

# HOUSE BILL NO. 4995

September 18, 2025, Introduced by Reps. B. Carter, Wilson, McKinney, Morgan, Tsernoglou, Price, Weiss, Rheingans, MacDonell, Young, Conlin, Hope, Scott, O'Neal, Wooden and Longjohn and referred to Committee on Regulatory Reform.

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,"

by amending the title and section 1 (MCL 554.601), the title and section 1 as amended by 2024 PA 179, and by adding sections 1e, 1f, 1g, and 1h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to regulate relationships between landlords and tenants  
 3 relative to rental agreements for rental units **and between**  
 4 **landlords and prospective tenants;** to regulate the payment,  
 5 repayment, use and investment of security deposits; to provide for  
 6 commencement and termination inventories of rental units; to  
 7 provide for termination arrangements relative to rental units; **to**  
 8 **require certain notices to prospective tenants; to allow for the**  
 9 **reuse of certain screening reports;** to provide for legal remedies;  
 10 and to provide penalties.

11 Sec. 1. As used in this act:

12 (a) "Consumer report" means that term as defined in 15 USC  
 13 1681a.

14 (b) "Consumer reporting agency" means any person that, for  
 15 monetary fees or dues or on a cooperative nonprofit basis,  
 16 regularly engages in whole or in part in the practice of assembling  
 17 or evaluating consumer credit information or other information on  
 18 consumers for the purpose of furnishing consumer reports to third  
 19 parties using any means or facility of interstate commerce for the  
 20 purpose of preparing or furnishing consumer reports.

21 (c) "Credit score" means the numerical score ranging from 300  
 22 to 850 assigned by a consumer reporting agency to measure credit  
 23 risk and includes FICO credit score.

24 (d) ~~(a)~~ "Landlord" means any of the following:

25 (i) The owner, lessor, or sublessor of a rental unit or the  
 26 property of which it is a part.

27 (ii) A person authorized to exercise any aspect of the  
 28 management of the premises, including a person that, directly or

1 indirectly, acts as a rental agent or receives rent, other than as  
2 a bona fide purchaser, and that has no obligation to deliver the  
3 receipts to another person.

4 **(e) "Prospective tenant" means an individual who makes a**  
5 **request to a landlord or the landlord's agent to rent or lease a**  
6 **rental unit.**

7 **(f) ~~(b)~~—"Rental agreement" means an agreement that establishes**  
8 **or modifies the terms, conditions, rules, regulations, or any other**  
9 **provisions concerning the use and occupancy of a rental unit.**

10 **(g) "Rental application fee" means nonrefundable payment of**  
11 **money charged by a landlord or the landlord's agent to a**  
12 **prospective tenant to receive, validate, review, or otherwise**  
13 **process an application for the rent or lease of a rental unit, and**  
14 **includes the cost of obtaining or assessing a consumer report.**

15 **(h) ~~(e)~~—"Rental unit" means a structure or part of a structure**  
16 **used as a home, residence, or sleeping unit by a single person or**  
17 **household unit, or any grounds, or other facilities or area**  
18 **promised for the use of a residential tenant. Rental unit includes,**  
19 **but is not limited to, apartment units, boarding houses, rooming**  
20 **houses, mobile home spaces, and single and 2-family dwellings.**

21 **(i) "Reusable screening report" means a consumer report that**  
22 **was prepared within the previous 45 days by a consumer reporting**  
23 **agency at the request and expense of a prospective tenant, made**  
24 **directly available to a landlord for use in the rental application**  
25 **process or is provided through a third-party website that regularly**  
26 **engages in the business of providing a reusable screening report**  
27 **and complies with all state and federal laws pertaining to use and**  
28 **disclosure of information contained in a consumer report by a**  
29 **consumer reporting agency, and is available to the landlord at no**

1 **cost to access or use.**

2 (j) ~~(d)~~—"Security deposit" means a deposit, in any amount,  
3 paid by the tenant to the landlord or the landlord's agent to be  
4 held for the term of the rental agreement, or any part of the term,  
5 and includes any required prepayment of rent other than the first  
6 full rental period of the lease agreement; any sum required to be  
7 paid as rent in any rental period in excess of the average rent for  
8 the term; and any other amount of money or property returnable to  
9 the tenant on condition of return of the rental unit by the tenant  
10 in condition as required by the rental agreement. Security deposit  
11 does not include either of the following:

12 (i) An amount paid for an option to purchase, pursuant to a  
13 lease with an option to purchase, unless it is shown the intent was  
14 to evade this act.

