

SENATE BILL No. 681

October 2, 2001, Introduced by Senators HART, PETERS, YOUNG, LELAND and SCOTT and referred to the Committee on Local, Urban and State Affairs.

A bill to require criminal background checks for property managers; and to provide for penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Landlord" means the owner of a rental unit or the prop-
3 erty of which it is a part, and includes a person who, directly
4 or indirectly, acts as a rental agent, receives rent, other than
5 as a bona fide purchaser, and who has no obligation to deliver
6 the receipts to another person.

7 (b) "Manager" means an individual hired by a landlord, who
8 has or would have the means, within the scope of the individual's
9 duties, to enter tenants' dwelling units, but does not include a
10 person who is hired on a casual basis and not in the ongoing
11 course of the business of the owner.

1 (c) "Rental unit" means a structure or part of a structure
2 used as a home, residence, or sleeping unit by a single person or
3 household unit, or any grounds, or other facilities or area prom-
4 ised for the use of a residential tenant and includes, but with-
5 out limitation, apartment units, boarding houses, rooming houses,
6 mobile home spaces, and single and 2-family dwellings.

7 (d) "Tenant" means a person who occupies a rental unit for
8 residential purposes with the landlord's consent for an agreed
9 upon consideration.

10 Sec. 2. (1) Before hiring a manager, a landlord shall
11 request that the department of state police conduct a background
12 check to determine whether the person has been convicted of any
13 of the following offenses:

14 (a) A homicide offense described in section 316, 317, or 321
15 of the Michigan penal code, 1931 PA 328, MCL 750.316, 750.317,
16 and 750.321.

17 (b) An assault offense described in sections 81 to 90g of
18 the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g.

19 (c) A criminal sexual conduct offense described in sections
20 520b to 520g of the Michigan penal code, 1931 PA 328, MCL
21 750.520b to 750.520g.

22 (d) An arson offense described in sections 71 to 80 of the
23 Michigan penal code, 1931 PA 328, MCL 750.71 to 750.80.

24 (e) A robbery offense described in sections 529 to 531 of
25 the Michigan penal code, 1931 PA 328, MCL 750.529 to 750.531.

26 (f) A home invasion or breaking and entering offense
27 described in section 110, 110a, 111, 115, or 116 of the Michigan

1 penal code, 1931 PA 328, MCL 750.110, 750.110a, 750.111, 750.115,
2 and 750.116.

3 (g) An attempted violation of an offense listed in subdivi-
4 sions (a) to (f).

5 (h) A violation of a local ordinance or law of another state
6 substantially corresponding to an offense listed in subdivisions
7 (a) to (g).

8 (2) Not later than 1 year after the effective date of this
9 act, a landlord who employs a manager who was hired before the
10 effective date of this act shall request a background check
11 described in subsection (1) for that manager and shall conduct
12 periodic background checks not less than twice each year for that
13 manager.

14 Sec. 3. A manager who is the subject of a background check
15 under section 2 has all of the following rights:

16 (a) The right to be informed that the landlord will request
17 a background check on the manager to determine whether the man-
18 ager has been convicted of a crime specified in section 2.

19 (b) The right to be informed by the landlord of the response
20 to the background check and to obtain from the owner a copy of
21 the background check report.

22 (c) The right to obtain from the department of state police
23 any record that forms the basis for the report.

24 (d) The right to challenge the accuracy and completeness of
25 information contained in the background check report.

26 (e) The right to be informed by the landlord if the
27 manager's application to be employed by the owner or to continue

1 as an employee has been denied because of the result of the
2 background check.

3 Sec. 4. If a background check report delivered to a land-
4 lord shows that a manager or applicant for the position of man-
5 ager has been convicted of a crime described in section 2, the
6 landlord shall do the following, as applicable:

7 (a) If the subject of the report is an applicant for the
8 position of manager, the landlord shall not hire that person as
9 manager.

10 (b) If the subject of the report has been hired as a manager
11 pending the results of a background check, the landlord shall
12 terminate the manager's employment.

13 (c) If the subject of the report was hired as a manager
14 before the effective date of this act, the landlord may continue
15 to employ that person as a manager. However, the landlord shall
16 provide written notice to all tenants and prospective tenants
17 whose rental units would be accessible to the manager, stating
18 the crime or crimes of which the manager was convicted and stat-
19 ing the right of any tenant to terminate his or her tenancy under
20 section 5. The landlord shall inform the manager of the fact
21 that a notice was delivered to tenants under this subdivision.

22 Sec. 5. A tenant who receives notice under section 4(c) may
23 terminate his or her tenancy within 60 days after receiving the
24 notice by giving the landlord at least 14 days' prior written
25 notice of his or her intention to terminate the tenancy.

26 Sec. 6. If a landlord is required to refrain from hiring a
27 person under section 4(a), terminate a manager's employment under

1 section 4(b), or terminate a manager's employment in lieu of
2 notifying tenants under section 4(c), the landlord is not liable
3 under any law, contract, or agreement, including liability for
4 unemployment compensation claims, for terminating the manager's
5 employment in accordance with this section. Notwithstanding a
6 lease or agreement governing termination of the tenancy, if the
7 manager whose employment is terminated is also a tenant, the
8 owner may terminate the tenancy immediately upon giving notice to
9 the manager.

10 Sec. 7. A landlord who fails to comply with this act is
11 guilty of a misdemeanor punishable by imprisonment for not more
12 than 30 days, or a fine of not more than \$500.00, or both.