

HOUSE BILL No. 6245

November 5, 1998, Introduced by Rep. Jelinek and referred to the Committee on Urban Policy and Economic Development.

A bill to amend 1972 PA 348, entitled

"An act to regulate relationships between landlords and tenants relative to rental agreements for rental units; to regulate the payment, repayment, use and investment of security deposits; to provide for commencement and termination inventories of rental units; to provide for termination arrangements relative to rental units; to provide for legal remedies; and to provide penalties,"

by amending section 2 (MCL 554.602).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) A landlord may require a security deposit for
2 each rental unit. A security deposit shall be required and main-
3 tained in accordance with the terms of this act and shall not
4 exceed 1-1/2 months' rent.

5 (2) IN THE CASE WHERE MORE THAN 1 TENANT SIGNS A RENTAL
6 AGREEMENT, THE LANDLORD SHALL ALLOW THE APPORTIONMENT OF THE
7 SECURITY DEPOSIT EQUALLY AMONG THE PARTIES.

1 (3) UPON EXPIRATION OR TERMINATION OF A LEASE IN WHICH 1 OR
2 MORE TENANTS HAVE SIGNED AND PROVIDED A PROPORTIONAL SECURITY
3 DEPOSIT, THE LANDLORD SHALL RETURN THE PROPORTIONAL SHARE OF THE
4 SECURITY DEPOSIT TO THE TENANTS IN THE MANNER PROVIDED FOR UNDER
5 THIS ACT. THE LANDLORD MAY RENEW THE LEASE WITH SUBSTITUTED PAR-
6 TIES OR MAY EXECUTE A NEW LEASE AND SHALL ACCEPT A PROPORTIONAL
7 SECURITY DEPOSIT. THIS SUBSECTION DOES NOT ALLOW A LANDLORD TO
8 RETAIN A PROPORTIONAL SHARE OF A SECURITY DEPOSIT BELONGING TO A
9 TENANT NOT SUBJECT TO THE RENEWED OR NEW LEASE.