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Law Notes

Winter 2017



UNMARRIED COHABITATION RELATIONSHIPS

By John J. Schrot, Jr.

A client recently advised me that her daughter became engaged and the couple plan to marry in the near future. As the intended couple have only known each other briefly, she further related her belief that the couple should in the interim cohabit to better understand one another; and, she asked me about the complications thereof. I suggested, in part, their use of a cohabitation agreement.

If you are acquainted with an engaged to be married individual, who is about to embark on a first marriage, the likelihood is that he or she is living with the fiancé. This is especially true for Millennials, and certain reports provide that the percentage living together is 65%, whereas fifty years ago it was closer to 10%. Less than half of all households in the United States are husband and wife households. For these unmarried individuals living together, there are practical reasons and benefits including, but not limited to, romance, budget, and exposure of conflicts. Who performs the house work, manages the money, and/or has which parenting responsibilities? It has been reported that approximately half of the people cohabitating for the first time go on to marry; and that couples who move in together before getting engaged or committing to

TAX REFORM IS HERE!

By Timothy E. Harden

In somewhat of a surprising development, Congress passed and President Trump has signed the first significant overhaul of the tax code since 1986. Prior to that, there was a lot of tinkering around the edges, including some fairly substantial tax cuts under the most recent President Bush. However, major reform has proved elusive, until now. How big is the reform? It's substantial, but it did not really change the structure of the tax code that much, with limited exceptions. For instance, there was no move to a flat tax or a value added tax like some have championed. Still, it is too big to completely summarize in a short article, so here are some highlights.

- The corporate tax is lowered to a flat 21%, and the corporate alternative minimum tax is eliminated. This would apply to C corporations, so it will be more beneficial to the economy as a whole rather than small business owners.
- Individuals can now deduct 20% of the Qualified Business Income ("QBI") from certain pass-through entities. The details of this deduction are still unclear. The

marry are more likely to have lower-quality marriages. Also, many more same-sex couples are cohabitating and combining their property without the benefits, obligations, and legal presumptions of marriage. Same-sex couples have the right to marry in Michigan as a result of the 2015 United States Supreme Court decision of *Obergefell v Hodges*, but that does not mean they will.

[Read more.](#)

DETROIT'S PROPERTY RENTAL ORDINANCE - COMPREHENSIVE AMENDMENTS

By Randolph T. Barker

On October 31, 2017, the City of Detroit (the "City") passed amendments to Chapter 9 of the 1984 Detroit City Code, which governs the maintenance of rental properties in the City (the "Rental Ordinance"). By these amendments (the "Amendments"), the City hopes to increase compliance with its registration, inspection and property maintenance requirements already on the books. To accomplish this, the City has increased prohibitions on landlords, imposed new inspection requirements, and has in some cases imposed ten-fold increases in fines for violations by landlords. According to the City, the Amendments were necessary to bring an estimated 40,000 unregistered rental properties into compliance, reduce the presence of lead-based paint in residential rental properties, and crack down on so-called slum lords.

The Rental Ordinance requires landlords to obtain a certificate of compliance for certain commercial properties and all residential structures (i.e., one and two-family dwellings, multi-family dwellings and portions of residential structures) that will be rented and occupied by persons under an oral or written lease agreement. Excluded from this requirement are single-family homes and the portion of a two-family home (duplex), where in each case they are occupied by the owner and the owner's immediate family. This certificate requirement applies regardless of the length of the rental.

[Read more.](#)

income from certain personal services businesses (such as health, law, accounting, consulting, and financial services) does not count as QBI. In addition, the deduction is limited to no more than 50% of the W-2 wages of the business.

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A LA CARTE LEGAL SERVICES - LIMITED SCOPE REPRESENTATION

By Sandro DiMercurio

Many low and medium income individuals and small business owners involved in a legal dispute are left with the choice of suffering without access to justice or attempting to represent themselves. As the number of self-represented litigants in Michigan continues to rise, so does the confusion, delay, and frustration of litigants, judges and the courts. Recently, the Michigan Supreme Court approved a set of guidelines for limited scope representation ("LSR"), sometimes referred to as "unbundling", which would allow litigants to hire an attorney for distinct tasks rather than full representation. LSR will permit the client and attorney to collectively determine which portions of the case each is capable of handling.

The new LSR guidelines under the Michigan Professional Rules of Conduct 1.2(b) provide that: "A lawyer licensed to practice in the State of Michigan may limit the scope of a representation, file a limited appearance in a civil action, and act as counsel of record for the limited purpose identified in that appearance, if the limitation is reasonable under the circumstances and the client gives informed consent, preferably confirmed in writing."

Traditionally, litigants would hire an attorney to handle their case from start to finish, also known as full representation. However, the proposed changes will allow those seeking legal help or *pro se* litigants to obtain legal representation for only precise issues at any stage of the litigation. Litigants will now be able to retain counsel for only the most critical areas of the case.

[Read more.](#)

Firm News

- [New Minimum Hourly Wage for Michigan Employees Beginning January 1, 2018](#)
- [Several of the Firm's Attorneys Honored as 2018 Top Lawyers in Metro Detroit in dbusiness Magazine](#)
- [Attorney David Foy will be a speaker on January 10, 2018 at the "Life After Residency" presentation for residents and fellows at the GEM Theatre](#)
- [The Firm Helped to Facilitate the Official Public Release of the Highly Acclaimed Android Application, Tensor Chess](#)
- [Federal Court Trial Results in Big Win for Municipal Client](#)
- [Attorneys Donald F. Carney, Jr., John J. Schrot, Jr. and Harvey B. Wallace II have been included in the annual list of "Top Lawyers" of the Michigan Super Lawyers in consumer practice areas](#)
- [Attorney Randy Barker Named 2017 Realtor of the Year and Hosts Detroit Real Estate Radio Show](#)
- [Attorney David Foy Attends Richmond-Lenox EMS/SMART Headquarters Grand Opening](#)
- [Attorneys Present "Leaving Us – Don't Forget your Non-Compete!" at the Annual ASE Workshop](#)





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