

# HOUSE BILL No. 5839

March 7, 2006, Introduced by Rep. Hildenbrand and referred to the Committee on Local Government and Urban Policy.

A bill to amend 1987 PA 96, entitled "The mobile home commission act," by amending sections 4, 5, 6, 9, 12, 16, 17, 21, 30a, and 30c (MCL 125.2304, 125.2305, 125.2306, 125.2309, 125.2312, 125.2316, 125.2317, 125.2321, 125.2330a, and 125.2330c).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 4. (1) The commission may do all of the following:

2           (a) ~~Promulgate~~ **AFTER CONSULTATION WITH AND CONSIDERING**  
3 **COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED HOUSING INDUSTRY**  
4 **AND OTHER INTERESTED PARTIES, PROMULGATE** rules to implement and  
5 administer this act.

6           (b) Act for the purpose of establishing a uniform policy  
7 relating to all phases of mobile home businesses, mobile home

1 parks, and seasonal mobile home parks.

2 (c) Determine the sufficiency of local mobile home ordinances  
3 which are designed to provide local governments with superintending  
4 control over mobile home businesses, mobile home parks, or seasonal  
5 mobile homes parks.

6 (d) Conduct public hearings relating to the powers prescribed  
7 in this subsection.

8 (2) The director of commerce or an authorized representative  
9 of the director shall do all of the following:

10 (a) Administer the rules promulgated by the commission.

11 (b) Conduct hearings relating to violations of this act or  
12 rules promulgated under this act.

13 (c) Make investigations to determine compliance with this act  
14 and rules promulgated under this act.

15 (d) Provide assistance to the commission as the commission  
16 requires.

17 **(E) ON NOT LESS THAN A QUARTERLY BASIS, THE DIRECTOR OF**  
18 **COMMERCE OR AN AUTHORIZED REPRESENTATIVE OF THE DIRECTOR SHALL**  
19 **REPORT TO THE COMMISSION ON THE EXPENDITURE OF ALL FEES COLLECTED**  
20 **UNDER THIS ACT AND THE RELATION OF SUCH EXPENDITURES TO THE**  
21 **ENFORCEMENT AND ADMINISTRATION OF THIS ACT.**

22 (3) The commission shall not act for the purpose of regulating  
23 mobile homes that are not located within a mobile home park or a  
24 seasonal mobile home park, except as relates to the business,  
25 sales, and service practices of mobile home dealers and the  
26 business practices of mobile home installers and repairers.

27 Sec. 5. (1) ~~The~~ **AFTER CONSULTATION WITH AND CONSIDERING**

1 **COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED HOUSING INDUSTRY**  
2 **AND OTHER INTERESTED PARTIES, THE** commission shall promulgate the  
3 mobile home code subject to section 4. The code shall consist of  
4 rules governing all of the following:

5 (a) The licensure, density, layout, permits for construction,  
6 construction of mobile home parks including standards for roads,  
7 utilities, open space, or proposed recreational facilities, and  
8 safety measures sufficient to protect health, safety, and welfare  
9 of mobile home park residents, except water supply, sewage  
10 collection and treatment, and drainage facilities which are  
11 regulated by the department of public health.

12 (b) The business, sales, and service practices of mobile home  
13 dealers.

14 (c) The business practices of mobile home installers and  
15 repairers.

16 (d) The licensure and regulations of mobile home installers  
17 and repairers.

18 (e) The setup and installation of mobile homes inside mobile  
19 home parks or seasonal mobile home parks.

20 (f) The regulation of the responsibilities, under the mobile  
21 home warranty, of the mobile home components manufacturer, the  
22 mobile home assembler or manufacturer, and the mobile home dealer,  
23 including the time period and relationships of each under the  
24 warranty, and the remedies available, if any, if the responsible  
25 parties cease to operate as a business.

26 (g) Abuses relating to all of the following:

27 (i) Consumer deposits, except utility deposits from consumers

1 who are direct customers of utilities regulated by the Michigan  
2 public service commission.

3 (ii) Detailed listing of furnishings and fixtures by a  
4 manufacturer of a new mobile home or a mobile home dealer for a  
5 used mobile home.

6 (iii) Disclosure and delivery of manufacturer's warranties.

7 (iv) Used mobile homes. A mobile home dealer shall provide  
8 detailed listing of its service records for used mobile homes which  
9 are being sold by the dealer and of which the dealer has knowledge.

