



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 539 (Substitute S-1)
Sponsor: Senator Sarah Anthony
Committee: Housing and Human Services

(Senate-passed version)

Date Completed: 5-2-24

CONTENT

The bill would amend the landlord-tenant Act to specify that a landlord would not have to send a check to a tenant with the difference between a tenant's security deposit and the damages claimed against the security deposit as currently required by the Act if the landlord instead sent the difference to the tenant's bank account through direct deposit or electronic transfer or to the tenant through an internet or mobile payment application. The landlord would have to send the amount within 10 days of mailing the required notice of damages claimed against a tenant's security deposit.

Generally, in the case of damage to a rental property or other obligations against the security deposit a landlord must mail an itemized list of damages to the tenant within 30 days of termination of occupancy. The itemized list must include an estimated cost of repair of each damaged property item and the amounts and bases that the landlord intends to assess the tenant through the tenant's security deposit. The list must be accompanied by a check or money order for the difference between the deposit and claimed damages.

Under the bill, the landlord would have to mail a notice that contained an itemized list of the damages assessed against the security deposit, including an estimated cost of repair of each property damaged item and the amounts and bases on which the landlord intended to assess the tenant. Beginning on the bill's effective date, a notice of damages would not have to be accompanied by a check or money if the landlord sent the difference between the damages claimed and the amount of the security deposit held by the landlord to the tenant's bank account through direct deposit or electronic transfer, or to an internet or mobile payment account or application. A landlord that complied with this provision would have to deposit the amount to the tenant as described above within 10 days of mailing the notice of damages.

MCL 554.609

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to House Bill 6148 of the 2021-2022 Legislative Session.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Raczkowski

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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.