

Act No. 328  
Public Acts of 2006  
Approved by the Governor  
August 9, 2006  
Filed with the Secretary of State  
August 10, 2006  
EFFECTIVE DATE: August 10, 2006

**STATE OF MICHIGAN  
93RD LEGISLATURE  
REGULAR SESSION OF 2006**

Introduced by Rep. Hildenbrand

# **ENROLLED HOUSE BILL No. 5839**

AN ACT to amend 1987 PA 96, entitled "An act to create a mobile home commission; to prescribe its powers and duties and those of local governments; to provide for a mobile home code and the licensure, regulation, construction, operation, and management of mobile home parks, the licensure and regulation of retail sales dealers, warranties of mobile homes, and service practices of dealers; to provide for the titling of mobile homes; to prescribe the powers and duties of certain agencies and departments; to provide remedies and penalties; to declare the act to be remedial; to repeal this act on a specific date; and to repeal certain acts and parts of acts," 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:*

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

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, recommend rules to the department to implement and administer this act.

(b) Act for the purpose of establishing a uniform policy relating to all phases of mobile home businesses, mobile home parks, and seasonal mobile home parks.

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

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

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

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, promulgate rules to implement and administer this act.

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

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

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

(e) On not less than a quarterly basis, the director or an authorized representative of the director shall report to the commission on the expenditure of all fees collected under this act and the relation of such expenditures to the enforcement and administration of this act.

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

Sec. 5. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate the mobile home code subject to section 4. The code shall consist of rules governing all of the following:

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

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

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

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

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

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

(g) Abuses relating to all of the following:

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

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

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

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

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

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

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

Sec. 6. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department of environmental quality shall promulgate rules for mobile home parks and seasonal mobile home parks setting forth minimum standards regulating:

(a) Water supply system.

(b) Sewage collection and disposal system.

(c) Drainage.

(d) Garbage and rubbish storage and disposal.

(e) Insect and rodent control.

(f) General operation, maintenance, and safety.

(g) Certification of compliance under section 17.

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

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

Sec. 9. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate rules to establish fees and charges for the issuance of licenses or permits under section 5.

(2) The fees and charges under this act shall be applied solely to the implementation of the act and shall constitute the total funding for the commission except as provided in 1959 PA 243, MCL 125.1035 to 125.1043.

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

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

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

(6) To accomplish the objectives of this act, a mobile home code fund is created. Fees established by the act for the issuance of licenses, plans approval, permits, certificates of title, and affidavits of affixture are 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 the surplus of the fund in investments that in the state treasurer's judgment are in the best interest of the fund. Earnings from those investments shall be credited to the fund. The state treasurer shall report to the director and the legislature the amount of interest credited and the balance of the fund as of September 30 of each year. The director shall supervise and administer the fund. Fees received by the department and money collected under the act shall be deposited in the fund and shall be 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 are unexpended at the end of each fiscal year shall be returned to the mobile home code fund.

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

(2) 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 is \$185.00 plus an additional \$4.00 for each home site over 25 home sites, to a maximum of \$1,000.00. The nonrefundable fee for an application for an extension of a permit to construct is \$185.00.

(3) The nonrefundable fee for the construction of a new home condominium or the expansion of an existing home condominium is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites that is to be constructed.

(4) The nonrefundable fee for an existing licensed mobile home park that converts to a home condominium with an increase in the number of home sites is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites, to a maximum of \$1,480.00.

(5) The nonrefundable fee for an application for a permit to construct for an alteration to an existing mobile home park is \$50.00.

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

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

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

(3) A 3-year license shall be granted and renewed by the department based upon the certifications and recommendations of the appropriate agencies and local governments. The fee for the 3-year license to operate a mobile home park is \$225.00, plus an additional \$3.00 for each home site in excess of 25 home sites in the mobile home park, or any lesser amount established pursuant to section 9(5). The fee for a 3-year license to operate a seasonal mobile home park is \$120.00, plus an additional \$1.50 for each home site in excess of 25 home sites in the seasonal mobile home park, or any lesser amount established pursuant to section 9(5).

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

(5) A campground which is currently licensed under sections 12501 to 12516 of the public health code, 1978 PA 368, MCL 333.12501 to 333.12516, was previously licensed under the licensing provisions of 1959 PA 243, MCL 125.1035 to 125.1043 as a seasonal trailer park and which currently meets the seasonal trailer park construction standards under 1959 PA 243, MCL 125.1035 to 125.1043, may apply for and shall be licensed as a seasonal mobile home park under this act if the campground meets all other requirements for licensure under this act as a seasonal mobile home park.

Sec. 17. (1) The department of environmental quality or its authorized representative shall conduct a physical inspection of mobile home parks and seasonal mobile home parks in accordance with standards established by the department of environmental quality. If the mobile home park or seasonal mobile home park is approved, the department shall issue a license pursuant to section 16.

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

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

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

(3) An initial or renewal license under this act shall be issued for 3 years. Licenses shall expire on October 1.

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

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

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

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

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

(a) The name and address of the owner.

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

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

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

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

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

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

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

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

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

(a) Except as provided in subdivision (b) or (c), \$90.00.

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

(i) The owner's spouse.

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

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

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

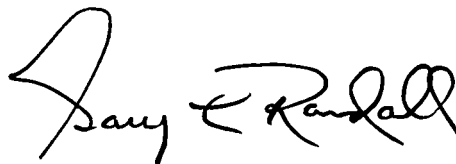
(4) Upon presentation of the certificate of title accompanied by the applicable fee, a new certificate of title shall be issued. A certificate of title issued under subsection (3) and this subsection shall be mailed or delivered to the owner or any other person the owner may direct in a separate instrument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

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

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

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

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor