

MOBILE HOME COMMISSION ACT AMENDMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6003 (proposed substitute H-1)
Sponsor: Rep. John D. Cherry

Analysis available at
<http://www.legislature.mi.gov>

House Bill 6004 (proposed substitute H-1)
Sponsor: Rep. Ben Frederick

House Bill 6005 (proposed substitute H-1)
Sponsor: Rep. Bronna Kahle

House Bill 6007 (proposed substitute H-1)
Sponsor: Rep. Kevin Hertel

House Bill 6006 (proposed substitute H-1)
Sponsor: Rep. Tim Sneller

House Bill 6008 (proposed substitute H-1)
Sponsor: Rep. Mike Mueller

Committee: Regulatory Reform
Complete to 12-1-20

BRIEF SUMMARY:

House Bills 6003 to 6008 each would amend the Mobile Home Commission Act, which provides for the regulation of mobile homes in mobile home parks or seasonal home parks by the Department of Licensing and Regulatory Affairs (LARA) and the Manufactured Housing Commission. Significant changes proposed by the bills include the following:

- Revising the license fees to own a mobile home park or seasonal mobile home park and decreasing the term a license is valid from three years to two years. (HB 6003)
- Creating a provisional license for ownership of a mobile home or seasonal mobile home park by a person who has not previously been licensed to own a park. (HB 6003)
- Prohibiting an owner of an unlicensed mobile home park from collecting rent or taking action for possession against residents and allowing a tenant to bring an action against an owner for a violation. (HB 6003)
- Revising the rules required to be included in the mobile home code. (HB 6004)
- Requiring LARA to provide written notice of a license denial and allowing an applicant to appeal the denial. (HB 6005)
- Requiring a park owner to provide LARA with certain documentation within 30 days after selling the park. (HB 6005)
- Requiring LARA to employ an appropriate number of employees as required to implement the act and departmental rules. (HB 6006)
- Creating new administrative fines for violations of the act and for owning or operating an unlicensed mobile home park or seasonal mobile home park. (HB 6006)
- Requiring LARA to publish on its website certain information on mobile home and seasonal mobile home parks. (HB 6006)
- Creating a process through which a mobile home park owner could apply for title of a mobile home deemed to be abandoned. (HB 6007)
- Requiring lease agreements for a mobile home to comply with the Truth in Renting Act and prospective tenants to be offered a lease or a rental agreement of at least one year. (HB 6008)

DETAILED SUMMARY:

House Bill 6003

House Bill 6003 would amend requirements for licensure under the Mobile Home Commission Act. Section 16 now prohibits the operation of a mobile home park or seasonal home park without a license. The bill would replace the term “operate” with “own.”

Licensure

The bill would provide that if LARA determines that an owner of a mobile home park or seasonal mobile home park (“park”) is not licensed, LARA must notify the owner of the lack of a license and impose any fines it considers appropriate. A person who has applied to LARA for a license would not be in violation of operating without a license unless LARA denies the license application and the person has exhausted all the available appeals related to the denial.

An unlicensed owner of a park would be prohibited from collecting rent or taking any action for possession against residents, and a tenant could bring an action on his or her own behalf for a violation of this prohibition. The unlicensed owner of a park could continue to collect utility service fees if required under the rental agreement. However, if the tenant pays the utility service fees directly to the utility service provider, the tenant would have to continue to do so. For any period of time that a park is unlicensed, the owner could not recover rent or fees.

Under the bill, a license issued by LARA on or before October 1, 2021, would expire on December 31, 2023. Beginning January 1, 2024, the term of a license would be two years (decreased from the current license term of three years).

