

SENATE BILL No. 170

February 22, 1989, Introduced by Senator KELLY and referred to the Committee on State Affairs, Tourism, and Transportation.

A bill to amend section 7 of Act No. 348 of the Public Acts of 1972, 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,"

being section 554.607 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 348 of the Public Acts of
2 1972, being section 554.607 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 7. (1) ~~—A—~~ SUBJECT TO SUBSECTION (2), A security
5 deposit may be used only for the following purposes:

6 (a) ~~—Reimburse—~~ REIMBURSING the landlord for actual damages
7 to the rental unit or any ancillary facility that are the direct

1 result of conduct not reasonably expected in the normal course of
2 habitation of a dwelling.

3 (b) ~~Pay~~ PAYING the landlord for all rent in arrearage
4 under the rental agreement, rent due for premature termination of
5 the rental agreement by the tenant, and for utility bills not
6 paid by the tenant.

7 (2) A SECURITY DEPOSIT SHALL NOT BE USED FOR RENT DUE FOR
8 PREMATURE TERMINATION OF THE RENTAL AGREEMENT BY THE TENANT IF
9 THE TERMINATION OCCURS BECAUSE THE TENANT HAS DIED OR HAS BECOME
10 INCAPACITATED. AS USED IN THIS SUBSECTION, "INCAPACITATED" MEANS
11 INCAPABLE OF RESIDING ALONE IN THE RENTAL UNIT BECAUSE OF A PHYS-
12 ICAL OR MENTAL CONDITION.