

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5839

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, RECOMMENDED** rules **TO THE DEPARTMENT**
5 to implement and 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
8 parks, and seasonal mobile home parks.

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

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

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

9 (a) ~~Administer the rules promulgated by the commission.~~

10 **AFTER CONSULTATION WITH AND CONSIDERING COMMENTS FROM**
11 **REPRESENTATIVES OF THE MANUFACTURED HOUSING INDUSTRY AND OTHER**
12 **INTERESTED PARTIES, PROMULGATE RULES TO IMPLEMENT AND ADMINISTER**
13 **THIS ACT.**

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

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

18 (d) Provide assistance to the commission as the commission
19 requires.

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

25 (3) The commission shall not act for the purpose of regulating
26 mobile homes that are not located within a mobile home park or a
27 seasonal mobile home park, except as relates to the business,

1 sales, and service practices of mobile home dealers and the
2 business practices of mobile home installers and repairers.

3 Sec. 5. (1) ~~The commission~~ **AFTER CONSULTATION WITH AND**
4 **CONSIDERING COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED**
5 **HOUSING INDUSTRY AND OTHER INTERESTED PARTIES, THE DEPARTMENT** shall
6 promulgate the mobile home code subject to section 4. The code
7 shall consist of rules governing all of the following:

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

16 (b) The business, sales, and service practices of mobile home
17 dealers.

18 (c) The business practices of mobile home installers and
19 repairers.

20 (d) The licensure and regulations of mobile home installers
21 and repairers.

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

24 (f) The regulation of the responsibilities, under the mobile
25 home warranty, of the mobile home components manufacturer, the
26 mobile home assembler or manufacturer, and the mobile home dealer,
27 including the time period and relationships of each under the

1 warranty, and the remedies available, if any, if the responsible
2 parties cease to operate as a business.

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

4 (i) Consumer deposits, except utility deposits from consumers
5 who are direct customers of utilities regulated by the Michigan
6 public service commission.

7 (ii) Detailed listing of furnishings and fixtures by a
8 manufacturer of a new mobile home or a mobile home dealer for a
9 used mobile home.

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

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

14 (h) Applications for and issuance of certificates of title for
15 mobile homes.

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

25 (3) The rules promulgated for seasonal mobile home parks may
26 impose a less stringent standard than the rules promulgated for
27 mobile home parks.

1 Sec. 6. (1) ~~The~~ **AFTER CONSULTATION WITH AND CONSIDERING**
2 **COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED HOUSING INDUSTRY**
3 **AND OTHER INTERESTED PARTIES, THE** department of ~~public health~~
4 **ENVIRONMENTAL QUALITY** shall promulgate rules for mobile home parks
5 and seasonal mobile home parks setting forth minimum standards
6 regulating:

7 (a) Water supply system.

8 (b) Sewage collection and disposal system.

9 (c) Drainage.

10 (d) Garbage and rubbish storage and disposal.

11 (e) Insect and rodent control.

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

13 (g) Certification of compliance under section 17.

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

16 (3) The commission shall consult with appropriate state and
17 local governments in developing the procedures for effective
18 coordination of efforts. The commission shall recommend procedures
19 to the governor and the legislature for coordinating state agency
20 decisions and activities pertaining to this act.

21 Sec. 9. (1) ~~The commission~~ **AFTER CONSULTATION WITH AND**
22 **CONSIDERING COMMENTS FROM REPRESENTATIVES OF THE MANUFACTURED**
23 **HOUSING INDUSTRY AND OTHER INTERESTED PARTIES, THE DEPARTMENT** shall
24 promulgate rules to establish fees and charges for the issuance of
25 licenses or permits under section 5.

