

JUSTICE POLICY INITIATIVE
Respectfully submits the following position on:

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HB 4463

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The Justice Policy Initiative is comprised of members appointed by the President of the State Bar of Michigan.

The position expressed is that of the Justice Policy Initiative only and is not an official position of the State Bar of Michigan, nor does it necessarily reflect the views of all members of the State Bar of Michigan.

The State Bar position on this matter is to oppose the bill.

The total membership of the Justice Policy Initiative is 17.

The position was adopted after a discussion at a scheduled meeting and an electronic vote. The number of members in the decision-making body is 17. The number who voted in favor to this position was 15. The number who voted opposed to this position was 0.

Report on Public Policy Position**Name of Committee:**

Justice Policy Initiative

Contact Person:

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E-mail:lorrayb@mplp.orgmikeblau924@gmail.com**Bill Number:**

[HB 4463](#) Civil procedure; evictions; limited liability companies; allow members and others with personal knowledge to represent in certain situations. Amends [1961 PA 236](#) (MCL [600.101](#) - [600.9947](#)) by adding sec. 5707.

Date position was adopted:

April 11, 2017

Process used to take the ideological position:

Position adopted after discussion at a scheduled meeting and an electronic vote.

Number of members in the decision-making body:

17

Number who voted in favor and opposed to the position:

15 Voted for position

0 Voted against position

0 Abstained from vote

2 Did not vote (absent)

Position:

Oppose

Explanation of the position, including any recommended amendments:

The Initiative opposes HB 4463 because it encourages the unauthorized practice of law. The proposed legislation essentially creates a small claims type of case for landlord-tenant disputes by removing the requirement that LLCs be represented by attorneys in landlord-tenant proceedings for certain 1- or 2-member LLCs. The legislation is problematic for tenants and courts, as it would be difficult to ascertain whether an LLC meets the requirements set forth in the bill. Further, the proposed legislation opens the door for unscrupulous landlords and property managers, who may have experience with court procedures but are not held to the same ethical rules as attorneys, to represent their LLCs and potentially take advantage of tenants, many of whom are not represented by counsel and unfamiliar with court procedures.

The text of any legislation, court rule, or administrative regulation that is the subject of or referenced in this report.

<http://legislature.mi.gov/doc.aspx?2017-HB-4463>

FOR LEGISLATIVE ISSUES ONLY:

This position falls within the following Keller-permissible category:

- The regulation and discipline of attorneys
- ✓ The improvement of the functioning of the courts
- The availability of legal services to society
- The regulation of attorney trust accounts
- ✓ The regulation of the legal profession, including the education, the ethics, the competency, and the integrity of the profession.

Keller-permissible explanation:

Improvement of the Functioning of the Courts: The proposed legislation would negatively impact the functioning of the courts because it would allow members, property managers, and other agents to represent certain LLCs, and these individuals do not owe the same ethical responsibilities to the court as attorneys. This is especially troubling when the LLCs are bringing cases against tenants, many of whom are not represented by counsel and are unfamiliar with court procedures.

Regulation of the Legal Profession: The proposed legislations allows for the unauthorized practice of law, which could negatively impact the integrity of the profession, particularly if unscrupulous landlords, who are not held to the same ethical rules, are allowed to represent LLCs in court and are mistaken as attorneys.