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To: [Vander Lugt, Kristen](#)
Cc: [Richards, Jennifer](#); [Reiser, John](#); [Harrison, Cynthia](#)
Subject: Ordinance to Create Rent Transparency & Eliminate Mandatory Junk Fees
Date: Tuesday, September 16, 2025 8:44:09 PM
Attachments: [Ordinance re Tenancy Fees 8.28.25 Updated 4901-5693-0404 v.1 4897-0221-0660 v.1\[65\].docx](#)

Hi Kristen,

Apologies for the delay. Could you please share the following with the Renters Commission, and include the attached ordinance amendment draft to the agenda for Thursday's meeting?

The approach we've taken in this draft seeks to prohibit all mandatory fees – any fee of which a tenant cannot reasonably opt-out. As we cannot control the cost of rent (per state law), we recognize that this action may likely result in many landlords increasing rents to make up for lost fees – but this will hopefully create a rental market that empowers tenants to shop Apples to Apples within the housing market, where advertised rents are accurate and transparent, and prospective tenants are not surprised by long lists of unavoidable fees that can add hundreds of dollars to the monthly cost of rent.

To limit potential rent increases for things that may not impact all tenants, this draft would continue to allow “optional fees” to remain in place. These are fees that individual tenants can reasonably choose to opt-out of based on life choices/actions/etc. (think pet fees, parking fees, lock-out fees, etc.).

As this ordinance change will require landlords across the city to make changes to their rental agreements, we recognize that this change will take some time to implement – as a result, it has a built-in effective date of 6 months after adoption (rather than the traditional 10 days after publication).

I look forward to our discussion this week!

Travis

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CHAPTER 105
(HOUSING CODE)

AN ORDINANCE TO ADD SECTION 8:532 TO CHAPTER 105 (HOUSING CODE) OF
TITLE VIII (BUILDING REGULATIONS) OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor Ordains:

Section 1. That Section 8:532 be added to Chapter 105 (Building Regulations) of Title VIII of the Code of the City of Ann Arbor as follows:

8:532 –Rental Application Fees, ~~and~~ Pre-tenancy Fees, and Tenancy Fees.

- (1) **Findings.** The Ann Arbor City Council finds that residential rental fees should be regulated to protect rental housing Applicants from the unnecessary and predatory collection of unreasonable fees assessed to tenants and prospective tenants. These fees inequitably impact renters of various socioeconomic levels and differ greatly in the amount required to secure a rental unit and the conditions under which they are refundable. There is also a lack of transparency for tenants regarding fees charged. The purpose and intent of this Chapter is to establish rules and regulations for rental fees in Ann Arbor.
- (2) **Definitions.** The following definitions shall apply in the interpretation and enforcement of this section:
- (a) “Applicant” means any individual or entity who makes a request to a Landlord to rent Residential Premises, or an individual or entity who agrees to act as a guarantor or co-signor on a rental agreement.
 - (b) “Landlord” means an owner of residential rental property, or their agent or representative. It does not include a sublessor.
 - ~~—~~“Mandatory Tenancy Fee” means a fee that a Tenant is required to pay to rent the premises being advertised or is not reasonably avoidable by the Tenant.
 - ~~(b)(c)~~ “Optional Tenancy Fee” means a fee, that may be charged by a Landlord to a Tenant during the lease term if the Tenant either undertakes a specific action or fails to complete an obligation as set forth in the lease agreement. Optional fees include parking fees, pet fees, lock-out fees, garbage fees, and damage fees.
 - ~~(e)(d)~~ “Pre-Tenancy Fee” means any fee associated with an action or event that occurs before the start of a lease term for residential rental property. It includes, but is not limited to, wait list fees, holding fees, option fees, preparation fees, move-in fees or any other fee incurred prior to the start of a term of a lease for Residential Premises. It does not include rent, security deposits, or Rental Application Fees.
 - ~~(d)(e)~~ “Rental Application Fee” means any payment of money charged by a Landlord to an Applicant, the purpose of which is for screening the background of an Applicant for the lease of a Residential Premises before signing the lease and before any contractual relationship is created.

~~(e)~~(f) “Residential Premises” means residential rental property and includes a dwelling, dwelling unit, owner-occupied dwelling, and rooming unit as defined in Section 8:500 of this Chapter.

~~(f)~~(g) “Tenant” means a lessee who is a party to a current lease agreement.

(3) **Applicability.** This Section applies to all housing accommodations except:

(a) Fraternity houses, sorority houses, and student cooperative housing.

(b) Premises subject to federal, state, county, or city government restrictions regarding income, age, or rent (or the practical application of these restrictions) that are in conflict with this section.

(c) Short-term rental units as defined in Section 7:651 of Chapter 97 (Short-Term Rentals).

(4) **Rental Application Fees.**

(a) A Landlord may charge a Rental Application Fee to cover the costs of obtaining information about and screening the Applicant.

(b) The amount of the Rental Application Fee must be disclosed on any advertisement or posting related to the Residential Premises and the Landlord shall not charge a fee that exceeds the amount disclosed.

(c) Before charging a Rental Application Fee, a Landlord must disclose to the Applicant, in writing, the criteria on which the application will be considered.

(d) A Rental Application Fee shall not exceed \$50.

(e) The Landlord must fully refund a Rental Application Fee if the Applicant is not offered a Residential Premises ~~n-apartment~~ for rent.

(5) **Pre-Tenancy Fees Prohibited.** A Landlord shall not charge a Pre-Tenancy Fee.

(6) Tenancy Fees Prohibited; Rent and Optional Fees Disclosure.

(a) A Landlord shall not charge any Mandatory Tenancy Fee.

(b) A Landlord may charge Optional Tenancy Fees. All Optional Tenancy Fees must be listed on the first page of the lease agreement.

(c) A Residential Premises advertised for lease must disclose the total price of rent in any advertisement or posting.

~~(a)~~(d) In a lease agreement and a disclosure or advertisement for the Residential Premises, the Landlord must disclose whether utilities are included or not included in the rent.

~~(b)~~(e) This subsection (6) does not take effect until 6 months after its effective date.

Commented [A1]: The other alternative that may be clearer to interpret and apply, is once we know the general timeframe, picking a specific date that it is effective and using that. For example, May 1, 2026.

~~(7)~~**(6) Non-Waiver.** The requirements of this Section may not be waived by the parties. This Section is not intended to preempt any provisions or regulations that govern the collection of deposits and fees under federal or state housing assistance programs.

~~(8)~~**(7) Construction.** Nothing in this Section shall be construed to control either the amount of rent charged for leasing private residential property or the amount charged for a security deposit. This Section shall only apply to leases entered into, renewed, or renegotiated after the effective date of this section.

~~(9)~~**(8) Enforcement**

(a) A violation of this section constitutes a civil infraction punishable by a fine of not less than \$500.00 for the first offense, not less than \$500.00 and up to \$1,000.00 for each additional or subsequent offense, plus costs and other remedies available by statute.

(b) To the extent allowed by law, a tenant who has been aggrieved by a violation of the section may bring a civil action for appropriate injunctive relief or damages, or both, against the person(s) who acted in violation of this section.

(c) The Planning and Development Services Unit shall be responsible for enforcing this section.

Section 2. This ordinance shall become effective 10 days after publication.