15 (ii) An amount paid as a subscription for or purchase of a  
16 membership in a cooperative housing association incorporated under  
17 the laws of this state. As used in this subparagraph, "cooperative  
18 housing association" means a consumer cooperative that provides  
19 dwelling units to its members.

20 (k) ~~(e)~~—"Senior citizen housing" means housing for individuals  
21 62 years of age or older that is subsidized in whole or in part  
22 under any local, state, or federal program.

23 (l) ~~(f)~~—"Source of income" includes benefits or subsidy  
24 programs including housing assistance, housing choice vouchers  
25 provided under 42 USC 1437f, public assistance, veterans' benefits,  
26 Social Security, supplemental security income or other retirement  
27 programs, and other programs administered by any federal, state,  
28 local, or nonprofit entity. Source of income does not include  
29 either of the following:

1 (i) Income that a prospective tenant cannot demonstrate is  
2 derived from sources and activities permitted by law and is  
3 provided on an ongoing basis.

4 (ii) Housing assistance that is not approved by the appropriate  
5 agency within 30 days after the landlord provides all information  
6 required as a condition of the agency's approval, including  
7 evidence that all repairs required before occupancy have been  
8 completed.

9 (m) ~~(g)~~ "Tenant" means an individual who occupies a rental  
10 unit for residential purposes with the landlord's consent for an  
11 agreed upon consideration.

12 **Sec. 1e (1) A landlord may elect to accept a reusable**  
13 **screening report from a prospective tenant. If a landlord accepts a**  
14 **reusable screening report from a prospective tenant in accordance**  
15 **with this subsection, the landlord may require the prospective**  
16 **tenant to state, in writing, that there has not been a material**  
17 **change to the information in the reusable screening report.**

18 (2) A landlord that accepts a reusable screening report from a  
19 prospective tenant shall not charge the prospective tenant a rental  
20 application fee.

21 (3) A landlord that declines to accept a reusable screening  
22 report from a prospective tenant may charge the prospective tenant  
23 a rental application fee of not more than \$25.00 only if the  
24 landlord complies with section 1f(1).

25 (4) A landlord that maintains a website that advertises the  
26 rental premises for rent must include a statement in the  
27 advertisement that provides whether the landlord will accept a  
28 reusable screening report from a prospective tenant.

29 **Sec. 1f. (1) Before accepting an application for a rental unit**

1 or a rental application fee from a prospective tenant, a landlord  
2 must inform the prospective tenant of all of the following, in  
3 writing:

4 (a) The information that will be accessed to screen the  
5 tenant's application.

6 (b) What criteria may result in the denial of the prospective  
7 tenant's application for the rental unit.

8 (c) If a consumer report obtained by a landlord or reusable  
9 screening report obtained by the tenant will be required.

10 (d) That the prospective tenant has a right to obtain a free  
11 copy of the consumer report obtained by the landlord if the  
12 landlord takes adverse action against the tenant, or to dispute the  
13 accuracy of information contained in a consumer report obtained by  
14 the landlord or reusable screening report provided by the  
15 prospective tenant.

16 (e) Whether the landlord will accept a reusable screening  
17 report.

18 (f) Whether rental units are available for occupancy in the  
19 rental premises for which the prospective tenant would be applying  
20 for tenancy.

21 (g) If rental units are available for occupancy, the number of  
22 units available, by bedroom size.

23 (h) If rental units are not available for occupancy, whether  
24 the landlord maintains a waiting list for prospective tenants. If  
25 rental units are not available for occupancy and the landlord  
26 maintains a waiting list, how many other prospective tenants are  
27 above the prospective tenant on the waiting list for the bedroom  
28 types for which the prospective tenant would apply for tenancy.

