



KELLEY CAWTHORNE

PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

May 2008

ATTORNEYS &
GOVERNMENT
RELATIONS
CONSULTANTS

*Frank J. Kelley
Dennis O. Cawthorne
Patrick H. McCollough
Steven D. Weyhing
David Gregory*

GOVERNMENT
RELATIONS
CONSULTANTS

*Rob Elhenicky
Dave Ladd
Melissa Yutzey*

OF COUNSEL

Bill Bullard, Jr.

I. PRIORITY ISSUES

- A. AT-RISK PROPERTY PROTECTION ACT/INSPECTION REFORM. UPDATE:** The following bills have been introduced: **HB 4958** by Rep. Green and referred to House Intergovernmental, Urban and Regional Affairs; **SB 635** introduced by Sen. Garcia and referred to Senate Economic Development/Regulatory Affairs; and **HB 5206** introduced by Rep. Sak recently passed the House of Representatives and has been transmitted to the Senate. HB 5206 was introduced at the request of the RPOA and would increase the maximum length between inspections from 2 to 4 years and permit a local government to adopt a 6 year ordinance if the most recent inspection uncovered no code violations. **VERBAL UPDATE TO BE PROVIDED AT MEETING.**
- B. DOMESTIC VIOLENCE TERMINATION/SB 103. UPDATE:** Various interest groups met with Sen. Garcia several weeks ago to discuss Draft 4. We reached partial agreement on several issues. Moreover, all parties agreed in concept regarding the need for written documentation which is “self-evident” to entry level employees and not subject to interpretation. The difficult part will be reaching agreement on the details regarding what documentation meets this standard and does not expose property owners and managers to undue liability. The State Domestic Violence Prevention Board housed within the DHS has also weighed in on this issue. **MEETING SCHEDULED FOR FIRST WEEK OF JUNE.**
- C. LICENSURE. UPDATE:** As previously reported MHC is considering seeking the re-introduction of a bill similar to HB 6554 from last term which would create a new licensure class. We have spoken directly to MAR which has taken a largely hands-off position qualified by the statement that its members would marginally prefer separate licensure to an “exemption” approach. MAR has informed us that it will not take a formal position until such time as it reviews actual bill language.

PMAM will only support clarifying legislation at this time. **MHC NOT PURSUING ACTIVELY AT THIS TIME**

- D. INTRODUCTION OF NEW PMAM BILLS.** Sen. Garcia has introduced **SB 1068** (referred to Judiciary) which removes the police report requirement for drug evictions and also authorizes evictions for violence committed against tenants and employees. This bill also require the introduction of a companion bill to amend another act. We also have a draft bill in the House regarding the handling of a deceased tenant's personal property which will request Rep. Pam Byrnes to sponsor.

II. OTHER BILLS FOR DISCUSSION & MONITORING

- A. ABANDONED BUILDINGS – BLIGHT COURT. HB 5319** would make an abandoned building order under the Housing Code eligible for adjudication in a blight court for municipalities which have established such tribunals. As previously reported, the City of Detroit is pursuing this statutory change. **BILL BECAME 2008 PA 50.**
- B. BLIGHT VIOLATIONS – NEW BILL. HB 5620** (Young, D-Detroit). Bill would create a new schedule of fines for blight violations in a city with over 750,000 in population and an administrative hearings bureau (City of Detroit). Referred to House Urban Affairs.
- C. CHANGE ADDRESS NOTICE. HB 4394** introduced by **Rep. Steil (R-Cascade)** and referred to the Regulatory Reform Committee would require a tenant to use registered or certified mail/return receipt requested. In May we received calls from RPOA's consultant suggesting that bill will come up for a committee hearing in the near future.
- D. DUMPSTERS/CITY OF DETROIT**
- E. ENERGY EFFICIENCY/TAX CREDIT/NEW/HB 5374.** This bill was introduced by Rep. Bob Constan (D-Dearborn Heights) it would authorize an income tax credit of up to 35% of the cost for installation of energy efficiency measures in residential rental property. The bill was referred to the Energy and Technology Committee.
- F. FORECLOSURE NOTICE – TRUTH IN RENTING ACT – NEW. HB 5532 (Jackson, D-Detroit).** Bill would amend the Truth in Renting Act to provide as follows: "A rental agreement shall contain a provision that a landlord shall notify a tenant of any foreclosure actions being taken against the property at least 30 days before the property is foreclosed on." Referred to House Regulatory Reform Committee.
- G. LANDLORD-TENANT/NOTICE REGARDING REPAIRS/SB 379. Sen. Gretchen Whitmer (D-East Lansing)** introduced a bill which would require that a rental agreement provide that a tenant has a right to a 24 hour

notice for non-emergency repairs or maintenance. Referred to Local, State and Urban Affairs Committee.

- H. **LEAD CONTAMINATION NOTICE.** Sen. Martha Scott (D-Detroit) introduced SB 509 (referred to Judiciary). The bill would amend the Truth in Renting Act to require a landlord to provide notice to a tenant within 10 days of receiving notice that a rental unit rests on soil that is contaminated with lead. See Attachment C for bill text.
- I. **LEASING RESTRICTIONS/ANN ARBOR ORDINANCE.** Kelley Cawthorne is reviewing legal opinion issued by outside firm to WAAA for possible attorney general opinion request.
- J. **LOW INCOME HOUSING ISSUES. Sen. Ron Jelinek (R-Three Oaks)** has introduced **SB 80** which would exempt a transfer of “eligible nonprofit housing property from charitable nonprofit housing organization to a low-income person” from the definition of a “transfer” under the General Property Tax Act. **Rep. Joel Sheltroun (D-West Branch)** has introduced **HB 4338** dealing with withholding taxes for entities with regulatory agreements with HUD and MSHDA. This bill passed the House and is in the Senate Finance Committee.
- K. **NON-ATTORNEY REPRESENTATION**
- L. **SOURCE OF INCOME.**
- M. **TAX CREDITS – ARTIST RENTAL.** Rep. Jeff Mayes (D-Bay City) has introduced a bill which would provide an income tax credit for landlords who rent to artists. HB 5948 referred to New Economy Committee.
- N. **TAX CREDITS - MSHDA PROJECTS.** Rep. LaJoy (R-Canton) has introduced a technical bill regarding the use of homestead credits for MSHDA projects. **HB 5183** referred to Commerce.
- O. **VACANCY LOSS REFORM. UPDATE:** A new commercial property specific tax act (HB 4375/Condino) previously passed the House and remains in Senate Finance Committee. The Senate version of the bill was discharged (SB 312/Jacobs) from committee and remains on the Senate general orders calendar.

III. OTHER ISSUES

A. FUND-RAISING/PAC.

B. SUPREME COURT RULE CHANGE REQUEST

