



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

BILL ANALYSIS



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

Senate Bill 205 through 207 (as reported without amendment)

Sponsor: Senator Mary Cavanagh (S.B. 205)
Senator Rosemary Bayer (S.B. 206)
Senator Jeff Irwin (S.B. 207)

Committee: Housing and Human Services

CONTENT

Senate Bill 205 would amend the landlord-tenant Act to do the following:

- Prohibit a landlord from discriminating against a tenant or prospective tenant based on the tenant's or prospective tenant's source of income.
- Prohibit a landlord from publishing or causing to be published information indicating a preference, limitation, or requirement based on any source of income.
- Require a landlord to subtract from any rental unit's required threshold level of income a rent voucher or subsidy.
- Allow a person who suffers a loss because of a landlord's source of income discrimination to bring an action to recover actual damages or a specified amount of rent.

Senate Bill 206 would amend the landlord-tenant Act to define "source of income."

Senate Bill 207 would amend the Eliot-Larson Civil Rights Act (ELCRA) to prohibit a person engaging in a real estate transaction or a real estate broker or salesperson from discriminating against an individual based on the individual's source of income.

Senate Bill 205 and Senate Bill 206 are tie-barred.

Proposed MCL 554.601c (S.B. 205)
MCL 554.601 (S.B. 206)
37.2505 (S.B. 207)

BRIEF RATIONALE

Currently, landlords can choose not to rent to tenants or prospective tenants using housing subsidies, specifically tenants or prospective tenants using Housing Choice (Section 8) Vouchers. The Housing Choice Program is a Federal Program meant to assist very low-income families, elderly, and disabled individuals in affording housing. Local public housing agencies administer the Program and pay housing subsidies directly to the landlord. It has been suggested that landlords be prohibited from discriminating against a tenant that would be subsidizing rent through a program or paying rent through other sources of income.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

Under Senate Bills 205 and 206, local, district courts could see an increase in landlord/tenant case filings and civil complaints. Any increase in administrative costs or additional hearings is not known at this time. Should an increase in filings occur, additional civil filing fee revenue would be likely. The amount of the increase is not known. Civil filing fee revenue goes into

several different restricted funds, including the Court Equity Fund, the State Court Fund, the Court Fee Fund, the Judges' Retirement System, and the Judicial Technology Improvement Fund. Total revenue in FY 2021-22 for civil filing fees amounted to \$30.4 million, of which nearly 97% went to Judiciary restricted funds, with the remaining 3% split between the legislative retirement system and the General Fund.

Senate Bill 207 would have a fiscal impact on the Department of Civil rights. The Department would experience an increase in complaints related to housing, which currently represents 17.0% of formal complaints made to the Department. Since, "source of income" would be an entirely new protected classification, the Department would experience one-time and ongoing costs with the use of new documents, which would need to be processed and reviewed; the Department would have to hire staff to handle those cases.

Date Completed: 6-15-23

Fiscal Analyst: Cory Savino, PhD
Michael Siracuse

SAS\Floors2324\sb205

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.