10 (h) Applications for and issuance of certificates of title for  
11 mobile homes.

12 (2) As part of the code, the commission shall also promulgate  
13 rules governing the licensure, density, layout, permits for  
14 construction, and construction of seasonal mobile home parks,  
15 including standards for roads, utilities, open space, proposed  
16 recreational facilities, and safety measures sufficient to protect  
17 the health, safety, and welfare of seasonal mobile home park  
18 residents, except water supply, sewage collection and treatment,  
19 and drainage facilities, which shall be regulated by the department  
20 of public health.

21 (3) The rules promulgated for seasonal mobile home parks may  
22 impose a less stringent standard than the rules promulgated for  
23 mobile home parks.

24 Sec. 6. (1) ~~The~~ **AFTER CONSULTATION WITH AND CONSIDERING**  
25 **COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED HOUSING INDUSTRY**  
26 **AND OTHER INTERESTED PARTIES, THE** department of public health shall  
27 promulgate rules for mobile home parks and seasonal mobile home

1 parks setting forth minimum standards regulating:

2 (a) Water supply system.

3 (b) Sewage collection and disposal system.

4 (c) Drainage.

5 (d) Garbage and rubbish storage and disposal.

6 (e) Insect and rodent control.

7 (f) General operation, maintenance, and safety.

8 (g) Certification of compliance under section 17.

9 (2) Representatives of local government shall act in an  
10 advisory capacity in the promulgation of the code.

11 (3) The commission shall consult with appropriate state and  
12 local governments in developing the procedures for effective  
13 coordination of efforts. The commission shall recommend procedures  
14 to the governor and the legislature for coordinating state agency  
15 decisions and activities pertaining to this act.

16 Sec. 9. (1) The commission shall promulgate rules to establish  
17 fees and charges for the issuance of licenses or permits under  
18 section 5.

19 (2) The fees and charges under this act shall be applied  
20 solely to the implementation of the act and shall constitute the  
21 total funding for the commission except as provided in ~~Act No. 243~~  
22 ~~of the Public Acts of 1959, being sections 125.1035 to 125.1043 of~~  
23 ~~the Michigan Compiled Laws 1959 PA 243, MCL 125.1035 TO 125.1043.~~

24 (3) A fee shall not be charged for an investigation conducted  
25 pursuant to section 36.

26 (4) A fee shall not be charged or collected by the commission  
27 in excess of that necessary to administer and enforce this act.

1           (5) The commission may promulgate rules to adjust the fees  
2 established in subsection (1) and in sections 16, 21, 30a, and 30c  
3 such that revenues obtained under this act equal appropriations by  
4 the legislature for the purpose of administering this act. However,  
5 the adjusted fees shall not exceed the fees stated in sections 16,  
6 21, 30a, and 30c.

7           (6) TO ACCOMPLISH THE OBJECTIVES OF THIS ACT, A MOBILE HOME  
8 CODE FUND IS CREATED. FEES ESTABLISHED BY THE ACT FOR THE ISSUANCE  
9 OF LICENSES, PLANS APPROVAL, PERMITS, CERTIFICATES OF TITLE, AND  
10 AFFIDAVITS OF AFFIXTURE ARE INTENDED TO BEAR A REASONABLE RELATION  
11 TO THE COST, INCLUDING OVERHEAD, OF THE SERVICE. THE STATE  
12 TREASURER IS THE CUSTODIAN OF THE FUND AND MAY INVEST THE SURPLUS  
13 OF THE FUND IN INVESTMENTS THAT IN THE STATE TREASURER'S JUDGMENT  
14 ARE IN THE BEST INTEREST OF THE FUND. EARNINGS FROM THOSE  
15 INVESTMENTS SHALL BE CREDITED TO THE FUND. THE STATE TREASURER  
16 SHALL REPORT TO THE DIRECTOR AND THE LEGISLATURE THE AMOUNT OF  
17 INTEREST CREDITED AND THE BALANCE OF THE FUND AS OF SEPTEMBER 30 OF  
18 EACH YEAR. THE DIRECTOR SHALL SUPERVISE AND ADMINISTER THE FUND.  
19 FEES RECEIVED BY THE DEPARTMENT AND MONEY COLLECTED UNDER THE ACT  
20 SHALL BE DEPOSITED IN THE FUND AND SHALL BE APPROPRIATED BY THE  
21 LEGISLATURE FOR THE OPERATION OF THE BUREAU OF CONSTRUCTION CODES  
22 AND FIRE SAFETY AND INDIRECT OVERHEAD EXPENSES IN THE DEPARTMENT.  
23 FUNDS THAT ARE UNEXPENDED AT THE END OF EACH FISCAL YEAR SHALL BE  
24 RETURNED TO THE MOBILE HOME CODE FUND.