Currently, LARA is required to issue a license if all requirements listed in the act are met. The bill would require LARA to issue the license within 60 days of receiving the license application if all of the listed requirements were met. The listed requirements would be as follows:

- A current requirement is that the applicant submit a completed application. The bill would add that the completed application must meet all of the following:
 - Show the financial ability of the applicant to own and operate the park by submitting documentation demonstrating the applicant’s financial viability (e.g., financial disclosure form prescribed by LARA, bank records, a letter of credit, proof of a line of credit, financing documents, a statement from a certified public accountant, or other information demonstrating that the applicant is able to operate and maintain the park).
 - Affirm that the applicant, any general partner, managing member, subsidiary, affiliate, or other person controlled by or under common control with the applicant has not been denied licensure for a park or had a license to own a park suspended, canceled, or revoked by a federal state, or local agency within the past seven years or demonstrate that a suspended, canceled, or revoked license has since been reinstated or reissued.
 - Affirm that the applicant and any person with decision- or policy-making authority for the applicant, or who is responsible for the applicant’s day-to-day operation of the park, has not been convicted of a crime involving fraud, deceit, or nonfeasance within the past seven years.
 - Affirm that the applicant and any of the persons described above does not have a record of unjustifiable rent increases within the past seven years that prohibits the applicant and any of the others from obtaining a license to own a park.
- Apart from a license under the act, the applicant has obtained all other required governmental certifications and approvals, including approvals from appropriate agencies

and local governments necessary to operate a park. This replaces a requirement that certifications and recommendations of appropriate agencies and local governments be submitted to and approved by LARA.

- Pay the applicable fee (this is a current requirement).
- The park was approved as being in substantial compliance after its most recent inspection (this is a current requirement).
- Beginning January 1, 2023, the applicant has been previously issued a provisional license to own the park.

Under the bill, LARA could require a signed affidavit from the applicant attesting to the veracity of the information required to be included in it, and would be required to deny the application if those requirements were not met.

Provisional license

A provisional license would entitle the holder to all of the rights, privileges, requirements, and penalties applicable to the holder of a mobile home park or seasonal mobile home park license issued under the act. Beginning January 1, 2023, a provisional license would be required before taking ownership of a park by any person that has not been previously licensed under section 16; the applicant would have to be issued a provisional license before taking ownership of a park. A provisional license would be valid for two years and could not be extended or renewed. LARA would be required to issue a provisional license if the applicant submits a complete license application, obtains all other required government certifications and approvals, and pays the required fee.

Within one year of issuing a provisional license, LARA would have to inspect and identify any violation of the act regarding the ownership or operation of a park by the owner of that park. LARA would have to notify the park owner of any violation found during the inspection and provide a notice as required under the act.

License fees

The bill would revise the license fees for owning a mobile home park or seasonal mobile home park as follows:

Until September 30, 2021:

- \$225 for a mobile home park, plus an additional \$3.00 for each home site in excess of 25 home sites.
- \$120 for a seasonal mobile home park, plus an additional \$1.50 for each home site in excess of 25 home sites in the park.

The bill would delete a current provision allowing for a lesser amount established under section 9(5).

Beginning October 1, 2021:

- \$350 to own a mobile home park, plus an additional \$4.75 for each home site in excess of 25 home sites in the park.
- \$200 to own a seasonal mobile home park, plus an additional \$2.25 for each home site in excess of 25 home sites in the seasonal mobile home park.

Beginning December 31, 2023:

- \$450 to own a mobile home park, plus \$5.25 per each home site in excess of 25.
- \$250 to own a seasonal mobile home park, plus \$2.75 per home site in excess of 25.

Beginning January 1, 2023:

- \$450 for a provisional license to own a mobile home park, plus \$5.25 per home site in excess of 25 home sites, or any lesser amount established under section 9(5).
- \$250 for a provisional license to own a seasonal mobile home park, plus \$2.75 per home site in excess of 25 home sites, or any lesser amount established under section 9(5).

Rule promulgation

No later than January 1, 2023, and after consultation with the commission, legal aid groups, consumer advocates, representatives of the manufactured housing industry, residential groups, local governments, and other interested parties, LARA would have to revise and promulgate rules governing the licensure of owners of mobile home parks and seasonal mobile home parks. The rules would have to include standards to meet the licensing requirements of section 16.

Further, the bill would delete a requirement that the commission promulgate rules addressing specified topics and procedures. This provision would be added to a new section 16b proposed by House Bill 6005.

MCL 125.2316

House Bill 6004

Section 5 of the act requires LARA, after consulting with representatives of the manufactured housing industry and other interested parties, to promulgate the mobile home code subject to section 4. The mobile home code is required to consist of rules to govern various aspects of mobile home parks, for example, licensure and the business, sales, and service practices of mobile home dealers.