29 (2) Beginning on the effective date of the amendatory act that

1 added this section, a landlord shall not do any of the following:

2 (a) Use the credit score of the prospective tenant as the sole  
3 deciding factor in determining a prospective tenant's eligibility  
4 for a lease.

5 (b) Use the fact that the prospective tenant was a party to a  
6 judicial action involving a dispute that arose under a tenancy in  
7 which there was no finding of liability against the prospective  
8 tenant, including, but not limited to, a dismissal of the judicial  
9 action, or a judgment in favor of the prospective tenant, in  
10 determining the prospective tenant's eligibility for a lease.

11 (3) If a landlord violates this section or section 1g, the  
12 prospective tenant may bring a civil action against the landlord  
13 for actual damages of not more than \$1,000.00, reasonable attorney  
14 fees, and the costs of bringing the action.

15 Sec. 1g. (1) Within 14 days after receipt of an application  
16 for a rental unit by a prospective tenant, a landlord shall make a  
17 decision on the application.

18 (2) If the landlord takes adverse action against the  
19 prospective tenant, the landlord shall do all of the following:

20 (a) Provide a written notice of the adverse action to the  
21 prospective tenant.

22 (b) Give the prospective tenant, without charge, a copy of any  
23 consumer report or reusable screening report the landlord relied on  
24 in taking the adverse action.

25 (c) Provide the prospective tenant an opportunity to meet to  
26 discuss the adverse action, including a meaningful and fair  
27 opportunity to rebut any information contained in the consumer  
28 report or reusable screening report. A landlord shall fairly and in  
29 good faith consider any rebuttal information and evidence the

prospective tenant presents, including the inaccuracy of information appearing in a consumer report or reusable screening report. If this subdivision applies, a landlord shall, within 7 days of meeting with the prospective tenant as described under this subdivision, notify the prospective tenant in writing of the landlord's final decision on the adverse action.

(3) The written notice required under subsection (2) must state the reasons for the adverse action and contain the following information in a form that substantially conforms to the following form:

#### ADVERSE ACTION NOTICE

Name of prospective tenant: \_\_\_\_\_.

Address: \_\_\_\_\_.

City/State/Zip Code: \_\_\_\_\_.

This notice is to inform you that the following decision has been made to your application for a rental unit [checkmark indicates the decision]:

☐ Rejected.

☐ Approved with conditions: [identify the condition(s)].

Adverse action on your application for a rental unit was based on any/all of the following [checkmark indicates all that apply]:

☐ Information contained in the consumer report or reusable screening report prepared by \_\_\_\_\_ [name, mailing address, and website address of the consumer reporting agency], on \_\_\_\_\_, 20\_\_\_\_\_ [include a detailed explanation of the information].

☐ The consumer report or reusable screening report did not contain sufficient information, specifically \_\_\_\_\_ [state the missing information with as much specificity as possible].



1       \_\_ Information received from previous rental history or  
2 reference: \_\_\_\_\_ [identify the information].

3       \_\_ Information received in a criminal record: \_\_\_\_\_  
4 [identify the criminal record].

5       \_\_ Information received in a civil record: \_\_\_\_\_ [identify  
6 the civil record].

7       \_\_ Information received from an employment verification:  
8 \_\_\_\_\_ [identify the information].

9       \_\_ Other information: \_\_\_\_\_ [identify the information].

10       Dated this \_\_\_\_ day of \_\_\_\_, \_\_\_\_ [year].

11       Landlord/landlord's agent signature: \_\_\_\_\_.

12       (4) As used in this section, "adverse action" means denying a  
13 rental application or approving a rental application with  
14 conditions.

15       Sec. 1h. Beginning on the effective date of the amendatory act  
16 that added this section, a landlord shall do all of the following:

17       (a) In determining a prospective tenant's eligibility for a  
18 lease, consider the prospective tenant's current ability to pay  
19 rent and suitability for tenancy, according to the landlord's  
20 rental application criteria.

21       (b) Both of the following:

22       (i) Note the date and time of when the landlord receives a  
23 completed rental application for a rental unit from a prospective  
24 tenant.

25       (ii) Screen all completed rental applications for that rental  
26 unit in the order in which the rental application for that rental  
27 unit is received.