

Legislative Analysis



RENT-BACK AGREEMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5384 as introduced
Sponsor: Rep. John R. Roth

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5385 as introduced
Sponsor: Rep. Denise Mentzer

House Bill 5386 as introduced
Sponsor: Rep. Kelly Breen

Committee: Judiciary
Complete to 2-12-24

SUMMARY:

House Bills 5384, 5385, and 5386 would amend different acts to address agreements that allow a seller of residential property to continue to live there temporarily after the sale. These are commonly called rent-back or leaseback agreements: the new owner (buyer) rents the premises back to the old owner (seller) for a specified period of time.

House Bill 5384 would amend the Truth in Renting Act, which prohibits certain provisions from being included in rental agreements. The bill would specify that a residence occupied by the seller on a temporary basis after a sale is not *residential premises* under the act.

MCL 554.632

House Bill 5385 would amend 1972 PA 348, the landlord-tenant act, to provide that a residence occupied by the seller on a temporary basis after a sale is not a *rental unit* under the act.

MCL 554.601

House Bill 5386 would amend the Revised Judicature Act to allow eviction procedures to be used when a seller continues to possess the property after a rent-back agreement has expired. The person entitled to possession could sue to evict immediately (i.e., they would not have to first serve notice and then wait a specified time).

MCL 600.5714

FISCAL IMPACT:

The bills would have no fiscal impact on the state or local units of government.

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