26 (2) The fees and charges under this act shall be applied
27 solely to the implementation of the act and shall constitute the

1 total funding for the commission except as provided in ~~Act No. 243~~
2 ~~of the Public Acts of 1959, being sections 125.1035 to 125.1043 of~~
3 ~~the Michigan Compiled Laws 1959 PA 243, MCL 125.1035 TO 125.1043.~~

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

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

8 (5) The ~~commission~~ **DEPARTMENT** may promulgate rules to adjust
9 the fees established in subsection (1) and in sections 16, 21, 30a,
10 and 30c such that revenues obtained under this act equal
11 appropriations by the legislature for the purpose of administering
12 this act. However, the adjusted fees shall not exceed the fees
13 stated in sections 16, 21, 30a, and 30c.

14 (6) TO ACCOMPLISH THE OBJECTIVES OF THIS ACT, A MOBILE HOME
15 CODE FUND IS CREATED. FEES ESTABLISHED BY THE ACT FOR THE ISSUANCE
16 OF LICENSES, PLANS APPROVAL, PERMITS, CERTIFICATES OF TITLE, AND
17 AFFIDAVITS OF AFFIXTURE ARE INTENDED TO BEAR A REASONABLE RELATION
18 TO THE COST, INCLUDING OVERHEAD, OF THE SERVICE. THE STATE
19 TREASURER IS THE CUSTODIAN OF THE FUND AND MAY INVEST THE SURPLUS
20 OF THE FUND IN INVESTMENTS THAT IN THE STATE TREASURER'S JUDGMENT
21 ARE IN THE BEST INTEREST OF THE FUND. EARNINGS FROM THOSE
22 INVESTMENTS SHALL BE CREDITED TO THE FUND. THE STATE TREASURER
23 SHALL REPORT TO THE DIRECTOR AND THE LEGISLATURE THE AMOUNT OF
24 INTEREST CREDITED AND THE BALANCE OF THE FUND AS OF SEPTEMBER 30 OF
25 EACH YEAR. THE DIRECTOR SHALL SUPERVISE AND ADMINISTER THE FUND.
26 FEES RECEIVED BY THE DEPARTMENT AND MONEY COLLECTED UNDER THE ACT
27 SHALL BE DEPOSITED IN THE FUND AND SHALL BE APPROPRIATED BY THE

1 LEGISLATURE FOR THE OPERATION OF THE BUREAU OF CONSTRUCTION CODES
2 AND FIRE SAFETY AND INDIRECT OVERHEAD EXPENSES IN THE DEPARTMENT.
3 FUNDS THAT ARE UNEXPENDED AT THE END OF EACH FISCAL YEAR SHALL BE
4 RETURNED TO THE MOBILE HOME CODE FUND.

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

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

14 (3) THE NONREFUNDABLE FEE FOR THE CONSTRUCTION OF A NEW HOME
15 CONDOMINIUM OR THE EXPANSION OF AN EXISTING HOME CONDOMINIUM IS
16 \$505.00, PLUS AN ADDITIONAL \$4.00 FOR EACH HOME CONDOMINIUM HOME
17 SITE OVER 25 HOME SITES THAT IS TO BE CONSTRUCTED.

18 (4) THE NONREFUNDABLE FEE FOR AN EXISTING LICENSED MOBILE HOME
19 PARK THAT CONVERTS TO A HOME CONDOMINIUM WITH AN INCREASE IN THE
20 NUMBER OF HOME SITES IS \$505.00, PLUS AN ADDITIONAL \$4.00 FOR EACH
21 HOME CONDOMINIUM HOME SITE OVER 25 HOME SITES, TO A MAXIMUM OF
22 \$1,480.00.

23 (5) THE NONREFUNDABLE FEE FOR AN APPLICATION FOR A PERMIT TO
24 CONSTRUCT FOR AN ALTERATION TO AN EXISTING MOBILE HOME PARK IS
25 \$50.00.

26 (6) ~~(2)~~ The department shall review the filing and within 90
27 days after filing issue its approval or disapproval. Upon the

1 approval of all the reviewing agencies, the department shall issue
2 a permit to construct the mobile home park or seasonal mobile home
3 park.

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

6 (2) Upon completion, review, and approval of certifications,
7 the department shall grant a license to operate a mobile home park
8 or seasonal mobile home park.

