

Public Policy Position
HB 5092 & HB 5086

The Business Law Section is a voluntary membership section of the State Bar of Michigan, comprised of 3,300 members. The Business Law Section is not the State Bar of Michigan and the position expressed herein is that of the Business Law Section only and not the State Bar of Michigan. To date, the State Bar does not have a position on this item.

The Business Law Section has a public policy decision-making body with 9 members. On December 7, 2019, the Section adopted its position after a discussion and vote at a scheduled meeting. 9 members voted in favor of the Section's position on HB 5092 and HB 5086, 0 members voted against this position, 0 members abstained, 0 members did not vote.

Support with Recommended Amendments

Explanation:

The Committee drafted and obtained approval to advocate adoption of the Michigan Uniform Assignment of Rents Act, which is based on the Uniform Assignment of Rents Act, but modified in light of Michigan law and practice. The Act was introduced by Representative Iden on October 9, 2019 as H. B. 5092, along with a companion bill, H. B. 5086. H. B 5092 at Section 5, subparagraph (5) and Subparagraph 7 of H. B. 5092 provide that a construction lien does not take priority over an assignment of rents. Construction groups have raised concerns as to these provisions. The Committee wants to advocate adoption of H. B. 5086 without that provision to increase the chances of adoption. The relative priority of assignments of rent and construction liens would be left to other statutes and case law.

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