

Good Afternoon Chairman Jones and members of the committee. I am David Soule, Regional Vice President of KMG Prestige and also the President of the Property Management Association of Michigan. The Property Management association caters to over 130,000 units within Michigan.

The Association is in support of Chairman Jones' SB 72. As you are aware, this bill is a re-introduction. This bill would prohibit the growing and smoking of marihuana in a rental premises as long as it is noted in the lease. This provision gives a landlord or property manager the option to prohibit this activity, however, it does not require that the landlord or property manager prohibit this activity.

This same bill, which was supported by not only property management associations, but the National Patient's Rights Association, passed unanimously out of senate judiciary last term and passed out of the senate 32-6. Additionally, it passed out of the House Judiciary Committee with only one no vote. Unfortunately, this bill died in Lame Duck.

It is our hope that we will successfully pass this legislation this term. We believe that it will be a benefit to our tenants as we can protect them from additional smoke that may exacerbate asthma conditions or interfere with the quiet enjoyment of the tenants causing them to break leases with our companies. But most importantly, it stops the potential of damage and fires due to the added moisture and intense lights needed to grow the plant. There are plenty situations where properties have had fires as a result of the methods used to grow marihuana.

Additionally, this legislation is beneficial to the judicial system as this provides judges with a law they can point to that allows the prohibition in rental spaces of all marihuana. Many will suggest that this can be handled within the lease, via contract provisions, and while yes that is true, it would still be subject to challenge and interpretation of what the law is regarding this matter. This law would make it clear that a landlord has the right to prohibit or even approve growing and smoking on their premises.

We are asking that the judiciary committee again vote in favor of passage of this bill.

Thank you and I am willing to answer any questions from the committee.