House Bill 6004 would amend section 5 to require LARA to promulgate the mobile home code by December 31, 2022, and to revise the rules required to be included in the code as follows:

- Expand the current rule regarding the business practices of mobile home installers and repairers to include requiring advertisements to include the name, license number, and telephone number of the licensed retailer and prohibiting dealers from making inaccurate, misleading, or false statements regarding certain subjects listed in the bill.
- Replace the current rule regarding the licensure and regulations of mobile home installers and repairers and replace it with a rule regarding training and licensing requirements for individuals who install and service mobile homes in parks.

The bill would also add additional rules to govern the following:

- Inspections of mobile home parks. This would include establishing standard procedures for inspections that include a comprehensive list of items that a park must complete in order to have a satisfactory inspection by LARA.
- Review of a park's books and records after giving the park at least 10 days' prior written notice.
- Standardized park licensing form content.
- Conduct in mobile home sales, including substituting mobile homes purchased, removing equipment from mobile homes after the purchase agreement is executed, or revising an agreement after it is executed.
- Dealer sales financing practices, including the form of retail installment sales agreement, prohibiting mandatory retailer-obtained financing or insurance as a condition of sale and requiring retailers to pay off loans after taking a mobile home as a trade.

- Retailers and retailers’ agents, including violations of the act and rules, acting on an unlicensed person’s behalf, disclosure of retailers’ interest to third parties, disclosure of retailers’ interest in transactions, and allowing a license to be used by an unlicensed person.
- Fire hydrants, fire extinguishers, and smoke detectors in mobile homes located in parks.
- Speed limit and other traffic signs in parks.
- The hearing process for persons aggrieved by a local government’s decision in relation to a park licensed under the act.
- A process for identifying, documenting, notifying, and undertaking enforcement measures with regard to parks that do not possess a license under the act.

In addition, the bill would provide that all administrative rules promulgated under the act by LARA or the commission and not rescinded on the bill’s effective date are authorized, valid, and enforceable and would remain in effect until December 31, 2022, or the date on which LARA promulgates administrative rules under this provision, whichever is earlier.

MCL 125.2305

House Bill 6005

House Bill 6005 would provide that, notwithstanding any provision of law to the contrary, if a license application is denied under section 16 (HB 6003), LARA would be required to give written notice by registered mail stating reasons for the denial and the applicant’s right to appeal the denial to the commission; an appeal could be requested not later than 15 business days after the United States Postal Service confirmed delivery of the denial.

The commission would have to hold a hearing and, within 120 days of the appeal, issue a determination to LARA. If the commission’s determination differed from LARA’s decision, the commission would have to issue a written opinion stating the reasons for the determination, including the applicable statutory provision or departmental rules it relied on in making that determination.

Upon receipt of the commission’s determination, and based on the commission’s licensure determination or rejection of the applicant’s appeal, LARA would have to issue or decline to issue the license. If a determination is not issued within 120 days of the appeal, LARA would have to consider the commission’s failure to issue a determination as a determination to issue the license unless the commission meeting was unable to be held due to a lack of a quorum.

A licensed owner must notify LARA within 30 days of a change in ownership or a change in the licensed owner’s mailing or business email address.

Within 30 days of the sale of a park, the owner would have to provide LARA with a copy of the sales contract or any recorded deed and notify the department of all of the following:

- The identity of the buyer, including the buyer’s contact information.
- The date of the sale.
- Any change in the seller’s contact information.

Rule promulgation

A provision in section 16 (amended by HB 6003) requiring the commission to promulgate rules, and the list of what the rules must address, would be moved to the new section 16b, but would require LARA, in consultation with the commission, to promulgate the rules.

Proposed MCL 125.2316b

House Bill 6006

House Bill 6006 would require LARA to employ an appropriate number of employees with the appropriate qualifications as required to implement and enforce the act and related departmental rules. This would include staff to conduct community inspections, review financial information, manage the licensing process, and investigate potential violations of the act and rules. In addition, LARA would have to report to the commission on the expenditure of all fees collected under the act, at every meeting of the commission, instead of quarterly as currently required.

