

Legislative Analysis



INCLUDE RENTED MOBILE HOMES IN RENTAL HOUSING INSPECTION PROGRAM

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House Bill 4801 (Substitute H-1)

Sponsor: Rep. Bob Constan

Committee: Intergovernmental and Regional Affairs

First Analysis (6-17-09)

BRIEF SUMMARY: The bill would allow local units of government to expand their rental housing inspection programs to include the inspection of rented mobile homes.

FISCAL IMPACT: The bill would have no significant fiscal impact on the Department of Energy, Labor, and Economic Growth (Bureau of Construction Codes). The bill would increase expenditures of local governments to the extent that a local unit exercises its option, under the bill, to require inspections of manufactured (mobile) homes that are rented. Any costs of these activities could be supported by license and inspection fees imposed by the local unit.

THE APPARENT PROBLEM:

Often housing inspectors working for local units of government inspect rental housing to ensure that it meets safety standards. The safety standards are embodied in codes of law and rules that govern construction of the buildings, as well as their plumbing, mechanical and electrical systems. If the standards are met, then a rental license or a rental registration is issued, and that license or registration can be renewed by the landlord. Generally, rental housing that meets inspection standards poses a lower fire risk, costs less to insure, and it is inspected less regularly by the municipal inspectors than are rental units having many code violations.

Currently under the law, a municipal rental housing safety inspection team cannot regularly inspect a rented mobile home to ensure its safety.

Occasionally, the owner of a mobile home located in a mobile home park defaults on payments. The ownership of the mobile home then reverts to the owners of the mobile home park, and is sometimes rented out. According to committee testimony from officials in the City of Inkster, the incidence of default is increasing, as is the number of rented mobile homes located in mobile home parks. The Inkster city manager estimates that fully 70 percent of the mobile homes in local parks are rental units.

The Mobile Home Commission, located in the Department of Energy, Labor, and Economic Growth, does annual inspections of mobile home communities, but not of individual units. Inspectors from the commission can, however, respond to individual complaints. For example, exposed wiring that is reported by a renter can be inspected by a state inspector at no cost, and the landlord can then be held accountable for maintaining

the wiring so that it meets federal mobile home construction code standards adopted by HUD in 1974.

Inkster officials report that renters are reluctant to lodge complaints with the Mobile Home Commission, both because individual unit inspections are not always timely, and because they fear retaliation by landlords.

Legislation has been introduced to allow local units of government to include rented mobile housing units in their annual rental housing safety inspection programs.

THE CONTENT OF THE BILL:

The bill would amend the Mobile Home Commission Act to allow local units of government to expand their rental housing inspection programs to include the inspection of rented mobile homes.

The bill specifies that notwithstanding anything in Section 17 of the Mobile Home Commission Act, a local government could inspect a mobile home for safety (whether it is located within a mobile home park or a seasonal mobile home park, or is outside a park), if the mobile home being inspected is being rented to a tenant by its owner. If a local government implemented safety inspections for rented mobile homes, the period between inspections could not be longer than four years.

Under the bill, a local government could propose a means of determining which mobile homes were being rented, including the imposition of a registration requirement for renting mobile homes to tenants.

Finally, the bill specifies that inspections for safety could not require enforcement of any mobile home construction standards that are greater than those applicable to the mobile home under the manufactured housing rules, R 125.1101 to R 125.2009 of the Michigan Administrative Code.

MCL 125.2307

ARGUMENTS:

For:

This legislation will better ensure the safety of people who rent mobile homes, by allowing local safety inspectors to monitor the quality of these kinds of rental units in the same manner they now monitor other rental housing. During the economic downturn, an increasing number of mobile home owners have defaulted on their payments, and their property has reverted to the owners of the mobile home parks. Consequently, mobile home park owners have become landlords, as the mobile homes become rental housing units. Currently the Mobile Home Commission Act prohibits local housing safety inspectors from inspecting mobile home. This legislation removes that prohibition.

Against:

While the concept of rental inspections for mobile homes is a good one, this bill falls short. It contains neither quality standards nor criteria to ensure uniform implementation statewide. A better approach would be to require the Mobile Home Commission to promulgate standards that local inspectors could follow, thereby ensuring that community standards do not exceed the federal and state standards that now apply to manufactured housing.

Response:

The bill has been amended to ensure that "inspections for safety shall not require enforcement of any mobile home construction standards that are greater than those applicable to the mobile home under the Manufactured Housing Rules...under the Michigan Administrative Code."

POSITIONS:

Ypsilanti Township supports the bill. (6-2-09)

The City of Inkster supports the bill. (6-16-09)

The City of Lansing supports the bill. (6-2-09)

The Michigan Townships Association supports the bill. (6-2-09)

The Michigan Municipal League supports the bill. (6-16-09)

The Michigan Association of Counties supports the bill. (6-16-09)

The Manufactured Housing Association opposes the bill. (6-16-09)

The Department of Energy, Labor, and Economic Growth Construction Codes is neutral on the bill. (6-2-09)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.