

HOUSE BILL No. 5781

July 18, 2012, Introduced by Rep. Forlini and referred to the Committee on Judiciary.

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 sections 9, 12, and 13 (MCL 554.609, 554.612, and 554.613) .

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. In case of damage to the rental unit or other
2 obligation against the security deposit, the landlord shall mail to
3 the tenant, ~~within~~ **NOT MORE THAN** 30 days after the termination of
4 occupancy, an itemized list of damages claimed for which the
5 security deposit may be used as provided in section 7. ~~, including~~
6 **THE LIST SHALL INCLUDE** the estimated cost of repair of each
7 property damaged item and the amounts and bases on which ~~he~~ **THE**

1 **LANDLORD** intends to assess the tenant. ~~The~~ **IF THE AMOUNT OF DAMAGES**
 2 **CLAIMED IS LESS THAN THE AMOUNT OF THE SECURITY DEPOSIT, THE** list
 3 shall be accompanied by a check or money order for the difference
 4 between the damages claimed and the amount of the security deposit
 5 held by the landlord. ~~and~~ **THE LIST** shall not include any damages
 6 that were claimed on a previous termination inventory checklist
 7 prior to the tenant's occupancy of the rental unit. The notice of
 8 damages shall include the following statement in **AT LEAST** 12-point
 9 boldface type ~~which shall be~~ **THAT IS** at least 4 points larger than
 10 the body of the notice: ~~"You must respond"~~ **UNLESS YOU RESPOND** to
 11 this notice by mail ~~within 7~~ **NOT MORE THAN 60** days after receipt of
 12 ~~same, otherwise~~ **THIS NOTICE**, you will forfeit the amount claimed
 13 for damages.".

14 Sec. 12. If a landlord claims damages to a rental unit and
 15 gives notice of damages as required, the tenant ~~upon receipt of the~~
 16 ~~list of damages~~ shall respond by ordinary mail to the address
 17 provided by the landlord as required by section 3 ~~within 7 days,~~
 18 **NOT MORE THAN 60 DAYS AFTER RECEIPT OF THE LIST OF DAMAGES,**
 19 indicating in detail ~~his~~ **THE TENANT'S** agreement or disagreement to
 20 the damage charges listed. **IF THE TENANT DOES NOT TIMELY RESPOND,**
 21 **THE TENANT FORFEITS THE RIGHT TO THE RETURN OF THE AMOUNT WITHHELD**
 22 **UNDER SECTION 9.** For the purposes of this section, the date of
 23 mailing shall be considered the date of the tenant's response.

24 Sec. 13. (1) ~~Within 45 days~~ **NOT MORE THAN 2 YEARS** after
 25 termination of the occupancy, ~~and not thereafter~~ the landlord may
 26 commence an action in a court of competent jurisdiction for a money
 27 judgment for damages ~~which he has~~ **THE LANDLORD** claimed **UNDER**

1 **SECTION 9. ~~or in lieu thereof~~ IF THE LANDLORD DOES NOT COMMENCE**
 2 **SUCH AN ACTION, THE LANDLORD SHALL** return TO THE TENANT the balance
 3 of the security deposit held by ~~him to the tenant~~ **THE LANDLORD** or
 4 any amount ~~mutually~~ agreed upon in writing by the parties. A
 5 landlord shall not ~~be entitled to~~ retain any portion of a ~~THE~~
 6 security deposit for damages claimed **FOR MORE THAN 2 YEARS AFTER**
 7 **TERMINATION OF OCCUPANCY** unless ~~he has first~~ **1 OR MORE OF THE**
 8 **FOLLOWING APPLY:**

9 (A) **THE LANDLORD HAS** obtained a money judgment for the
 10 disputed amount. ~~or filed~~

11 (B) **THE LANDLORD FILES** with the court satisfactory proof of an
 12 inability to obtain service on the tenant. ~~or unless:~~

13 (C) ~~(a)~~ The tenant has failed to provide a forwarding address
 14 as required by section 11.

15 (D) ~~(b)~~ The tenant has failed to respond to the notice of
 16 damages as required by section 12.

17 (E) ~~(c)~~ The parties have agreed in writing to the disposition
 18 of the balance of the deposit claimed by the landlord.

19 (F) ~~(d)~~ The amount claimed is entirely based upon accrued and
 20 unpaid rent equal to the actual rent for any full rental period or
 21 portion thereof during which the tenant has had actual or
 22 constructive possession of the premises.

23 (2) This section does not prejudice a landlord's right to
 24 retain any security deposit funds as satisfaction or partial
 25 satisfaction of a money judgment obtained pursuant to summary
 26 proceedings filed pursuant to chapter 57 of ~~Act No. 236 of the~~
 27 ~~Public Acts of 1961, as amended, being sections 600.5701 to~~

1 ~~600.5759 of the Compiled Laws of 1948~~ **THE REVISED JUDICATURE ACT OF**
2 **1961, 1961 PA 236, MCL 600.5701 TO 600.5759,** or other proceedings
3 at law. Failure of the landlord to comply fully with this section
4 constitutes waiver of all claimed damages and makes ~~him~~ **THE**
5 **LANDLORD** liable to the tenant for double the amount of the security
6 deposit retained.

7 (3) **AN ACTION BY A TENANT TO RECOVER A SECURITY DEPOSIT FROM A**
8 **LANDLORD OR THE LANDLORD'S SUCCESSOR IN INTEREST SHALL BE COMMENCED**
9 **NOT MORE THAN 2 YEARS AFTER THE TENANT'S TERMINATION OF OCCUPANCY.**