Currently, after consulting with and considering comments from representatives of the manufactured housing industry and other interested parties, the commission may recommend rules to LARA to implement and administer the act. The bill would specify that “interested parties” must at least include organizations known by the commission to represent residents of mobile home parks.

Administrative fines

In addition to currently authorized sanctions the commission may impose for violations of the act, the bill would allow an administrative fine of up to \$5,000 to be imposed.

The bill would also require LARA to provide a written notice to an unlicensed owner or operator of a mobile home park that an application for licensure must be made to LARA within 30 days of the date of the notice. If the unlicensed owner or operator fails to apply for licensure within the 30-day period, LARA would have to begin proceedings to impose a fine on the unlicensed owner or operator. If LARA determines that a person owned or operated a mobile home park or seasonal home park without a license, and after notice and a hearing as provided under the Administrative Procedures Act, a fine of up to \$100,000 would have to be imposed. (Fines collected under this section of the act are credited to the Mobile Home Code Fund.) LARA would be required to advise the attorney general of the failure of any person to pay any administrative fine imposed for an authorized sanction. The attorney general could bring a civil action in a court of competent jurisdiction to recover the fine.

Website

By January 1, 2023, LARA would have to establish, or cause to be established, a database of mobile home park owners that includes every licensed mobile home park owner’s contact information, license number, and current licensing status and have the database available to the public on LARA’s website. The database would have to include each licensed mobile home park owner. LARA would have to establish a method in which public could submit a reporting form on its website regarding potentially unlicensed owners. LARA would have to update the public database within 30 days of a change in licensure status. To the extent an existing database complies with the bill’s requirements, it could be used by the department.

Further, the database would have to provide a means by which an owner could update the owner’s contact information. An owner would also have to designate an individual who is an owner, officer, director, or employee of the owner as the owner’s designee to communicate with LARA and provide that individual’s contact information to the department as specified in the bill. An owner would have to notify LARA within 30 days if the mobile home park were sold and if the owner’s designee changed. Failure to update the required information could subject the owner to an administrative fine of \$50 after notice and a hearing. A fine assessed

under this provision would have to be paid before a license to the mobile park owner is issued or renewed.

MCL 125.2304 and 125.2343

House Bill 6007

House Bill 6007 would authorize an owner of a mobile home park at which a mobile home owned by another person is located to declare the mobile home abandoned if all of the following conditions are met:

- A court order restores possession of the premises to the mobile home park owner.
- Either the mobile home has been continuously unoccupied for at least 90 days after the court order was issued or rent has not been paid for at least 10 days after the court order was issued.
- Any indebtedness secured by the mobile home or that is related to a lease agreement or terms of tenancy between the mobile home park owner and the mobile home owner is delinquent.
- The mobile home park owner is licensed under the act to own the park.

Notice of intent

After the above conditions are met, and before declaring a mobile home abandoned, the mobile home park owner would have to do all of the following:

- Use industry standards to calculate the fair market value of the mobile home and determine whether that value exceeds the sum of any lot rent due but unpaid, any unpaid fees, and any unpaid utility service fees owed to the park owner by the mobile home owner.
- Affix to the mobile home a notice of intent to declare the mobile home abandoned.
- Send the notice of intent, and a copy of the complete appraisal or other valuation document on which the park owner relied on to determine the fair market value of the mobile home, by certified mail to all of the following:
 - Mobile home owner.
 - All persons identified on the lease.
 - All forwarding addresses provided by the mobile home owner to the park owner.
 - All lienholders at the addresses listed on the mobile home owner's title.
- File a copy of the notice of intent with the secretary of state (SOS).

If the park owner determines that the fair market value of the mobile home exceeds the sums owed as described above, the park owner would have to—upon filing the notice of intent with the SOS to declare the mobile home abandoned—make a good-faith effort to notify the mobile home owner that he or she is entitled to receive the amount of the excess from the mobile home park, subject to any liens on the mobile home, that is equal to the fair market value of the mobile home minus the sum for the amounts due.

