



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 313 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Dave Robertson
Committee: Local Government and Elections

CONTENT

The bill would amend the Housing Law to do the following:

- Provide that the Law would apply to each city, village, and township with a population of at least 10,000, but would not apply to private and two-family dwellings in any city, village, or township with a population of less than 100,000 unless the applicable legislative body adopted the Act's provisions by resolution.
- Allow, rather than require, an enforcing agency to maintain a registry of owners and premises regulated by the Act.
- Allow an enforcing agency to charge the owner of a dwelling subject to regulation a fee to register the premises with the agency; and prohibit the agency from charging a new registration fee until there was a change in ownership or additional dwelling units were constructed and a certificate of use and occupancy was granted.
- Provide that a local governmental unit would not have to inspect multiple dwellings and rooming houses, and that the Act's provisions regarding inspections would apply only if a local governmental unit elected to inspect such buildings.
- Revise provisions regarding the frequency of inspections of a multiple dwelling or rooming house.
- Specify that payment of an inspection fee required by an enforcing agency would be due upon completion of the inspection, or, in the case of new construction or a transfer of the premises to a new owner, before the inspection was conducted.
- Provide that a lessee would have to grant permission for an inspection in order for an enforcing agency to require an owner to give the agency access to a leasehold.
- Require an owner to notify a lessee of the lessee's right to refuse an inspection and notify the enforcing agency of the lessee's response to a request for permission for an inspection.
- Require a lessee's permission for an inspection in order for the enforcing agency to compel the owner to arrange for the inspection.
- Provide that, if an occupant refused entry in an emergency or upon presentment of a warrant, the Law's prohibition against discrimination by an owner against an occupant on the basis of the occupant's request, permission for, or refusal of entry, would not apply.

Except as otherwise provided, the Law establishes a maximum period of four years between inspections of multiple dwellings and rooming houses. A local unit may provide by ordinance for a *maximum* period between inspections of up to six years, if the most recent inspection found no violation and the building has not changed ownership during that time. The bill provides that, under these circumstances, a local unit could provide for a six-year *minimum* period between inspections.

Currently, if a lessee vacates a leasehold after the enforcing agency has requested to inspect it, the owner must notify the agency within 10 days after the leasehold is vacated. Under the bill, this requirement would apply if the lessee vacated the leasehold within 60 days after the enforcing agency requested to inspect it.

MCL 125.401 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate effect on local unit revenue that would vary by location, and would potentially reduce local unit expenses by an unknown amount. The impact of the changes on registration fees would depend on a variety of circumstances that are impossible to forecast.

The bill would eliminate a requirement for local units to inspect certain dwellings unless the unit elected to conduct those inspections. As a result, local units that chose to not conduct those inspections would likely receive less revenue and incur fewer expenses. Given that the Act requires inspection fees to be reasonable and not exceed the actual cost of the inspection, the net impact of the bill's provisions regarding inspection fees would likely approximate zero.

Date Completed: 6-4-13

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.