



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 539 (Substitute S-1 as reported)
Sponsor: Senator Sarah Anthony
Committee: Housing and Human Services

CONTENT

The bill would amend the landlord-tenant Act to specify that a landlord would not have to send a check to a tenant with the difference between a tenant's security deposit and the damages claimed against the security deposit as currently required by the Act if the landlord instead sent the difference to the tenant's bank account through direct deposit or electronic transfer or to the tenant through an internet or mobile payment application. The landlord would have to send the amount within 10 days of mailing the required notice of damages claimed against a tenant's security deposit.

MCL 554.609

BRIEF RATIONALE

Currently, landlords must return the difference in claimed damages and the amount of the security deposit by a check or money order. According to testimony before the Senate Committee on Housing and Human Services, digital transactions are an increasingly popular and safe way to transfer funds, and often a recipient will have access to digitally transferred funds sooner than funds received by check or money order. It has been suggested to allow a landlord to transfer the difference through direct deposit or electronic transfer or to the tenant through an internet or mobile payment application.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to House Bill 6148 of the 2021-2022 Legislative Session.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have no fiscal impact on State or local government

Date Completed: 5-23-24

Fiscal Analyst: Elizabeth Raczkowski