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PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

August 2009

I. PRIORITY BILLS REQUESTED BY PMAM

- A. **HB 4904 of 2009. Housing; landlord and tenants; 7-day notice to quit for tenants who injure or threaten to injure other tenants or employees; require.** Amends sec. 5714 of 1961 PA 236 (MCL 600.5714). TIE BAR WITH: HB 4905'09. Last Action: 5/12/2009 – Printed bill filed. 5/7/2009 – REFERRED TO COMMITTEE ON URBAN POLICY. **Comment:** Unchanged since last report. The bill sponsor (Rep. Nathan) has indicated that the bills will be up for a testimony-only committee hearing the second week after the Legislature fully returns from its summer break. This depends on the schedule for the rest of the summer which is unknown at this time (committee could be in August or September). Also, the bills may be re-referred to the House Regulatory Reform Committee. The ACLU, Public Defender's Association, Michigan League for Human Services, and Michigan Poverty Law Center opposed these bills as introduced and have been involved in work group meetings.
- B. **HB 4905 of 2009. Housing; landlord and tenants; provision relating to the termination of lease for certain controlled substance offenders; modify.** Amends sec. 34 of 1846 RS 66 (MCL 554.134). TIE BAR WITH: HB 4904'09. Last Action: 5/12/2009 – Printed bill filed. 5/7/2009 – REFERRED TO COMMITTEE ON URBAN POLICY. **Comment:** See comment for HB 4904 above.
- C. **SB 545 of 2009. Housing; landlord and tenants; 7-day notice to quit for tenants who injure or threaten to injure other tenants or employees; require.** Amends sec. 5714 of 1961 PA 236 (MCL 600.5714). TIE BAR WITH: SB 0546'09. Last Action: 05/07/2009 - REFERRED TO COMMITTEE ON JUDICIARY. **Comment.** This and SB 546 are identical to HB 4904 and HB 4905.
- D. **SB 546 of 2009. Housing; landlord and tenants; provision relating to the termination of lease for certain controlled substance offenders; modify.** Amends sec. 34 of 1846 RS 66 (MCL 554.134). TIE BAR WITH:

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SB 0545'09. Last Action: 05/07/2009 - REFERRED TO COMMITTEE ON JUDICIARY

- E. **HB 5034 of 2009 Housing; landlord and tenants; requirement for lawful reentry by landlord/Deceased Tenant Bill**; modify. Amends sec. 2918 of 1961 PA 236 (MCL 600.2918). Last Action: 6/3/2009 – Printed bill filed. 6/2/2009 – REFERRED TO COMMITTEE ON JUDICIARY. **Comment:** This bill is tentatively scheduled for a committee hearing on September 16, 2009.

II. OTHER PRIORITY ISSUES

- A. **Energy Theft**. PMAM officials recently met with DTE Energy executives to discuss that company's energy theft legislative initiative. DTE is preparing legislation to deal with chronic losses from energy theft primarily in the City of Detroit. A basic legislative approach is evolving which would allow for hardening of a site after the first instance of theft and a shut-off after a second incident of energy theft. After a second shut-off, a return to service would require some level of cooperation, documentation, and/or cost recovery involving the property owner. We anticipate at meeting to go over draft bill language in the near future.
- B. **Service of Process Reform**. Rep. Green (R-Wyoming) has a bill draft regarding this issue requested in the wake of the state Supreme Court's failure to adopt PMAM proposed court rule amendment.
- C. **Alpine Twp. Special Assessment Issue**. A recent Grand Rapids Press article quotes the Alpine Township Treasurer as proposing a special assessment for an apartment community to defray the costs of police and fire services provided to that community. We do not believe such an assessment is permissible under state law (Proposal A/General Property Tax Ac). However, we think this move should be met directly on a PR/political/legal basis lest it gain traction and be transported to other revenue-hungry communities. **See Attachment A.**

III. HOUSING BILLS

- A. **SB 0185 of 2009 Housing; landlord and tenants; early lease termination; allow for certain victims of domestic assault**. Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1b. Last Action: 02/03/2009 - REFERRED TO COMMITTEE ON ECONOMIC DEVELOPMENT AND REGULATORY REFORM. **Comment:** Most recent draft tentatively scheduled for a first house committee hearing when Legislature returns from break in August or September.

