

HOUSE BILL No. 4227

February 9, 1999, Introduced by Rep. Callahan and referred to the Committee on Local Government and Urban Policy.

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,"

(MCL 554.601 to 554.616) by adding section 601b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 601B. (1) IF A TENANT VACATES A RENTAL UNIT, EITHER
2 BEFORE OR AT THE TERMINATION OF THE RENTAL AGREEMENT, AND LEAVES
3 PERSONAL PROPERTY AT THE RENTAL UNIT, THE LANDLORD MAY DO 1 OF
4 THE FOLLOWING, SUBJECT TO SUBSECTION (4):

5 (A) STORE THE PERSONAL PROPERTY, ON OR OFF THE PREMISES, IN
6 A MANNER DESIGNED TO SAFEGUARD THE PERSONAL PROPERTY. THE COST
7 OF REMOVAL AND STORAGE IS A LIEN ON THE PERSONAL PROPERTY.
8 WITHIN 10 DAYS AFTER THE REMOVAL AND STORAGE OF THE PERSONAL

1 PROPERTY, THE LANDLORD SHALL NOTIFY THE TENANT OF THE COST OF
2 REMOVAL AND THE DAILY STORAGE CHARGES. THE NOTICE MAY BE BY PER-
3 SONAL SERVICE OR BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS OF
4 THE TENANT. MEDICINE OR MEDICAL EQUIPMENT IS NOT SUBJECT TO A
5 LIEN AND SHALL BE PROMPTLY RETURNED TO THE TENANT UPON REQUEST.

6 (B) STORE THE PERSONAL PROPERTY WITHOUT A LIEN AND RETURN IT
7 TO THE TENANT.

8 (C) EXCEPT AS PROVIDED IN SUBSECTION (4), IF THE LANDLORD
9 DETERMINES THAT THE PERSONAL PROPERTY IS OF NO VALUE, THE LAND-
10 LORD MAY DISCARD THE PERSONAL PROPERTY WITHOUT STORING IT AND
11 WITHOUT NOTICE TO THE TENANT. A LANDLORD WHO IN GOOD FAITH DIS-
12 CARDS PERSONAL PROPERTY UNDER THIS SUBDIVISION IS NOT LIABLE IN A
13 CIVIL ACTION FOR DISCARDING THE PERSONAL PROPERTY.

14 (2) AFTER THE EXPIRATION OF 5 DAYS AFTER THE DATE NOTICE WAS
15 PERSONALLY SERVED UNDER SUBSECTION (1)(A) OR AFTER THE EXPIRATION
16 OF 10 DAYS FROM THE DATE NOTICE WAS MAILED UNDER
17 SUBSECTION (1)(A), THE LANDLORD MAY, EXCEPT AS PROVIDED IN
18 SUBSECTION (4), DISPOSE OF THE PERSONAL PROPERTY BY PUBLIC OR
19 PRIVATE SALE OR OTHER APPROPRIATE METHOD. BEFORE A SALE, THE
20 LANDLORD SHALL GIVE NOTICE OF THE PROPOSED SALE TO THE TENANT BY
21 PERSONAL SERVICE OR BY FIRST-CLASS MAIL TO THE LAST KNOWN ADDRESS
22 OF THE TENANT. IF THE TENANT DOES NOT PAY THE LIEN AND CLAIM HIS
23 OR HER PERSONAL PROPERTY WITHIN 10 DAYS AFTER THE NOTICE WAS PER-
24 SONALLY SERVED OR MAILED, THE LANDLORD MAY, EXCEPT AS PROVIDED IN
25 SUBSECTION (4), DISPOSE OF THE PERSONAL PROPERTY. THE PROCEEDS
26 FROM THE SALE, IF ANY, SHALL BE RETURNED TO THE TENANT AFTER THE
27 LANDLORD RETAINS AN AMOUNT TO SATISFY THE LIEN. IF NOTICE TO THE

1 TENANT IS UNDELIVERABLE BY PERSONAL SERVICE OR FIRST-CLASS MAIL
2 OR THE TENANT HAS NOT RESPONDED TO THE NOTICE OF THE SALE WITHIN
3 60 DAYS, THE LANDLORD SHALL, EXCEPT AS PROVIDED IN
4 SUBSECTION (4), IMMEDIATELY SEND THE REMAINING PROCEEDS, IF ANY,
5 TO THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY FOR DEPOSIT
6 IN AN ACCOUNT FOR AID TO HOMELESS PERSONS.

7 (3) EXCEPT FOR MEDICINE AND MEDICAL EQUIPMENT, THE LIEN CRE-
8 ATED IN SUBSECTION (1)(A) APPLIES TO ALL PERSONAL PROPERTY FOUND
9 AT THE VACATED RENTAL UNIT WHETHER OWNED BY THE TENANT OR BY
10 OTHER PERSONS. THE LANDLORD MAY INCLUDE DAMAGES OR RENT DUE AS
11 PART OF THE AMOUNT RETAINED TO SATISFY THE LIEN CREATED IN
12 SUBSECTION (1)(A). THE TENANT OR A PARTY WITH A SECURITY INTER-
13 EST IN THE PERSONAL PROPERTY MAY CLAIM THE PERSONAL PROPERTY AT
14 ANY TIME BEFORE THE SALE BY PAYING THE AMOUNT OF THE LIEN CREATED
15 IN SUBSECTION (1).

16 (4) IF A LANDLORD RETAINS PERSONAL PROPERTY UNDER THIS SEC-
17 TION AND IF THE PERSONAL PROPERTY IS TITLED, REGISTERED, OR
18 ENCUMBERED BY A PERFECTED SECURITY INTEREST IN THE NAME OF THE
19 TENANT OR ANOTHER PERSON, THE LANDLORD MAY APPLY FOR A NEW TITLE,
20 REGISTRATION, OR SECURITY INTEREST. IF THE OLD TITLE, REGISTRA-
21 TION, OR SECURITY INTEREST CONTAINED 1 OR MORE SECURITY INTERESTS
22 IN THE PERSONAL PROPERTY, A LANDLORD WHO APPLIES FOR AND OBTAINS
23 A NEW TITLE UNDER THIS SUBSECTION SUCCEEDS TO THE INTEREST OF THE
24 OWNER, BUT REMAINS SUBORDINATE TO THE INTEREST OF EACH SECURED
25 PARTY.

26 (5) THE REMEDIES PROVIDED BY THIS SECTION ARE NOT EXCLUSIVE,
27 AND THE USE OF THOSE REMEDIES BY THE LANDLORD DOES NOT PREVENT

- 1 THE LANDLORD FROM USING ANY OTHER AVAILABLE COMMON LAW OR
- 2 STATUTORY PROCEDURE OR REMEDY OR FROM DISPOSING OF THE TENANT'S
- 3 PROPERTY.