25           Sec. 12. (1) When all preliminary approvals are made, the  
26 developer shall submit the legal documents and the final plans  
27 draft to the department.

1           (2) THE NONREFUNDABLE FEE FOR AN APPLICATION FOR PLANS  
2 APPROVAL AND A PERMIT FOR NEW MOBILE HOME PARK CONSTRUCTION OR FOR  
3 THE EXPANSION OF AN EXISTING LICENSED MOBILE HOME PARK IS \$185.00  
4 PLUS AN ADDITIONAL \$4.00 FOR EACH HOME SITE OVER 25 HOMES SITES, TO  
5 A MAXIMUM OF \$1,000.00. THE NONREFUNDABLE FEE FOR AN APPLICATION  
6 FOR AN EXTENSION OF A PERMIT TO CONSTRUCT IF \$185.00.

7           (3) THE NONREFUNDABLE FEE FOR THE CONSTRUCTION OF A NEW HOME  
8 CONDOMINIUM OR THE EXPANSION OF AN EXISTING HOME CONDOMINIUM IS  
9 \$505.00, PLUS AN ADDITIONAL \$4.00 FOR EACH HOME CONDOMINIUM HOME  
10 SITE OVER 25 HOME SITES THAT IS TO BE CONSTRUCTED.

11           (4) THE NONREFUNDABLE FEE FOR AN EXISTING LICENSED MOBILE HOME  
12 PARK THAT CONVERTS TO A HOME CONDOMINIUM WITH AN INCREASE IN THE  
13 NUMBER OF HOME SITES IS \$505.00, PLUS AN ADDITIONAL \$4.00 FOR EACH  
14 HOME CONDOMINIUM HOME SITE OVER 25 HOME SITES, TO A MAXIMUM OF  
15 \$1,480.00.

16           (5) THE NONREFUNDABLE FEE FOR AN APPLICATION FOR A PERMIT TO  
17 CONSTRUCT FOR AN ALTERATION TO AN EXISTING MOBILE HOME PARK IS  
18 \$50.00.

19           (6) ~~—(2)—~~ The department shall review the filing and within 90  
20 days after filing issue its approval or disapproval. Upon the  
21 approval of all the reviewing agencies, the department shall issue  
22 a permit to construct the mobile home park or seasonal mobile home  
23 park.

24           Sec. 16. (1) A person shall not operate a mobile home park or  
25 seasonal mobile home park without a license.

26           (2) Upon completion, review, and approval of certifications,  
27 the department shall grant a license to operate a mobile home park

1 or seasonal mobile home park.

2 (3) ~~An annual~~ **A 3-YEAR** license shall be granted and renewed  
3 by the department based upon the certifications and recommendations  
4 of the appropriate agencies and local governments. **THE FEE FOR THE**  
5 **3-YEAR LICENSE TO OPERATE A MOBILE HOME PARK IS \$225.00, PLUS AN**  
6 **ADDITIONAL \$3.00 FOR EACH HOME SITE IN EXCESS OF 25 HOME SITES IN**  
7 **THE MOBILE HOME PARK, OR ANY LESSER AMOUNT ESTABLISHED PURSUANT TO**  
8 **SECTION 9(5). THE FEE FOR A 3-YEAR LICENSE TO OPERATE A SEASONAL**  
9 **MOBILE HOME PARK IS \$120.00, PLUS AN ADDITIONAL \$1.50 FOR EACH HOME**  
10 **SITE IN EXCESS OF 25 HOME SITES IN THE SEASONAL MOBILE HOME PARK,**  
11 **OR ANY LESSER AMOUNT ESTABLISHED PURSUANT TO SECTION 9(5).**

12 (4) If a person submits a timely application for renewal of a  
13 license and pays the appropriate fee, the person may continue to  
14 operate a mobile home park or seasonal mobile home park unless  
15 notified that the application for renewal is not approved.

