental amount due. ~~the~~
- 20 (v) **The** amount of rental payments. ~~and the~~
- 21 (vi) **The** times ~~at which~~ **that** payments are due.

22 (c) ~~(b)~~—"Residential premises" means a house, building,  
 23 structure, shelter, or mobile home, or portion thereof, ~~of the~~  
 24 **house, building, structure, shelter, or mobile home**, used as a  
 25 dwelling, home, residence, or living place by 1 or more human  
 26 beings. ~~"Residential premises"~~ **individuals. Residential premises**  
 27 includes an apartment unit, a boardinghouse, a rooming house, a  
 28 ~~mobile home, a mobile home space, and a single or multiple family~~  
 29 **single- or multiple-family** dwelling, but does not include a hotel,

1 a motel, motor home, or other tourist accommodation, when used as a  
2 temporary accommodation for guests or tourists, or premises used as  
3 the principal place of residence of the owner and rented  
4 occasionally during temporary absences including vacation or  
5 sabbatical leave.

6 Sec. 3. (1) A rental agreement ~~shall~~**must** not include a  
7 provision that does 1 or more of the following:

8 (a) Waives or alters a remedy available to the parties when  
9 the premises are in a condition that violates the covenants of  
10 fitness and habitability required ~~pursuant to~~**under** section 39 of  
11 1846 RS 84, MCL 554.139.

12 (b) Provides that the parties waive a right established by  
13 1972 PA 348, MCL 554.601 to 554.616 ~~, which~~**that** regulates security  
14 deposits.

15 (c) Excludes or discriminates against a person in violation of  
16 the Elliott-Larsen civil rights act, 1976 PA 453, MCL 37.2101 to  
17 37.2804, or the persons with disabilities civil rights act, 1976 PA  
18 220, MCL 37.1101 to 37.1607.

19 (d) Provides for a confession of judgment by a party.

20 (e) Exculpates the lessor from liability for the lessor's  
21 failure to perform, or negligent performance of, a duty imposed by  
22 law. This subdivision does not apply to a provision that releases a  
23 party from liability arising from loss, damage, or injury caused by  
24 fire or other casualty for which insurance is carried by the other  
25 party, under a policy that permits waiver of liability and waives  
26 the insurer's rights of subrogation, to the extent of any recovery  
27 by the insured party under the policy.

28 (f) Waives or alters a party's right to demand a trial by jury  
29 or any other right of notice or procedure required by law in a

1 judicial proceeding arising under the rental agreement.

2 (g) Provides that a party is liable for legal costs or  
3 attorney's fees incurred by another party, in connection with a  
4 dispute arising under the rental agreement, in excess of costs or  
5 fees specifically permitted by statute.

6 (h) Provides for the acquisition by the lessor of a security  
7 interest in any personal property of the tenant to assure payment  
8 of rent or other charges arising under the rental agreement, except  
9 as specifically allowed by law.

10 (i) Provides that rental payments may be accelerated if the  
11 rental agreement is breached by the tenant, unless the provision  
12 also includes a statement that the tenant may not be liable for the  
13 total accelerated amount because of the landlord's obligation to  
14 minimize damages, and that either party may have a court determine  
15 the actual amount owed, if any.

16 (j) Waives or alters a party's rights with respect to  
17 possession or eviction proceedings provided in section 2918 of the  
18 revised judicature act of 1961, 1961 PA 236, MCL 600.2918, or with  
19 respect to summary proceedings to recover possession as provided in  
20 chapter 57 of the revised judicature act of 1961, 1961 PA 236, MCL  
21 600.5701 to 600.5759.

22 (k) Releases a party from a duty to mitigate damages.

23 (l) Provides that a lessor may alter a provision of the rental  
24 agreement after its commencement without the written consent of the  
25 tenant, or, in the case of a rental agreement between a consumer  
26 cooperative that provides housing and a member of the consumer  
27 cooperative, without the approval of the board of directors of the  
28 cooperative or other appropriate body elected by members who are  
29 also tenants of the cooperative, except that an agreement may

1 provide for the following types of adjustments to be made ~~upon~~**-on**  
 2 written notice of not less than 30 days:

3 (i) Changes required by federal, state, or local law or rule or  
 4 regulation.

5 (ii) Changes in rules relating to the property that are  
 6 required to protect the physical health, safety, or peaceful  
 7 enjoyment of tenants and guests.

8 (iii) Changes in the amount of rental payments to cover  
 9 additional costs in operating the rental premises incurred by the  
 10 lessor because of increases in ad valorem property taxes, charges  
 11 for the electricity, heating fuel, water, or sanitary sewer  
 12 services consumed at the property, or increases in premiums paid  
 13 for liability, fire, or worker compensation insurance.

14 (m) Violates the Michigan consumer protection act, 1976 PA  
 15 331, MCL 445.901 to 445.922.

16 (n) Requires the tenant to give the lessor a power of  
 17 attorney.

18 **(o) Except as otherwise provided in subsection (3), imposes a**  
 19 **charge or fee that is any of the following:**

20 (i) Not reasonable.

21 (ii) Not connected to any of the following:

22 (A) A nonessential service that is provided to the tenant at  
 23 the tenant's option and is directly and primarily beneficial to the  
 24 tenant.

25 (B) The tenant's failure to meet a lawful obligation under the  
 26 rental agreement.

27 (iii) Connected to a service provided to a tenant by a third  
 28 party.

29 (iv) For a tenant's failure to provide notice of nonrenewal of

1 a rental agreement that is greater than 1 month.

2 (v) For a tenant's payment of rent after its due date and any  
3 grace period that exceeds the lesser of \$30.00 or 3% of the rent.

4 (vi) For a lawful method a tenant uses to pay rent or other  
5 charges or fees.

6 (p) Imposes a charge or fee to the length of tenancy after the  
7 initial term.

8 (q) Applies a tenant's payment to the tenant's rental  
9 obligation only after it is applied to other charges or fees.

10 (r) Requires arbitration of any existing or subsequent  
11 controversy or dispute that arises under the rental agreement.

12 (s) Prohibits a tenant from paying rent or other charges or  
13 fees by a lawful method.

14 (2) A rental agreement ~~shall~~**must** not include a clause or  
15 provision that, not less than 90 days before the execution of the  
16 rental agreement, has been prohibited by statute or declared  
17 unenforceable by a published decision of the supreme court of this  
18 state or the United States supreme court relating to the law of  
19 this state.

20 (3) A landlord may require a tenant to arrange and pay for a  
21 service provided by a public utility to the tenant for the tenant's  
22 rental unit. The landlord shall not impose any additional cost or  
23 surcharge for any service provided by a public utility to a tenant.  
24 As used in this subsection, "public utility" means that term as  
25 defined in section 1 of 1972 PA 299, MCL 460.111.

26 (4) ~~(3)~~A provision or clause of a rental agreement that  
27 violates this section is void.