



Senate Fiscal Agency
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House Bills 5384 through 5386 (as reported without amendment)

Sponsor: Representative John R. Roth (H.B. 5384)
Representative Denise Mentzer (H.B. 5385)
Representative Kelly Breen (H.B. 5386)

House Committee: Judiciary

Senate Committee: Housing and Human Services

CONTENT

House Bill 5384 would amend the Truth in Renting Act to modify the definition of "residential premises" to specify that the term would not include a residence occupied by the seller on a temporary basis after the sale of that residence.

House Bill 5385 would amend the landlord-tenant Act to modify the definition of "rental unit" to specify that the term would not include a residence occupied by the seller on a temporary basis after the sale of that residence.

House Bill 5386 would amend Chapter 57 (Summary Proceedings to Recover Possession of Premises) of the Revised Judicature Act to specify that a person entitled to possession of premises could recover the possession by summary proceeding after expiration of an agreement under which a seller was given temporary occupancy of the premises after the sale of the premises.

MCL 551.632 (H.B. 5384)
554.601 (H.B. 5385)
600.5714 (H.B. 5386)

BRIEF RATIONALE

Generally, a post-closing home-purchase agreement can include a provision stipulating that the seller of a residential property may continue to reside in that property for a set amount of time. According to testimony, the need for these agreements has increased due to the current housing shortage in the State, which may result in a seller selling his or her property but not having a purchased property immediately available for occupancy. Reportedly, such stipulations in post-closing agreements are underutilized due to concerns that they could be legally interpreted as a landlord-tenant agreement and fail to provide clear protections if the seller does not vacate the property by the agreed time. It has been suggested that a framework and standards be enacted for these types of agreements.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

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

Date Completed: 6-13-24

Fiscal Analyst: Bobby Canell
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