16 (5) A campground which is currently licensed under sections  
17 12501 to 12516 of the public health code, ~~Act No. 368 of the~~  
18 ~~Public Acts of 1978, being sections 333.12501 to 333.12516 of the~~  
19 ~~Michigan Compiled Laws~~ **1978 PA 368, MCL 333.12501 TO 333.12516,**  
20 was previously licensed under the licensing provisions of ~~Act No.~~  
21 ~~243 of the Public Acts of 1959, being sections 125.1035 to 125.1043~~  
22 ~~of the Michigan Compiled Laws~~ **1959 PA 243, MCL 125.1035 TO**  
23 **125.1043** as a seasonal trailer park and which currently meets the  
24 seasonal trailer park construction standards under ~~Act No. 243 of~~  
25 ~~the Public Acts of 1959~~ **1959 PA 243, MCL 125.1035 TO 125.1043,** may  
26 apply for and shall be licensed as a seasonal mobile home park  
27 under this act if the campground meets all other requirements for

1 licensure under this act as a seasonal mobile home park.

2       Sec. 17. (1) The department of public health or its  
3 authorized representative shall conduct an annual physical  
4 inspection of mobile home parks and seasonal mobile home parks in  
5 accordance with standards established by the department of public  
6 health. If the mobile home park or seasonal mobile home park is  
7 approved, the department ~~of public health~~ shall issue a  
8 ~~certification of compliance to the department of commerce that the~~  
9 ~~park is licensable~~ **LICENSE PURSUANT TO SECTION 16.**

10       (2) Except for purposes of issuing a license or renewing a  
11 license pursuant to this act, a local government may not make an  
12 inspection unless it has reason to believe that this act, the code,  
13 or rules promulgated pursuant to this act were violated.

14       Sec. 21. (1) A mobile home dealer shall not engage in the  
15 retail sale of a mobile home without a license.

16       (2) A mobile home dealer, mobile home installer, or repairer  
17 may obtain an initial or renewal license by filing with the  
18 commission an application together with consent to service of  
19 process in a form prescribed by the commission pursuant to section  
20 35.

21       (3) An initial or renewal license under this act shall be  
22 issued for ~~not more than 1 year~~ **3 YEARS**. Licenses shall expire on  
23 October 1.

24       (4) The ~~annual~~ license fee for a mobile home dealer is  
25 ~~\$150.00~~ **\$450.00** or any other lesser amount established pursuant to  
26 section 9(5).

27       (5) The ~~annual~~ license fee for a mobile home installer or

1 repairer is ~~-\$50.00-~~ **\$150.00** or any other lesser amount established  
2 pursuant to section 9(5).

3 (6) A licensed mobile home dealer, mobile home installer, or  
4 repairer may file an application for the license of a successor,  
5 whether or not the successor is then in existence, for the  
6 unexpired portion of the year. The commission may grant or deny the  
7 application.

8 (7) A licensee who submits a timely application for renewal of  
9 a license and pays the appropriate fee may continue sales of mobile  
10 homes unless notified that the application for renewal is not  
11 approved.

12 Sec. 30a. (1) An owner of a mobile home which is subject to  
13 the certificate of title provisions of this act shall make  
14 application to the department for the issuance of a certificate of  
15 title for the mobile home upon the appropriate form furnished by  
16 the department, accompanied by a fee of ~~-\$45.00-~~ **\$90.00** or any  
17 lesser amount established pursuant to section 9(5). The application  
18 shall bear the signature of the owner written in ink, shall be  
19 acknowledged by the owner before a person authorized to take  
20 acknowledgments, and shall contain:

21 (a) The name and address of the owner.

22 (b) A description of the mobile home, including the name of  
23 the manufacturer, the year and model, and the manufacturer's serial  
24 number or, in the absence of a serial number, a number assigned by  
25 the department. A number assigned by the department shall be  
26 permanently placed on the mobile home in the manner and place  
27 designated by the department.

1 (c) A statement of the names and addresses of the holders of  
2 any security interests in the mobile home, in the order of their  
3 priority.

4 (d) Further information as may reasonably be required by the  
5 department to enable it to determine whether the owner of the  
6 mobile home is entitled to a certificate of title for the mobile  
7 home.

