



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 introduced 3-16-23)

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

Committee: Housing and Human Services

Date Completed: 5-15-23

INTRODUCTION

Collectively, the bills would prohibit a landlord or a person engaging in real estate transactions from discriminating against a person based on that person's source of income. Source of income would include specified benefits and subsidies, such as public assistance and social security. In addition, modifications proposed to the landlord-tenant Act would allow a person who suffered a loss because of a landlord's source of income discrimination to bring an action to seek remedy for the discrimination.

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

PREVIOUS LEGISLATION

(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

Senate Bills 205 and 206 are reintroductions of Senate Bills 254 and 255 and House Bills 4553 and 4554, respectively, from the 2021-2022 Legislative Session.

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% 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.

Proposed MCL 554.601c (S.B. 205)
MCL 554.601 (S.B. 206)
37.2502 (S.B. 207)

Legislative Analyst: Eleni Lionas
Fiscal Analyst: Cory Savino, PhD
Michael Siracuse

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

The bill would amend the tenant-landlord Act to prohibit a landlord from doing any of the following, based on the source of income of a prospective or current tenant:

- Deny or terminate a tenancy to the prospective or current tenant.
- Make any distinction, discrimination, or restriction against the prospective or current tenant in the price, terms, conditions, fees, or privileges relating to the rental, lease, or occupancy of a rental unit or in the furnishing of any facilities or services in connection with the rental, lease, or occupancy of a rental unit.
- Attempt to discourage the rental or lease of any rental unit to the prospective or current tenant.
- Assist, induce, incite, or coerce another person to commit an act or engage in a practice that would violate any action of the bill.
- Represent to the prospective or current tenant that a rental unit was not available for inspection or rental when the rental unit in fact was available for such.
- Coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of the person having exercised or enjoyed or having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by the bill.
- Otherwise make unavailable or deny a rental unit to the prospective or current tenant because of the prospective or current tenant's source of income.

Under the bill, a landlord could not publish, circulate, issue, or display, or cause to be published, circulated, issued, or displayed, any communication, notice, advertisement or sign of any kind relating to the rental or lease of any rental unit that indicated a preference, limitation, or requirement based on any source of income.

If a landlord required that a prospective or current tenant have a certain threshold level of income, any source of income in the form of a rent voucher or subsidy would have to be subtracted from the total of the monthly rent before calculating if the income criteria were met.

The bill would allow a person who suffered a loss because of a landlord's source of income discrimination to bring an action to recover actual damages or up to 4.5 times the monthly rent of the rental unit or units at issue, whichever was greater, together with court costs and reasonable attorney fees.

Senate Bill 206

The bill would modify the tenant-landlord Act to define "source of income". "Source of income" would include the following benefits or subsidy programs:

- Housing assistance.
- Public assistance.
- Emergency rental assistance.
- Veterans' benefits
- Social Security
- Supplemental security income or other retirement programs
- Programs administered by any Federal, State, local, or nonprofit entity.

The term would not include income derived in an illegal manner.

Senate Bill 207

Generally, the ELCRA prohibits discrimination in employment, public accommodations and public services, educational facilities, and housing and real estate based on religion, race, color, national origin, age, sex, height, weight, familial status, or marital status.

The bill would amend the ELCRA to prohibit housing and real estate discrimination based on an individual's source of income.

SAS\S2324\s205sa

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.