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WITHHOLD VENDOR PAYMENTS FOR SUBSTANDARD HOUSING

**House Bill 6063 as enrolled
Public Act 478 of 2000
Sponsor: Rep. Sandra Caul**

**House Bill 6064 as enrolled
Public Act 479 of 2000
Sponsor: Rep. Doug Hart**

**Second Analysis (12-20-00)
House Committee: Family
and Children Services
Senate Committee: Families,
Mental Health and Human Services**

THE APPARENT PROBLEM:

Thousands of low-income Michigan families, including recipients of Family Independence Agency (FIA) assistance, live in substandard housing. Advocates for these families say that inferior housing may account for the poor school grades of some children. For example, in testimony before the House Families and Children Committee, they cited the example of one family living in an apartment where there was no place for the family's child to study. In addition, there was water damage, clogged sinks, no drywall in the bathroom, rotted carpeting, no smoke detectors, and missing panes of glass in the front door, although the landlord promised repeatedly that repairs would be done. In other cases, reports were made of apartments advertised for rent with stoves and refrigerators that were connected improperly, unpainted walls, backed up sewage, and trash left behind by previous tenants. It was also alleged that some families are afraid to complain, since, rather than repair the property, landlords often order them to move out. It often happens that families are forced to move three or four times a year. Some people maintain that some of these landlords – those whose tenants are FIA rent vendored program recipients – would cooperate if they knew that the department might terminate their participation in the program. Others would like to see priority given to inspections of housing where children live. Legislation has been proposed that would include these, and other provisions, to address the problem of substandard housing.

THE CONTENT OF THE BILLS:

House Bill 6063 would amend the Social Welfare Act (MCL 400.57i) to require that the Family Independence Agency (FIA) terminate a landlord's participation in the rent vendoring program when the dwelling unit being provided violated certain provisions of the housing code; to prohibit landlords from evicting occupants due to these actions; to allow an occupant who had been evicted to bring an action to recover damages, costs, and attorney fees; and to allow rental payments to be put into an escrow account if an occupant remained in a dwelling unit after a landlord's participation in the rent vendoring program had been terminated. House Bill 6064 would amend the Housing Law of Michigan (MCL 125.526 et al.) to specify that a complaint regarding a dwelling where a child (defined under the bill to mean a person under 18 years of age) lived would have to be given priority over any other nonemergency complaint.

House Bill 6063. Currently, under the Family Independence Agency (FIA) rent vendoring program, each recipient's monthly payment for rent is deducted from the amount of cash assistance each would normally receive, and mailed directly to participating landlords. Under the bill, each landlord or housing provider participating in the FIA rent vendoring program would have to certify that the dwelling unit being provided met all of the following requirements:

- There was no condition in the dwelling unit that would facilitate the spread of a "communicable disease," which would mean that term as defined in

Section 5101 of the Public Health Code (MCL 333.5101).

- The dwelling unit was fit for human habitation.
- The dwelling unit was not dangerous to life or health due to lack of repair of, a defect in, or the construction of a drainage source or device, plumbing, lighting, ventilation, or a heating source or device.

Housing Code Violation. The bill would also specify that, if the FIA were notified by an enforcing agency (defined under the act to mean the designated officer or agency charged with responsibility for administration and enforcement of the act) that a landlord or housing provider had a housing code violation that constituted a hazard to the health or safety of the occupants, then the landlord's or housing provider's participation in the rent vrending program for that dwelling unit would be cancelled until the violation had been corrected.

Eviction/Escrow Account. The bill would specify that a landlord or housing provider could not evict an occupant from a dwelling unit based solely on termination of the landlord's or provider's participation in the vrending program due to action taken, under the provisions of the bill, by the FIA. An occupant who *was* evicted, in violation of this provision, could bring an action in any court that had jurisdiction to recover treble damages, costs of the action, and reasonable attorney fees.

House Bill 6064. Under the Housing Law of Michigan, local enforcing agencies must inspect the multiple dwellings and rooming houses regulated by the law at least every two years. The bill would specify that, if a complaint identified one of these dwellings or rooming houses as being one in which a child resided, then that home would have to be inspected prior to inspection of any nonemergency complaint.

Further, if an inspector determined that a violation constituted a hazard to the health or safety of the occupants, the enforcing agency would have to notify the FIA within 48 hours, stating the date of the inspection, the name of the inspector, the nature of the violation, and the time within which the correction was required to be completed. The FIA would then check the address of the premises against the list of rent vendored FIA recipients.

BACKGROUND INFORMATION:

Under the Housing Law of Michigan, local enforcing agencies are required to inspect dwelling units at least

every two years. Inspections may also be made on a complaint basis, in which complaints of violations are inspected within a reasonable time, and on a recurrent violation basis, in which premises found to have a high incidence of recurrent or uncorrected violations are inspected more frequently. In an emergency, which is defined in rules promulgated by the enforcing agency, an inspector or inspection team has the right to enter at any time.

FISCAL IMPLICATIONS:

A House Fiscal Agency (HFA) analysis estimates that House Bill 6063 would result in an indeterminate increase in state costs. Under the provisions of the bill, there would probably be a small increase in housing violations, resulting in minimal costs to the state. The HFA estimates that House Bill 6064 would have no impact on state funds. (12-20-00)

ARGUMENTS:

For:

The bills would assist tenants who live in substandard housing owned by landlords who refuse to make repairs. Under the bills, a landlord who participated in the Family Independence Agency (FIA) rent vrending program would have to certify that the housing being provided met certain health and safety requirements. In addition, if a tenant filed a complaint about the condition of the housing, the bills would require that housing where a child lived be given priority over other housing inspections. A local enforcing agency would have to notify the FIA of any health or safety violations. If the landlord participated in the department's rent vrending program, the FIA would then terminate participation for the dwelling unit involved until the violations were corrected. A landlord would be prohibited from evicting a tenant due to this action. However, if the tenant *were* evicted, the bill would allow the tenant to sue the landlord, and recover treble damages, costs of the action, and reasonable attorney fees.

Against:

Some believe that the bill does not go far enough, and that children found in unsafe housing should be referred to the FIA Children's Protection Services (CPS) for investigation. Others fear that the provisions of the bills would discourage participation by landlords in the rent vrending program. This, it is maintained, could result in unstable housing for many families.

Further, some parents might fear that the FIA would take their children away if it were discovered that they lived in unsafe housing conditions, even though the conditions were beyond the parents' control. Consequently, many families might desire to vacate unsafe housing, in order to avoid the risk of having their children removed, but the lack of decent quality, affordable housing could place these parents in an untenable situation. A better approach might be for the FIA to require inspections before accepting rent vrending applications, in order to prevent families from moving into substandard housing in the first place.

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#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.