Within 10 days of receiving the notice of intent, the SOS would have to mail a written notice to the mobile home owner and any lienholder at all current addresses the SOS has in its records for mobile owner and the lienholder. The written notice would have to contain all of the following:

- A statement explaining the requirements of HB 6007.
- Contact information for the SOS if the mobile home owner intends to contest the declaration that the mobile home is abandoned.

- A statement explaining that the mobile home owner may contest the declaration that the mobile home is abandoned before a court.

Upon receiving the notice of intent to declare the mobile home abandoned, the mobile home owner or a lienholder could enter into the mobile home park to remove the mobile home. The mobile home owner or the lienholder would be responsible to the mobile home park owner for all actual damages to the park resulting from removing the mobile home and any amount owed for lot rent, unpaid fees, and utility service fees.

Mobile home park owner applying for title of abandoned mobile home

If a mobile home that is not encumbered by a lien remains in the mobile home park for at least 30 days after the date the written notice to the SOS is postmarked, the mobile home park owner could declare the mobile home abandoned and could apply to the SOS to obtain title to the mobile home.

If a mobile home encumbered by a lien remains in the mobile home park for at least 60 days after the date the written notice to the SOS is postmarked, the lienholder would have to either remove the mobile home from the park or provide a written or electronic notice to the park owner of the lienholder's intent to remove the mobile home. The park owner could allow the mobile home to remain in the park, if allowed under the lease, until the lienholder removes the mobile home. If the lienholder does not remove the mobile home within the period described in this provision, the lienholder would have to pay the park owner the utility service fees for utility services provided to the mobile home within that period and any rent and fees due and owed in an amount not to exceed the payments required by the lease. A payment made under this provision would have to be made in accordance with the lease, due at the intervals set forth in the lease, and would be subject to late fees, nonsufficient fund fees, and other service charges provided under the park's rent or fee schedule.

If there is no lease between the mobile home park and the mobile home owner, the lienholder would have to pay the standard lot rent and other fees applicable to lots in the park that accrue from the date the notice of intent declare the mobile home abandoned is postmarked to the date the mobile home is removed from the park. Should the lienholder fail to meet these requirements, all liens on the mobile home would be extinguished and the mobile home park owner could declare the mobile home abandoned and could apply to the SOS to obtain title to the mobile home.

The application for title of the abandoned mobile home by the mobile home park owner would have to include an affidavit that includes all of the following statements:

- That the person applying for the title is the licensed owner of the mobile home park in which the mobile home is located.
- That the title of the mobile home is being transferred to the licensed owner of the mobile home park in which the mobile home is located.
- That the mobile home park owner complied with all the requirements of HB 6007.
- That the mobile park owner is not aware of any challenge to the declaration that the mobile home is abandoned or of any court proceeding challenging the declaration that the mobile home is abandoned.

The SOS could require the mobile home park owner to provide proof of its compliance with the bill's provisions in the application to transfer the title of the mobile home to the mobile home park owner. Within 10 days after receiving the application to transfer the title of the mobile home to the mobile home park, the SOS would have to issue title to the mobile home

park owner. Except as otherwise provided regarding a mobile home to which a lien is attached, if there is evidence of a mail return receipt showing proof of delivery of the notice of intent from each lienholder required to be notified, a title issued by the SOS to the mobile home park owner would be free of all liens.

Lastly, as part of the transfer of title to an abandoned mobile home, the owner of a mobile home is entitled, subject to any liens, to the fair market value of the mobile home minus the sum of the amount of rent due and unpaid for the premises occupied by the mobile home, any unpaid fees, and any unpaid amount for utility services that are owed to the mobile home park by the mobile home owner. If the amount calculated is greater than zero, the mobile home park owner taking title to an abandoned mobile home would be required to do all of the following:

- If the mobile home is not subject to a lien—make a good-faith effort, within 90 days of receiving title, to pay the amount that exceeds zero to the mobile home owner.
- If the mobile home is subject to a lien—pay to any lienholder, within 90 days of receiving title, the amount for which the lienholder has provided written evidence to the mobile home park owner as due and owing to the lienholder. The mobile home park owner would have to make a good-faith effort to pay any remaining balance to the owner of the mobile home.
- If the mobile home owner does not claim the amount due or the balance remaining after the lienholder was paid, as described above, the mobile home park owner would have to remit those amounts to the Department of Treasury in accordance with the Uniform Unclaimed Property Act.

