

8:530. - Lease agreements, right to renew, relocation assistance, and entry to show residential premises.

(1) *Applicability.* This section shall apply to all housing accommodations except:

- (a) Premises otherwise subject to regulation of rents or evictions pursuant to state or federal law, to the extent that such state or federal law requires "good cause" for termination or nonrenewal of such tenancies.
- (b) Fraternity houses, sorority houses, student cooperative housing, subleases, and leases with less than 8 months total duration.
- (c) 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.
- (d) This section shall only apply to leases entered into, renewed, or renegotiated after the effective date of this section.

(2) *Landlord's offer to current tenant of lease renewal.*

- (a) If the landlord intends to renew the lease for a successive lease period, the landlord must, in writing via electronic communications, personal delivery, or U.S. mail, inform each current tenant regarding the offered terms and conditions for a successive lease period.
- (b) Such offer must include:
  - (i) The names of the parties;
  - (ii) The address of the premises;
  - (iii) The price of rent and any fees;
  - (iv) The term of the successive lease period;
  - (v) A list of all changes in the terms and conditions from the current lease; and
  - (vi) The date by which the landlord requires the tenant to accept the offer.
- (c) A landlord shall not make any renewal offer earlier than 180 days from the start of the current lease.

(3) *Tenant's acceptance of landlord's offer for a successive lease period.*

- (a) A landlord may not require a tenant to accept an offer for a successive lease period sooner than 30 days after the offer is sent.
- (b) A tenant's acceptance of a landlord's offer for a successive lease period must be in writing via electronic communications, personal delivery, or U.S. mail.
- (c) The landlord must present a lease agreement for the successive lease period to the tenant for signature within 30 days of the date of the tenant's written acceptance of the landlord's offer for a successive lease period.
- (d)

The tenant must return the signed lease agreement to the landlord within 10 days of the date the tenant received the complete written lease agreement.

- (e) The landlord must countersign the lease agreement for the successive lease period within 10 days of the date the landlord receives the tenant's signed lease agreement, and immediately return the countersigned copy to the tenant.
- (f) If fewer than all current tenants sign a lease agreement for a successive lease period, named replacement tenants must be acceptable to the landlord in the landlord's usual screening process.

(4) *Landlord's nonrenewal of a lease.*

- (a) If a landlord claims there is good cause not to renew the lease with a tenant, the landlord shall notify each such tenant in writing via electronic communications, personal delivery, or U.S. mail of the grounds for the good cause no later than 180 days into the current lease period.
- (b) If a landlord does not make a good faith offer to renew a lease with a tenant, the landlord shall pay relocation assistance to the tenant as set forth below, unless the landlord has good cause not to offer a renewal.
- (c) The relocation assistance payment shall be equal to 2-months rent based upon the current lease.
- (d) *Good cause for nonrenewal.* A landlord is exempted from paying relocation assistance in any of the following circumstances:
  - (i) The tenant has not accepted the successive lease period within the time specified in the offer;
  - (ii) The tenants who accepted the renewal offer, along with any replacement tenants acceptable to the landlord, have not returned a signed lease to the landlord within 10 days of receipt;
  - (iii) The landlord can demonstrate a justification for not offering renewal, that is in existence within the time renewal is to be offered, that would permit a termination of tenancy under the Summary Proceedings Act, MCL 600.5714;
  - (iv) The owner seeks possession so that the owner or a member of the owner's immediate family may occupy the unit as that person's principal residence and no substantially equivalent unit is vacant and available in the same building. "Immediate family" includes the owner's domestic partner or spouse, parents, grandparents, children, siblings, and the siblings, parents, grandparents, or children of the owner's domestic partner or spouse; or
  - (v) The owner will not rent the premises for the successive term.

(5) *Entry and leasing to another tenant for a subsequent lease period.*

- (a) A landlord shall not enter leased residential premises for the purpose of showing the premises to prospective tenants until after 210 days into the current lease period;
  - (b) A landlord may not enter into an agreement to rent the leased premises to another tenant for a subsequent lease period until after 210 days into the current lease period unless the landlord has good cause not to offer a renewal.
- (6) *Timing.* For all leases exceeding 12 months total duration, the timelines required by this section will start to run on the first day of the final 12-month period of the lease.
- (7) *Waiver.* The provisions of this section may not be waived by the parties to a lease agreement.
- (8) *Enforcement and remedies.*
- (a) *Civil infractions.* A violation of this section constitutes a civil infraction punishable by a fine of not less than \$500.00 for the first offense and not less than \$1,000.00 for each additional or subsequent offense.
  - (b) *Private actions.* To the extent allowed by law, a tenant who has been aggrieved by a violation of this section may bring a civil action for damages, or injunctive relief, or both, against the person(s) who acted in violation of this section. A court may order up to 2 times the relocation assistance payment for willful violations and may order costs and attorney fees in its discretion. Private actions and remedies under this section shall be in addition to any actions for violations which the city may take.
  - (c) A court may issue and enforce any judgment, writ, or order necessary to enforce this section, including a court order requiring a relocation assistance payment, if applicable.