9 (3) ~~An annual~~ **A 3-YEAR** license shall be granted and renewed
10 by the department based upon the certifications and recommendations
11 of the appropriate agencies and local governments. **THE FEE FOR THE**
12 **3-YEAR LICENSE TO OPERATE A MOBILE HOME PARK IS \$225.00, PLUS AN**
13 **ADDITIONAL \$3.00 FOR EACH HOME SITE IN EXCESS OF 25 HOME SITES IN**
14 **THE MOBILE HOME PARK, OR ANY LESSER AMOUNT ESTABLISHED PURSUANT TO**
15 **SECTION 9(5). THE FEE FOR A 3-YEAR LICENSE TO OPERATE A SEASONAL**
16 **MOBILE HOME PARK IS \$120.00, PLUS AN ADDITIONAL \$1.50 FOR EACH HOME**
17 **SITE IN EXCESS OF 25 HOME SITES IN THE SEASONAL MOBILE HOME PARK,**
18 **OR ANY LESSER AMOUNT ESTABLISHED PURSUANT TO SECTION 9(5).**

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

23 (5) A campground which is currently licensed under sections
24 12501 to 12516 of the public health code, ~~Act No. 368 of the~~
25 ~~Public Acts of 1978, being sections 333.12501 to 333.12516 of the~~
26 ~~Michigan Compiled Laws— 1978 PA 368, MCL 333.12501 TO 333.12516,~~
27 was previously licensed under the licensing provisions of ~~Act No.~~

1 ~~243 of the Public Acts of 1959, being sections 125.1035 to 125.1043~~
 2 ~~of the Michigan Compiled Laws— 1959 PA 243, MCL 125.1035 TO~~
 3 **125.1043** as a seasonal trailer park and which currently meets the
 4 seasonal trailer park construction standards under ~~Act No. 243 of~~
 5 ~~the Public Acts of 1959— 1959 PA 243, MCL 125.1035 TO 125.1043~~, may
 6 apply for and shall be licensed as a seasonal mobile home park
 7 under this act if the campground meets all other requirements for
 8 licensure under this act as a seasonal mobile home park.

9 Sec. 17. (1) The department of ~~public health~~ **ENVIRONMENTAL**
 10 **QUALITY** or its authorized representative shall conduct ~~an annual~~
 11 **A** physical inspection of mobile home parks and seasonal mobile home
 12 parks in accordance with standards established by the department of
 13 ~~public health~~ **ENVIRONMENTAL QUALITY**. If the mobile home park or
 14 seasonal mobile home park is approved, the department ~~of public~~
 15 ~~health~~ shall issue a ~~certification of compliance to the~~
 16 ~~department of commerce that the park is licensable~~ **LICENSE**
 17 **PURSUANT TO SECTION 16.**

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

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

24 (2) A mobile home dealer, mobile home installer, or repairer
 25 may obtain an initial or renewal license by filing with the
 26 commission an application together with consent to service of
 27 process in a form prescribed by the commission pursuant to section

1 35.

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

5 (4) The ~~annual~~ license fee for a mobile home dealer is
6 ~~\$150.00~~ **\$450.00** or any other lesser amount established pursuant to
7 section 9(5).

8 (5) The ~~annual~~ license fee for a mobile home installer or
9 repairer is ~~\$50.00~~ **\$150.00** or any other lesser amount established
10 pursuant to section 9(5).

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

16 (7) A licensee who submits a timely application for renewal of
17 a license and pays the appropriate fee may continue sales of mobile
18 homes unless notified that the application for renewal is not
19 approved.

20 Sec. 30a. (1) An owner of a mobile home which is subject to
21 the certificate of title provisions of this act shall make
22 application to the department for the issuance of a certificate of
23 title for the mobile home upon the appropriate form furnished by
24 the department, accompanied by a fee of ~~\$45.00~~ **\$90.00** or any
25 lesser amount established pursuant to section 9(5). The application
26 shall bear the signature of the owner written in ink, shall be
27 acknowledged by the owner before a person authorized to take

1 acknowledgments, and shall contain:

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

3 (b) A description of the mobile home, including the name of
4 the manufacturer, the year and model, and the manufacturer's serial
5 number or, in the absence of a serial number, a number assigned by
6 the department. A number assigned by the department shall be
7 permanently placed on the mobile home in the manner and place
8 designated by the department.