8 (2) If the department is not satisfied as to the ownership of  
9 the mobile home, before issuing a certificate of title for it, the  
10 department may require the applicant to file a properly executed  
11 surety bond in a form prescribed by the department, executed by the  
12 applicant and a company authorized to conduct a surety business in  
13 this state. The bond shall be in an amount equal to twice the value  
14 of the mobile home as determined by the department and shall be  
15 conditioned to indemnify or reimburse the department, any prior  
16 owner, any holder of a security interest in the mobile home, and  
17 any subsequent purchaser of the mobile home, and their successors  
18 in interest, against any expense, loss, or damage, including  
19 reasonable attorney's fees, by reason of the issuance of a  
20 certificate of title to the mobile home or on account of any defect  
21 in the right, title, or interest of the applicant in and to the  
22 mobile home. Each interested person has a right of action to  
23 recover on the bond for a breach of its conditions, but the  
24 aggregate liability of the surety to all persons shall not exceed  
25 the amount of the bond. The bond shall be returned at the end of 5  
26 years, or before 5 years if the currently valid certificate of  
27 title is surrendered to the department, unless the department has

1 received notification of the pendency of an action to recover on  
2 the bond.

3 (3) The department shall examine and determine the  
4 genuineness, regularity, and legality of an application for a  
5 certificate of title for a mobile home and of any other application  
6 lawfully made to the department, and may in all cases make  
7 investigation or require additional information as may be  
8 considered necessary, and shall reject any application if not  
9 satisfied of the genuineness, regularity, or legality of it or the  
10 truth of any statement contained in it, or for any other reason,  
11 when authorized by law.

12 (4) The fee for obtaining a duplicate, replacement, or  
13 corrected title, for placing or terminating a lien on the title, or  
14 for placing a name on the title is \$15.00 or any other lesser  
15 amount established pursuant to section 9(5).

16 Sec. 30c. (1) If the owner of a mobile home transfers or  
17 assigns the owner's title or interest to the mobile home, the owner  
18 shall indorse on the back of the certificate of title an assignment  
19 of the mobile home with warranty of title with a statement of all  
20 security interests in the mobile home, and shall cause the  
21 certificate to be mailed or delivered to the department or to the  
22 purchaser or transferee at the time of the delivery to the  
23 purchaser or transferee of the mobile home.

24 (2) Upon the delivery of a mobile home and the transfer, sale,  
25 or assignment of the title or interest in a mobile home, the  
26 effective date of the transfer of title or interest shall be the  
27 date of execution of either the application for title or the

1 certificate of title.

2 (3) The purchaser or transferee, unless the purchaser or  
3 transferee is a licensed dealer, shall cause to be presented to the  
4 department the certificate of title accompanied by the applicable  
5 fee, as follows:

6 (a) Except as provided in subdivision (b) or (c), ~~-\$45.00~~  
7 **\$90.00.**

8 (b) Except as provided in subdivision (c), \$15.00, if the  
9 sale, assignment, or other transfer will require the addition or  
10 deletion from the certificate of title of any of the following:

11 (i) The owner's spouse.

12 (ii) A person related to the owner within the fourth degree of  
13 consanguinity as computed by the civil law method.

14 (iii) A person related to the owner's spouse within the fourth  
15 degree of consanguinity as computed by the civil law method.

16 (c) Any other lesser amount established pursuant to section  
17 9(5).

18 (4) Upon presentation of the certificate of title accompanied  
19 by the applicable fee, a new certificate of title shall be issued.  
20 A certificate of title issued under subsection (3) and this  
21 subsection shall be mailed or delivered to the owner or any other  
22 person the owner may direct in a separate instrument in a form as  
23 prescribed by the department.

24 (5) If a security interest is reserved or created at the time  
25 of the transfer, the parties shall comply with section 30d.

26 (6) If the transferee of a mobile home is a mobile home dealer  
27 who holds the mobile home for resale, the dealer shall not be

1 required to forward the certificate of title to the department, but  
2 the dealer shall retain possession of the assigned certificate of  
3 title. Upon transfer of the dealer's title or interest to another  
4 person, the dealer shall execute and acknowledge an assignment and  
5 warranty of title upon the certificate of title and deliver it to  
6 the person to whom the transfer is made if the person is a licensed  
7 dealer; otherwise application for a new title shall be made by the  
8 transferor as provided in section 30a(1).