

# Legislative Analysis

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## REVISE MANUFACTURED HOUSING FEES

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### House Bill 5839

**Sponsor: Rep. Dave Hildenbrand**

**Committee: Local Government and Urban Policy**

**Complete to 3-27-06**

## A SUMMARY OF HOUSE BILL 5839 AS INTRODUCED 3-7-06

House Bill 5839 would amend the Mobile Home Commission Act (MCL 125.2304 et al) to revise the fees for manufactured homes, and create a Mobile Home Code Fund.

**Mobile Home Code Fund.** The bill would create a Mobile Home Code Fund. Fees established by the act for the issuances of license, plans approval, permits, certificates of title, and affidavits of affixture are, under the bill, intended to bear a reasonable relation to the cost, including overhead, of the service. The state treasurer is the custodian of the fund, and may invest its surplus. Earnings from investments must be credited to the fund, and the state treasurer must report to the director of the Department of Labor and Economic Growth (DLEG) and also to the legislature, the amount of interest credited, and the balance of the fund as of September 30<sup>th</sup> of each year. [The act and the bill refer to the Department of Commerce, but that department has been superseded by DLEG.]

Under the bill, the director of the DLEG would supervise and administer the fund. Fees received by the department, and money collected under the act would be deposited into the fund, and then appropriated by the legislature for the operation of the Bureau of Construction Codes and Fire Safety, and indirect overhead expenses in the department. Funds that were unexpended at the end of each fiscal year would be returned to the fund.

**Fees.** The bill specifies that the nonrefundable fee for an application for plans approval and a permit for new mobile home park construction, or for the expansion of an existing licensed mobile home park would be \$185, plus an additional \$4 for each home site over 25 home sites, to a maximum of \$1,000. The nonrefundable fee for an application for an extension of a permit to construct would be \$185.

The nonrefundable fee for the construction of a new home condominium, or the expansion of an existing home condominium would be \$505, plus an additional \$4 for each home condominium home site over 25 sites that were to be constructed.

The nonrefundable fee for an existing licensed mobile home park that converted to a home condominium with an increase in the number of home sites would be \$505, plus an additional \$4 for each condominium home site over 25 sites, to a maximum of \$1,480.

The nonrefundable fee for an application for a permit to construct for an alteration to an existing mobile home part would be \$50.

***Park Operator, Dealer, and Installer Three-Year Licenses.*** Currently under the law, a person is prohibited from operating a mobile home park or seasonal mobile home park without a license that is renewed annually. House Bill 5839 would establish a three-year license, and the fee for a mobile home park would be \$225, plus an additional \$3 for each home site in excess of 25 sites. In contrast, the fee for a seasonal mobile home park would be \$120, plus an additional \$1.50 for each home site in excess of 25 sites.

Currently under the law, a mobile home dealer is issued a one-year license, at a cost of \$150. The bill would establish a three-year license for mobile home dealers, at a cost of \$450.

In addition, the law currently requires an annual license for a mobile home installer or repairer, at a cost of \$50. The bill would establish a three-year license, at a cost of \$150.

***Certificate of Title and Transfer Fees.*** Currently an owner of a mobile home subject to the certificate of title provisions of the act makes application to the department on a form that must be accompanied by a fee of \$45. Under the bill, that fee would be increased to \$90. In addition, a purchaser or transferee (unless a licensed dealer) must present the certificate of title to the department accompanied by a \$45. Under the bill, that transfer fee would be increased to \$90.

***Rules.*** Currently under the law, the Mobile Home Commission may promulgate rules to implement the act, and must promulgate the mobile home code. Further the Department of Public Health promulgates rules to ensure the safety of the water and sewage systems, drainage, garbage and rubbish storage and disposal, insect and rodent control, and general maintenance and safety. House Bill 5839 specifies that the commission and department would continue these responsibilities, "after consultation with and considering comments from representatives of the manufactured housing industry, and other interested parties."

***Oversight.*** The bill also requires that the DLEG director, on at least a quarterly basis, report to the commission on the expenditure of all fees collected under the act, and the relation of such expenditures to the enforcement and administration of the act.

## **FISCAL IMPACT:**

This bill will increase State restricted revenue by approximately \$1.4 million. No additional expenditures will result from this bill. The Department supports this legislation.

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