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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 996 (as passed by the Senate)
Sponsor: Senator Norman D. Shinkle
Committee: Finance

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Date Completed: 12-14-90

RATIONALE

The Mobile Home Commission Act contains a number of provisions that prohibit the owner or operator of a mobile home park from engaging in certain acts or practices, such as charging a person an entrance or exit fee; renting a mobile home or site without offering a written lease; or requiring a person to purchase a mobile home from another person as a condition of entrance to a mobile home park. The Act also prohibits a mobile home park owner from charging a person for electricity, fuel, or water service unless the actual amount used by the person is accurately and consistently measured, although an owner can choose instead to include the utility service in a person's rental charge as an incident of tenancy.

Some mobile home parks charge for utilities by including the utilities in the rental charge, while others have utilities separately metered and therefore do not include utilities in the rental charge. It has been pointed out that a few park owners, however, in cases in which persons are separately invoiced for and pay for their utilities, charge such renters with an additional fee for utilities based upon the number of persons in the mobile home. Some people feel that this practice is unfair and should be prohibited.

CONTENT

The bill would amend the Mobile Home Commission Act to prohibit a mobile home park owner or operator from charging or exacting from a person a fee, in addition to rental charges, if the fee were based on the number of persons occupying a mobile home where the resident was separately charged and paid for all utility services to the home.

MCL 125.2328

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS**Supporting Argument**

Even though their rental charge may include a fee for the provision of utilities to their mobile home, many mobile home owners or renters in mobile home parks are invoiced and pay separately for utilities that they use. It is unfair to charge such persons an additional fee for utilities based upon the number of persons in the unit. Why should a charge for utility use be based on any criteria other than the cost of bringing the utility to the unit, and the amount of the utility used? The bill would prohibit fees for utilities based upon the number of persons living in a mobile home in those instances in which persons pay for their utilities separately.

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S.B. 996 (12-14-90)

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