9 (c) A statement of the names and addresses of the holders of
10 any security interests in the mobile home, in the order of their
11 priority.

12 (d) Further information as may reasonably be required by the
13 department to enable it to determine whether the owner of the
14 mobile home is entitled to a certificate of title for the mobile
15 home.

16 (2) If the department is not satisfied as to the ownership of
17 the mobile home, before issuing a certificate of title for it, the
18 department may require the applicant to file a properly executed
19 surety bond in a form prescribed by the department, executed by the
20 applicant and a company authorized to conduct a surety business in
21 this state. The bond shall be in an amount equal to twice the value
22 of the mobile home as determined by the department and shall be
23 conditioned to indemnify or reimburse the department, any prior
24 owner, any holder of a security interest in the mobile home, and
25 any subsequent purchaser of the mobile home, and their successors
26 in interest, against any expense, loss, or damage, including
27 reasonable attorney's fees, by reason of the issuance of a

1 certificate of title to the mobile home or on account of any defect
2 in the right, title, or interest of the applicant in and to the
3 mobile home. Each interested person has a right of action to
4 recover on the bond for a breach of its conditions, but the
5 aggregate liability of the surety to all persons shall not exceed
6 the amount of the bond. The bond shall be returned at the end of 5
7 years, or before 5 years if the currently valid certificate of
8 title is surrendered to the department, unless the department has
9 received notification of the pendency of an action to recover on
10 the bond.

11 (3) The department shall examine and determine the
12 genuineness, regularity, and legality of an application for a
13 certificate of title for a mobile home and of any other application
14 lawfully made to the department, and may in all cases make
15 investigation or require additional information as may be
16 considered necessary, and shall reject any application if not
17 satisfied of the genuineness, regularity, or legality of it or the
18 truth of any statement contained in it, or for any other reason,
19 when authorized by law.

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

24 Sec. 30c. (1) If the owner of a mobile home transfers or
25 assigns the owner's title or interest to the mobile home, the owner
26 shall indorse ~~on the back of the certificate of title~~ an
27 assignment of the mobile home with warranty of title with a

1 statement of all security interests in the mobile home, and shall
2 cause the certificate to be mailed or delivered to the department
3 or to the purchaser or transferee at the time of the delivery to
4 the purchaser or transferee of the mobile home.

5 (2) Upon the delivery of a mobile home and the transfer, sale,
6 or assignment of the title or interest in a mobile home, the
7 effective date of the transfer of title or interest shall be the
8 date of execution of either the application for title or the
9 certificate of title.

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

14 (a) Except as provided in subdivision (b) or (c), ~~-\$45.00~~
15 \$90.00.

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

19 (i) The owner's spouse.

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

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

24 (c) Any other lesser amount established pursuant to section
25 9(5).

26 (4) Upon presentation of the certificate of title accompanied
27 by the applicable fee, a new certificate of title shall be issued.

1 A certificate of title issued under subsection (3) and this
2 subsection shall be mailed or delivered to the owner or any other
3 person the owner may direct in a separate instrument in a form as
4 prescribed by the department.

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

7 (6) If the transferee of a mobile home is a mobile home dealer
8 who holds the mobile home for resale, the dealer shall not be
9 required to forward the certificate of title to the department, but
10 the dealer shall retain possession of the assigned certificate of
11 title. Upon transfer of the dealer's title or interest to another
12 person, the dealer shall execute and acknowledge an assignment and
13 warranty of title upon the certificate of title and deliver it to
14 the person to whom the transfer is made if the person is a licensed
15 dealer; otherwise application for a new title shall be made by the
16 transferor as provided in section 30a(1).

17 Enacting section 1. This amendatory act takes effect August 1,
18 2006.