



KELLEY CAWTHORNE

PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

November 2009

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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: 10/27/09 – TESTIMONY TAKEN IN URBAN POLICY COMMITTEE. **Comment:** Since our last report, we have had an Urban Policy committee dedicated to the eviction bills. We have been in constant conversation with the chair of the committee, Gabe Leland, and our bill sponsor David Nathan, to hold another committee to vote out the bills. It looks as if a committee to vote out these bills could possibly occur the first week in December. PMAM SUPPORTS.
- 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: 10/27/09 – SCHEDULED FOR TESTIMONY TAKEN IN URBAN POLICY COMMITTEE.. **Comment:** See comment for HB 4904 above. PMAM SUPPORTS.
- 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. PMAM SUPPORTS.
- 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: SB 0545'09. Last Action: 05/07/2009 - REFERRED TO COMMITTEE ON JUDICIARY. PMAM SUPPORTS.

- 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: 10/21/09 – TESTIMONY TAKEN IN JUDICIARY COMMITTEE. **Comment:** We, along with members of PMAM, met with Byrnes, Jack Schmitt (Byrnes’ staffer), Stephanie Johnson from Capitol Services, and a member of the Michigan Advocacy Project to discuss adding additional safeguards to the bill. Our group decided to extend the notice time before reentry from 7 days to 30 days. We have tentatively scheduled another workgroup on this bill on Dec. 8th. Also, an article on this bill ran in *Michigan Lawyer’s Weekly* on Nov. 9. PMAM SUPPORTS.

II. OTHER PRIORITY ISSUES

- A. **Energy Theft**. Since our last update, two meetings have been held to discuss this legislation. The items of interest in this bill are as follows:
- i. More than one occurrence of energy theft within 24 months, if under the same ownership, permits a utility company to refuse to provide service to the address
 - ii. The owner of the property, when requesting a reconnection, must pay for the cost to repair the equipment and facilities on the location’s property and must also agree to pay for the charges of the unauthorized use that occurred during their ownership. If it can be established who participated in the unauthorized use and the new owner does not agree to pay, the new owner must pay an additional fee for reestablishing service at a “location with multiple prior occurrences of unauthorized use.”
 - iii. The property owner must alert the utility company within 30 days that an owner has abandoned or surrendered the property. If this isn’t done, the property owner is liable for any unauthorized use that occurs.

The bill remains in draft form until the RPOA has come back with its comments. The current draft is attached.

- B. **HB 5518 Service of Process Reform. Civil procedure; evictions; manner of serving summons and complaint in summary proceedings**; revise. Amends sec. 5732 of [1961 PA 236](#) (MCL [600.5732](#)) & adds sec. 5736. Rep. Green (R-Wyoming) has introduced the Service of Process Reform legislation (see attached document). Last Action: 10/16/2009: printed bill filed; ASSIGNED TO JUDICIARY COMMITTEE. Green’s office has requested members send letters of support for the bill to Rep. Meadows, Judiciary Committee Chair, to expedite taking testimony on the bill. They also asked that members write letters of support to Rep. Green regarding the legislation.
- 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

KELLEY CAWTHORNE

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.

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:** PMAM IS NEUTRAL AS TO THE MOST RECENT DRAFT.
- 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. PMAM OPPOSES.
- 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. PMAM OPPOSES.
- 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. PMAM OPPOSES.
- 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. PMAM OPPOSES.

KELLEY CAWTHORNE

- 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: 10/28/2009 – PASSED THE HOUSE, REFERRED TO COMMITTEE ON LOCAL, URBAN, AND STATE AFFAIRS

IV. 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.
Comment: Bill would allow property owner and manager representation in summary eviction proceedings. PMAM HAS SUPPORTED PRIOR VERSIONS OF THIS BILL.
- 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.

V. 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:** HB 4457 is still in House Tax Policy. Both Bills address the so-called vacancy loss rule.