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## LIENS, RENTAL UNITS

### House Bill 4227

**Sponsor: Rep. William Callahan**

**Committee: Local Government and Urban Policy**

**Complete to 2-18-99**

### **A SUMMARY OF HOUSE BILL 4227 AS INTRODUCED 2-9-99**

House Bill 4227 would amend the Landlord-Tenant Act by creating a new section to allow a landlord to claim a lien on a tenant's personal property when a tenant vacates the premises but does not take all of his or her belongings. The lien would cover the cost of the abandoned property's removal and storage or sale. Medicine and medical equipment would not be subject to the lien and would have to be returned promptly upon request.

Under the bill, if a tenant vacated a rental unit and left personal property, a landlord could: 1) store the personal property in a manner that safeguards it, in which case the storage costs would become a lien on the personal property, and the landlord would have to notify the tenant of the storage costs within 10 days; 2) store the personal property without a lien and return it to the tenant; or, 3) dispose of the personal property, without notice to the tenant if the landlord determined the property was of no value.

After five days after the date of notice personally served or ten days from the date of mailed notice, the landlord could dispose of the personal property by private or public sale. The proceeds of the sale would be returned to the tenant after the landlord retained an amount to satisfy the lien. If the tenant did not respond to the notice, the landlord would be required to send the remaining proceeds to the Michigan State Housing Development Authority for deposit in an account for aid to homeless people. The landlord could include damages and rent due as part of the amount retained to satisfy the lien.

Under House Bill 4227, when a landlord retained titled, registered, or encumbered personal property abandoned by tenants, he or she would be able to apply for a new title, registration, and security interest. The landlord would succeed to the interest of owner, but would remain subordinate to the interest of each secured party. The bill also specifies that these remedies are not exclusive, and would not prevent the landlord from using other common law or statutory procedures to dispose of a tenant's property.

MCL 554.601b

Analyst: J. Hunault

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.