

# Legislative Analysis

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## **INCLUDE RENTED MOBILE HOMES IN RENTAL HOUSING INSPECTION PROGRAM**

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**House Bill 4801 as enrolled**

**Public Act 215 of 2009**

**Sponsor: Rep. Bob Constan**

**House Committee: Intergovernmental and Regional Affairs**

**Senate Committee: Local, Urban, and State Affairs**

### **Second Analysis (1-29-10)**

**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 allow local units of government to expand their rental housing inspection programs to include the inspection of rented mobile homes.

Specifically, a local government could adopt an ordinance to inspect a mobile home for safety within a mobile home park or a seasonal mobile home park, or a mobile home located outside a mobile home park or seasonal mobile home park, if the mobile home were being rented to a tenant by the mobile home's owner. The local government could propose a means to determine which mobile homes located within its jurisdiction were being rented to tenants by the owner, including imposition of a registration or a licensing requirement for renting mobile homes to tenants.

A local government could inspect mobile homes rented to tenants for safety if the safety inspection ordinance applied to all other rental housing within the local unit. If a local government inspected rental mobile homes for safety, the period between inspections could not be less than three years, unless the local government was responding to a complaint from a tenant. An inspection could not be conducted on a mobile home for which an occupancy permit had been issued by the local government in the preceding three years unless the local government was responding to a tenant's complaint. Inspections for safety could not require enforcement of any mobile home construction standards that were greater than those applicable to the mobile home under the National Manufactured Housing Construction and Safety Standards Act (42 USC 5401 to 5426), or standards or codes to which the mobile home was constructed if it were constructed before application of that act.

("Inspection for safety" would mean an inspection of a rental mobile home that is limited to ensuring the proper functioning or protection of the furnace, water heater, electrical wiring, proper sanitation and plumbing, ventilation, heating equipment, structural integrity, and smoke alarms.)

The authorization to inspect rental mobile homes would apply notwithstanding anything in Section 17 of the Mobile Home Commission Act that could be to the contrary. (That section requires the Department of Environmental Quality (DEQ) or its authorized representative to conduct a physical inspection of mobile home parks and seasonal mobile home parks in accordance with DEQ standards. If a park is approved, the DEQ must issue a license. Except for the purposes of issuing or renewing a license, a local government may not make an inspection unless it has reason to believe that the act, the Mobile Home Code, or rules promulgated under the act were violated.)

Under the act, a local government that proposes a standard related to mobile home parks or seasonal mobile home parks, or related to mobile homes located within a mobile home park or a seasonal mobile home park, that is higher than the standard provided in the act or the Mobile Home Code, or that proposes a standard related to the business, sales, and service practices of mobile home dealers, or the business of mobile home installers and repairers, that is higher than the standard provided in the act or the code, must file the proposed standard with the Mobile Home Code Commission. The commission may promulgate rules to establish the criteria and procedure for implementation of higher standards by a local government. Under the bill, this would apply except as provided above.

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 homes. 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 National Manufactured Housing Construction and Safety Standards Act (42 USC 5401 to 5426), or standards or codes to which the mobile home was constructed if constructed before application of that act. Further, the bill defines "inspection for safety" to mean an inspection of a rental mobile home that is limited to ensuring the proper functioning, or protection, of the following: furnace, water heater, electrical wiring, proper sanitation and plumbing, ventilation, heating equipment, structural integrity, and smoke alarms.

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