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- B. **HB 4211 of 2009 Housing; landlord and tenants; 30-day notice of foreclosure of property**; require. Amends 1978 PA 454 (MCL 554.631 - 554.641) by adding sec. 10a. Last Action: 02/11/2009 - printed bill filed 02/11/2009. Last Action: SUBSTITUTE VERSION PASSES HOUSE; ON 03/18/2009 – BILL REFERRED TO SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS REFERRED.

- C. **HB 4251 of 2009 Housing; landlord and tenants; requirement for landlord to provide a means for solid waste disposal to tenants being evicted**; establish. Creates new act. Last Action: 02/17/2009. REFERRED TO INTER-GOVERNMENTAL & REGIONAL AFFAIRS COMMITTEE.

- D. **SB 0086 of 2009 Housing; landlord and tenants; landlord notification procedure for tenant repairs and maintenance; clarify**. Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1c. Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY

- E. **SB 0169 of 2009 Housing; landlord and tenants; lead-contaminated soil**; require landlord notification to tenants. Amends 1978 PA 454 (MCL 554.631 - 554.641) by adding sec. 4a. Last Action: 02/03/2009 - REFERRED TO COMMITTEE ON JUDICIARY

- F. **HB 4024 of 2009 Housing; landlord and tenants; inventory checklist; provide for tenant right to be present**. Amends sec. 8 of 1972 PA 348 (MCL 554.608). Last Action: 02/04/2009 - REASSIGN TO COMMITTEE ON INTERGOVERNMENTAL AND REGIONAL AFFAIRS.

- G. **HB 4801 of 2009 Housing; inspection; rental housing inspection programs; expand to include rental mobile homes**. Amends sec. 7 of 1987 PA 96 (MCL 125.2307). Last Action: 6/16/2009 – Reported with recommendation with substitute H-1; referred to second reading. 6/16/2009 – PASSED COMMITTEE. H-1 REFERRED TO SECOND READING ON HOUSE FLOOR.

III. CIVIL PROCEDURE BILLS

- A. **HB 4869 Civil procedure; evictions; property managers; allow to represent landlords in eviction proceedings**. Amends 1961 PA 236 (MCL 600.101 - 600.9947) by adding sec. 5705. Last Action: REFERRED TO HOUSE JUDICIARY COMMITTEE. Bill would allow property owner and manager representation in summary eviction proceedings. **See Attachment B.**

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- B. **HB 4033 of 2009 Civil procedure; foreclosure**; 1-year moratorium on residential mortgage and land contract foreclosures; make applicable to MSHDA mortgages and land contracts. Amends secs. 48d, 49 & 49i of 1966 PA 346 (MCL 125.1448d et seq.). TIE BAR WITH: HB 4034'09.Last Action: 01/27/2009 - REFERRED TO BANKING AND FINANCIAL SERVICES.

- C. **SB 0032 of 2009 Civil procedure; evictions**; eviction after foreclosure; require 90-day notice of eviction to tenants. Amends secs. 3208 & 5714 of 1961 PA 236 (MCL 600.3208 & 600.5714) & adds sec. 3108.Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY

- D. **SB 0033 of 2009 Civil procedure; foreclosure; lease of foreclosed property**; provide that lease continues after property is foreclosed, and provide notice of foreclosure to tenants. Amends secs. 3130, 3208 & 3236 of 1961 PA 236 (MCL 600.3130 et seq.) & adds sec. 3108. Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY.

E. PROPERTY TAXES

- A. **HBs 4456 and 4457 of 2009 Property tax; assessments; assessment of commercial rental property**; revise Amends sec. 34d of 1893 PA 206 (MCL 211.34d) & adds sec. 71l. Last Action: 5/20/2009 Last Action: 6/17/2009 – BILLS PASSED HOUSE AND REFERRED TO SENATE COMMITTEE ON FINANCE. **Comment:** Bills address the so-called vacancy loss rule.