(Ord. No. 7-06, § 1, 3-20-06; Ord. No. 08-01, § 1, 1-22-08; Ord. No. 19-19, § 7, 6-17-19; Ord. No. 21-22, § 1, 8-2-21; Ord. No. 22-15, § 1, 10-3-22; Ord. No. 24-03, § 1, 3-4-24)

**Editor's note—** Ord. No. 21-22, § 1, adopted Aug. 2, 2021, amended the title of § 8:530 to read as herein set out. The former § 8:530 title pertained to entry to show premises and time for rental agreements. Subsequently, Ord. No. 24-03, § 1, adopted March 4, 2024, amended the title of § 8:530 to read as herein set out. The former § 8:530 title pertained to lease agreements and entry to show residential premises.

8:532. - Rental application fees, 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 and tenants from the unnecessary and predatory collection of unreasonable fees assessed to applicants and tenants. These fees inequitably impact applicants and tenants 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 applicants and tenants regarding fees charged. The purpose and intent of this chapter is to establish rules and regulations for the transparency of 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 applies 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.
  - (c) *Mandatory tenancy fee* means a fee charged by a landlord to a tenant in addition to rent for a residential premises that a tenant is required to pay or that is not reasonably avoidable by the tenant. It does not include rent, a security deposit, or utility charges.
  - (d) *Optional tenancy fee* means a fee charged by a landlord to a tenant during the lease term for a residential premises if the tenant either takes a specific action or fails to complete an obligation as set forth in the lease agreement that results in an actual cost to the landlord. Optional tenancy fees include, but are not limited to, parking fees, pet fees, and lock-out fees. It does not include utility charges or a security deposit.
  - (e) *Pre-tenancy fee* means any fee charged by a landlord to an applicant or tenant associated with an action or event that occurs before the start of a lease term for residential premises. 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 or a security deposit paid after a lease is fully executed, or rental application fees.
  - (f) *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.
  - (g) *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.
  - (h) *Security deposit* means a sum of money paid by a tenant to a landlord for purposes set forth in the Landlord and Tenant Relationships Act, M.C.L. § 554.601 et seq.
  - (i) *Tenant* means a lessee who is a party to a current lease agreement of a residential premises.
  - (j) *Utility charge* means charges by a landlord to a tenant for the use of utilities at a residential premises. Utilities include water, sewer, stormwater, electricity, internet, gas, and the collection of solid waste, as defined in Chapter 26.
- (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 \$50.00.
- (e) The landlord must fully refund a rental application fee if the applicant is not offered a residential premises for rent.

(5) *Pre-tenancy fees prohibited.* A landlord shall not charge a pre-tenancy fee.

(6) *Limitation, inclusion, and disclosure of tenancy fees.*

- (a) *Mandatory tenancy fees.* All mandatory tenancy fees must be included in the base price of rent. A landlord shall not separately charge a tenant any mandatory tenancy fee.
- (b) *Optional tenancy fees.* A landlord may charge a tenant an optional tenancy fee if the tenant takes a specific action or fails to complete an obligation as set forth in the lease agreement that results in an actual cost to the landlord.
- (c) *Utility charges.* Whether utility charges are included in the rent must be disclosed in any advertisement or posting related to the residential premises and must be listed in the lease agreement. If utility charges are not included in the rent, the utility charges or the method by which the utility charges will be billed must be listed in the lease agreement with the optional tenancy fees as required by subsection (6)(e).
- (d) *Parking fees.* A landlord shall not charge a tenant an optional tenancy fee for vehicle or bicycle parking if the tenant has not agreed to use or does not use such parking amenities.
- (e) *Optional tenancy fees listed in the lease.* All optional tenancy fees must be listed on the first page of the lease agreement or listed clearly in 1 location in an addendum to the lease agreement entitled "Optional Tenancy Fees."
- (f) *Disclosure of rent and fees.* The total price of rent and any optional tenancy fees must be disclosed in any advertisement or posting related to the residential premises and made available to an applicant or tenant upon request.

(g)

*Security deposit.* A landlord may require and retain a security deposit in accordance with the Landlord and Tenant Relationships Act, M.C.L. § 554.601 et seq.

(h) This subsection (6) does not take effect until August 1, 2026.

(7) *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) *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 apply to leases entered into, renewed, or renegotiated after the effective date of this section.

(9) *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, an applicant or 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 City Administrator or their designee shall be responsible for enforcing this section.

(Ord. No. 24-33, § 1, 1-6-25; Ord. No. 26-04, § 1, 2-2-26)

**Editor's note**— Ord. No. 26-04, § 1, adopted February 2, 2026, amended the title of § 8:532 to read as herein set out. The former § 8:532 title pertained to rental application fees and pre-tenancy fees.