



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 1158 through 1162 (as introduced 9-18-96)
Sponsor: Senator George A. McManus, Jr.
Committee: Agriculture and Forestry

Date Completed: 11-12-96

CONTENT

Senate Bills 1158 and 1159 would amend the Truth in Renting Act and the landlord-tenant Act, respectively, to provide that the Acts would not apply to an employer's provision of rent-free housing to an employee as a benefit or condition of his or her employment. (The Acts regulate residential rental agreements and the relationship between landlords and tenants relative to those agreements.)

Senate Bill 1160 would amend the Revised Judicature Act (RJA) to permit the recovery of premises by summary proceedings if a person failed to vacate premises that had been provided pursuant to an employment relationship that was terminated, or if a person failed to vacate an agricultural labor camp upon demand. Also, under those circumstances, a tenant could not recover damages for "unlawful interference with a possessory interest", and he or she would be liable for treble damages to the owner, operator, or licensee of the premises.

Senate Bill 1161 would amend Chapter 66 of the Revised Statutes of 1846 (which contains "general provisions concerning real estate") to provide that, regardless of whether rent was reserved, a notice to quit would not be required as a precondition for the termination of an employee's occupancy of housing that was provided by an employer pursuant to an employment relationship or as a benefit or condition of employment, or for the termination of an individual's occupancy of housing in a licensed agricultural labor camp by the owner or operator of that housing. (The law requires a notice of 30 days, seven days, or one year, depending on the nature of the tenancy.)

Senate Bill 1162 would amend the Michigan Consumer Protection Act to provide that the term "trade or commerce" would not include an employer's provision of rent-free housing to an employee as a benefit or condition of employment. (The Act provides that, "Unfair, unconscionable, or deceptive methods, acts or practices in the conduct of trade or commerce are unlawful...".)

A more detailed description of Senate Bill 1160 follows.

Summary Proceedings

Chapter 57 of the RJA specifies circumstances under which a person may recover possession of premises by summary proceedings, pursuant to procedures prescribed in the Act and in court rules. Generally, summary proceedings are available when a person holds over premises after failing to pay rent or after receiving a demand for possession pursuant to a lease.

Under the bill, summary proceedings also would be available, regardless of whether rent had been reserved, in either of the following cases:

- When an employee remained in possession of premises originally provided by an employer pursuant to an employment relationship or as a condition of employment, if the employer had terminated the employment relationship and had made written demand for return of possession.
- When an individual remained in possession of premises licensed under Part 124 of the Public Health Code, if the owner or operator of those premises had provided the individual with written demand that he or she vacate the premises.

(Part 124 of the Public Health Code provides for the licensure of an “agricultural labor camp”, which means “a tract of land and all tents, vehicles, buildings, or other structures pertaining thereto, part of which is established, occupied, or used as living quarters for 5 or more migratory laborers engaged in agricultural services”.)

Damages

Under the RJA, a tenant whose possessory interest has been unlawfully interfered with by the owner, lessor, or licensor, or that person’s agent, may recover actual damages or \$200, whichever is greater, for each occurrence and may recover possession, if it has been lost. This provision does not apply if the owner, lessor, licensor, or agent acted pursuant to a court order; interfered with possession temporarily only as necessary to make repairs or inspection and as provided by law; or believed in good faith that the tenant had abandoned the premises and current rent had not been paid. The bill would extend this exception to an operator or employer, and would include circumstances in which the owner, lessor, licensor, operator, employer, or agent did one of the following:

- Made written demand that the person vacate premises that had been originally provided pursuant to an employment relationship or as a benefit or condition of employment, if that employment had been terminated and the person had failed to vacate the premises within a reasonable time after receiving the written demand.
- Made written demand that the person vacate premises licensed under Part 124 of the Public Health Code, if the person had failed to vacate within a reasonable time after receiving the written demand.

A person who refused to vacate premises under either of those circumstances would be liable for three times the actual damages caused by his or her conduct, plus actual attorney fees reasonably incurred by the owner, operator, or licensee of the premises.

MCL 554.640 (S.B. 1158)
554.616 (S.B. 1159)
600.2918 et al. (S.B. 1160)
554.134 (S.B. 1161)
445.902 (S.B. 1162)

Legislative Analyst: S. Margules

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.