ATTACHMENT A

Alpine Township treasurer says York Creek, other apartments should pay extra for police, fire

*by Aaron Ogg / The Grand Rapids Press
Tuesday August 18, 2009, 8:58 AM*



York Creek has about 38 percent of Alpine Township's population, with about 5,000 resident.

ALPINE TOWNSHIP -- Township Treasurer Jim Townsend says two apartment complexes are not pulling their weight paying for police and fire protection -- but should through a special assessment.

[The 1,764-unit York Creek](#), 650 York Creek Drive NW, and the 240-unit Alpine Slopes, 4285 Alpenhorn Drive NW, are "reaping an enormous benefit" considering what they pay in taxes for public safety and what they actually use, he said Monday night.

"I think we've got to do something," Townsend said. "It's just not right."

The proposal came during the [Township Board](#) meeting.

York Creek's ownership, Wyoming-based Land & Co., did not immediately indicate what it thought about a such a possible public safety assessment.

"York Creek is proud of its commitment to being a good community neighbor, and welcomes continued dialogue with Township officials regarding the safety and well-being of those in and around our property," the company said in a statement.

Management at Alpine Slopes, which is owned by Alpine II Co. Ltd., could not be reached Monday for comment.

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Supervisor Alex Arends opposes the proposal.

"All this is is shifting the cost to a landowner that has big pockets," he said. "I'm not trying to make out York Creek like they're saints, but I think they're seriously trying to work out efforts to lower crime."

Arends pointed to York Creek's participation in a crime prevention initiative with surveillance improvements, installation of improved lighting and the trimming of shrubs and trees near windows and doors, among other efforts.

York Creek has about 38 percent of the township's population, with about 5,000 residents, he said.

The township contracts with [Kent County Sheriff's Department](#) for police coverage and operates its own fire department.

Of 3,955 calls the sheriff's department received for dispatch from January 2008 through June 2009, 56 percent involved the 1-square-mile area with York Creek and Alpine Slopes.

For the 2009-10 fiscal year that started in July, the township budgeted \$350,000 for the sheriff's department to provide two patrol car shifts daily, in addition to an assigned district car and a part-time community policing officer.

[The Alpine Township Fire Department](#) has a \$529,406 budget, including \$180,000 for a fire truck. Public safety makes up about 36.4 percent of the township's \$2.41 million budget.

Townsend figured York Creek and Alpine Slopes pay a combined \$28,534 toward police and fire coverage.

Arends and Clerk Jean Wahlfield said increased public safety fees could mean higher rates for renters.

"You're going to push these fees onto the people who live there," Wahlfield said.

Land & Co., in its statement, said: "We do our best to provide a quality living environment at a fair price to our residents, many of whom attend local schools, shop at the surrounding retail centers and work at area businesses."

Township officials plan to meet with apartment complex representatives and Comstock Park school district officials to discuss the special assessment possibility.

ATTACHMENT B

HOUSE BILL No. 4869

April 30, 2009, Introduced by Rep. Sheltroun and referred to the
Committee on Judiciary.

A bill to amend 1961 PA 236, entitled

"Revised judicature act of 1961,"

(MCL 600.101 to 600.9947) by adding section 5705.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 5705. A PERSON ACTING AS A PROPERTY MANAGER
FOR A

LANDLORD MAY DO ALL OF THE FOLLOWING ON BEHALF
OF THE LANDLORD WITH

RESPECT TO THE PROPERTY:

(A) SIGN ANY DOCUMENT THAT IS REQUIRED OR
ALLOWED UNDER THIS

CHAPTER.

(B) PREPARE AND SIGN PLEADINGS OR OTHER COURT PAPERS IN A

SUMMARY PROCEEDING UNDER THIS CHAPTER.

(C) APPEAR IN COURT IN A SUMMARY PROCEEDING UNDER THIS

CHAPTER.