

Legislative Analysis



TENANTS' UNPAID WATER AND SEWER BILLS

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House Bill 5430

Sponsor: Rep. Michael Sak

Committee: Intergovernmental, Urban, and Regional Affairs

Complete to 2-26-08

A SUMMARY OF HOUSE BILL 5430 AS INTRODUCED 9-12-07

The bill would amend Public Act 178 of 1939, which provides for the collection of water and sewage system rates, to extend the exemption for leased property to tenancies "at will or by sufferance."

Under the law, an "estate at will" means a rental property let by one person to another, to have and to hold *at the will of the lessor* (the owner or landlord). An "estate at sufferance" means a rental property held by the tenant longer than the conditions of the lease.

Currently under the law, there can be no lien entered against a rental property for unpaid water and sewer rates if a lease has been legally executed noting that the lessor is not liable for payment. (An affidavit to that effect must be filed by the lessor with the officials in charge of the water and sewer systems, and 20 days notice must be given of any cancellation, change, or termination of the lease.) House Bill 5430 would extend this exemption whether a lease of the premises or property is for a fixed term or is an estate at will or by sufferance.

MCL 123.165

FISCAL IMPACT:

A fiscal analysis is in process.

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