

Legislative Analysis



SUMMARY PROCEEDING REVISION

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House Bill 4830

Sponsor: Rep. Lisa Posthumus Lyons

Committee: Judiciary

Complete to 2-13-14

A REVISED SUMMARY OF HOUSE BILL 4830 AS INTRODUCED 6-13-13

The bill would allow a member, trustee, officer, or partner of a small partnership, corporation, or LLC, who is not an attorney, to represent the entity in a summary proceeding to regain possession of a premises or obtain a money judgment, under certain conditions.

A summary proceeding is a civil action filed in a district or a municipal court in landlord/tenant cases under certain circumstances to enable a landlord to regain possession of the leased premises or obtain a money judgment. An individual property owner is allowed to represent himself or herself in the court proceeding. However, a legal entity such as an LLC is required under case law and court rules to be represented by an attorney; thus, a corporation owning rental property may not represent itself in a landlord/tenant matter.

House Bill 4830 would add a new section to Chapter 57 (the Summary Proceedings Act) of the Revised Judicature Act to allow nonattorney representation in summary proceedings, under certain circumstances. Under the bill, a small business could be represented by a partner, an officer, a trustee, or a member having direct and personal knowledge of the facts alleged in the complaint if all of the following are met:

- 1) The complaint requests only the recovery of possession of the premises and/or a money judgment.
- 2) The money judgment, not including taxable costs, is less than the applicable limit of the small claims division (for 2014, \$5,000; the amount increases every third year after that until it reaches \$7,000 beginning January 1, 2024).
- 3) The business is a partnership, corporation, or trust or a limited liability company that has fewer than three members.

If these conditions were met, self-representation would not be a violation of Section 916 of the RJA. (Section 916 prohibits the unauthorized practice of law; a violation constitutes contempt of court.)

FISCAL IMPACT:

An analysis of the bill's fiscal implications is in process.

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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.