

## SB-313 Fact Sheet

12/12/14

Senate Bill 313 was introduced on behalf of rental property owner interests. The organization most stridently working for the passage of the bill is the Apartment Association of Michigan.

The bill is receiving opposition from four principle groups: local government, neighborhoods, public health advocates (especially child health), and some local fire fighters. These groups are concerned about this bill for the following reasons:

1. It would make rental inspections optional for locals. Current law requires proactive rental inspections for cities with a population greater than 100,000 and adjacent cities within 2.5 miles of the aforementioned. Under this bill, the State would allow, rather than require, an enforcing agency to maintain a registry of owners and premises regulated by the Act. It would also provide that a local governmental unit would not have to inspect multiple dwellings and rooming houses, and that the Act's provisions regarding inspections would apply only if a local governmental unit elected to inspect such buildings.
2. The bill would require a lessee's permission for an inspection in order for the enforcing agency to compel the owner to arrange for the inspection. Tenant right to quiet enjoyment of their property is already protected under the 4<sup>th</sup> Amendment. This bill seeks to go beyond that protection to require proof of permission for access, a process that would greatly complicate the code enforcement process and likely frustrate local code enforcement efforts. It should be noted that no tenant groups have asked for these protection or voiced support for this bill.
3. The bill would relax the frequency of proactive rental inspections permitted by State law.

The bill has been passed by the Senate, moved out of the House Local Government Committee and is likely to be scheduled for a vote on the house floor the week of 12/15/14.

The Michigan Municipal League and the Michigan Alliance for Lead Safe Housing are working in opposition to the bill.

Talking points in opposition:

- **Place making.** Municipalities need the ability to properly protect their rental housing stock. Rental housing is becoming a more desired living situation for many, especially following the recent evolution of the housing market. Quality, competitive housing options provides a high quality of life for families and attracts the talent we need in Michigan
- **Code enforcement provides return on investment.** Code enforcement provides excellent return on investment. Much like the need to routinely and regularly invest in roads to avoid a crisis later, ensuring that the private sector maintains housing must be routine and regular. With modest expenditures up front, homes are inspected to ensure that they are maintained, paying a return in terms of:
  - Tax base preserved
  - Maintaining quality housing infrastructure
  - Being able to attract and retain families and workforce talent
  - Public health savings
  - Children's healthy developmentIt's an economic development a revenue issue.

- **“Keeping it maintained” is a basic tenant of healthy housing.** When properties are not maintained, the health and safety of their occupants are jeopardized. Routine inspection programs ensure that a minimum level of safety is being preserved.
- **Substandard rental housing clearly exists.** 7.6% of housing in central cities have severe or moderate physical problems – 1.55 million units nationwide. The incidence is higher than average in the Midwest and in the Detroit, MI MSA. Following the housing crises, another 5 million homes were reported to have hazards that pose health risks (35 million nation-wide). This 17% increase demonstrates the challenge of maintaining affordable, safe and healthy housing. Nationwide, rental properties have more problems than owner-occupied dwellings, and inner-city housing does worse than suburban apartments and homes. Older properties also fare worse, many of which are Inner-city rentals (Source: American Housing Survey, Census Bureau, 2011).
- **This bill is a squeeze play.** The bill primarily impacts communities with limited budgets for housing inspections. It allows these communities an “opt-out” clause for ensuring that rental properties are in compliance with local and state codes. Many communities have been hit hard with loss of local revenue and federal housing dollars. Many have minimal housing inspectors to do this work. And the bill adds to their workload by complicating the process in which they must engage to secure access to inspect rental property, creating a disincentive for local communities to inspect.
- **Code enforcement protects public health,** especially among high-risk populations. Code enforcement reduces risks for children (lead poisoning, asthma triggers) and the elderly and disabled (trips, falls, air quality). It protects general health in numerous ways: fire safety, trips, falls, scalds, burns, poisoning (carbon monoxide), natural gas leaks, prolonged cold, excessive heat, and more.
- **The legislation works cross-purposes** with the State’s investment in childhood lead poisoning prevention and other public health programs such as early childhood home visitation, home care for the disabled and elderly, and more.
- **Proactive Rental Inspection (PRI) programs are a key strategy being deployed by communities across the nation to ensue housing quality.** This strategy is being promoted with such groups as HUD and the MacArthur Foundation providing a strong research evidence base as justification. Michigan would be headed in the opposite direction from where the research is leading communities that are working to improve housing quality.

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