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## PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

November 2008

### I. PRIORITY ISSUES

- A. COMPLIANCE-BASED INSPECTION REFORM. HB 4958** by Rep. Green and referred to House Intergovernmental, Urban and Regional Affairs; **SB 635** passed the Senate; and **HB 5206** introduced by Rep. Sak passed the House of Representatives and has been referred to the Senate Economic Development Committee. 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. **UPDATE: SB 635 scheduled for a hearing before the House Inter-governmental, Urban and Regional Affairs Committee on December 3, 2008 at 10:30 a.m. in the House Office Building.**
- B. DOMESTIC VIOLENCE TERMINATION/SB 103. UPDATE:** All major issues have been resolved in a manner acceptable to PMAM. We anticipate no further action this year but re-introduction in 2009.
- C. LICENSURE:** 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 requires the introduction of a companion bill to amend another act. Sen. Garcia also introduced a drug eviction reform bill which is currently before the Senate Judiciary Committee (SB 1372). We

also have a draft bill pending in the House regarding the handling of a deceased tenant's personal property which we have requested Rep. Pam Byrnes (D-Chelsea) 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. **FLOOD ZONES. HB 6548** would require written notice by a landlord that a property is in a flood zone. Bill passed from House Inter-governmental Affairs Committee to House floor in November 2008.
- G. **FORECLOSURE NOTICE – TRUTH IN RENTING ACT - 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. Also introduced, **HB 6375** requiring notice of foreclosure to tenants within 15 days of notice of foreclosure on leased, residential real estate by Rep. Johnson (D-Detroit), referred to Judiciary. **SBs 1644** and **1645** would require 90 day notice of a demand of possession and continuation of a lease in the event of a foreclosure of leased, residential real property. Introduced by Sen. Hansen Clarke and referred to Judiciary.

- H. 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.
- I. 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.
- J. LEASING RESTRICTIONS/ANN ARBOR ORDINANCE.** Kelley Cawthorne is reviewing legal opinion issued by outside firm to WAAA for possible attorney general opinion request.
- K. 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.
- L. NON-ATTORNEY REPRESENTATION. HB 6321,** introduced by Rep. Sheltroun (D-West Branch) would allow property managers to represent landlords in summary proceedings. Referred to House Intergovernmental Affairs Committee.
- M. SOURCE OF INCOME.**
- N. 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.
- O. 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.
- P. 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**