Proposed MCL 125.2330j

House Bill 6008

House Bill 6008 would prohibit an owner of a mobile home park or seasonal mobile home park from offering a lease or rental agreement with a term of less than one year to be offered to a prospective tenant. However, this provision would not prohibit an owner from entering into a monthly lease or rental agreement with an existing tenant. In addition, at least 30 days before a lease or a rental agreement with a term of one year or more expires, the owner would have to deliver a written or email notice to the tenant that identifies the date the lease or rental agreement ends and offers a renewal of the lease or a new lease or rental agreement.

The bill would require a lease or rental agreement under the act to comply with the Truth in Renting Act. A violation would be a misdemeanor punishable by a fine of up to \$500 per day for each separate violation, imprisonment for up to one year, or both. In addition, a tenant or a mobile home or seasonal mobile home park could bring an action on his or her own behalf for a violation.

Proposed MCL 125.2328d

Tie-bars

The bills are all tie-barred to each other, which means that none of them can take effect unless all of them are enacted.

FISCAL IMPACT:

House Bill 6003 would have significant fiscal implications for LARA, primarily by revising licensure requirements for owners of mobile home parks and seasonal mobile home parks. These revisions would increase revenues that are deposited to the Mobile Home Code Fund, likely by millions of dollars.

Beginning on January 1, 2024, the bill would shorten the effective period of owner licenses from the three years established under current statute to two years. The bill would also establish a new license category, the provisional license, for mobile home park and seasonal mobile home park owners that were previously unlicensed. The fee for a provisional license for a mobile home park owner would be \$450, plus an additional \$5.25 for each home site in excess of 25; the provisional license fee for a seasonal mobile home park owner would be \$250, plus an additional \$2.75 for each home site in excess of 25. Projected revenues from this license would depend on licensure volumes, which are presently indeterminate. The bill would also revise the amount of owner licensure fees collected, as provided in the following table.

License Category	Fee Through 9/30/2021	Fee From 10/1/2021 Through 12/30/2023	Fee From 12/31/2023 Onward
Mobile Home Park Owner	\$225	\$350	\$450
Sites in Excess of 25 in a Mobile Home Park	\$3.00 per site	\$4.75 per site	\$5.25 per site
Seasonal Mobile Home Park Owner	\$120	\$200	\$250
Sites in Excess of 25 in a Seasonal Mobile Home Park	\$1.50 per site	\$2.25 per site	\$2.75 per site

Considering the mechanics of the licensure renewal cycle, it is difficult to provide a precise year-by-year analysis of how much additional revenue would be created by the tandem measures of changing the licensure cycle from three years to two years and the graduated increase in fees. In order to provide an example of the level of revenue increase that would be experienced, it is useful to compare what licensure revenues at current fee levels would be over a six-year period and what licensure revenues from the final fee level would be over a six-year period. Using the same number of licensees (figures reported by LARA for FYs 2017-18, 2018-19, and 2019-20), revenues over a six-year period for current fee levels would be expected to yield approximately \$1.44 million in revenue, while under 12/31/2023 fee levels, revenues would be expected to be \$3.99 million, an increase of \$2.55 million (176.5%). It is presently indeterminate whether LARA would be likely to incur additional costs as a result of this bill.

The bill would have an indeterminate fiscal impact on local court systems that would depend on the number of tenants that would have cause to bring actions. The fiscal impact would depend on how court caseloads and related administrative costs were affected.

House Bill 6004 would not have an appreciable fiscal impact on any unit of state or local government.

House Bill 6005 is not expected to have an appreciable fiscal impact on any unit of state or local government. Any miscellaneous costs that may be incurred by LARA under the bill would likely be minimal and supported by existing appropriations.

House Bill 6006 would have an indeterminate net fiscal impact on LARA. The bill would require LARA to employ "an appropriate number of employees with the appropriate qualifications as required to implement and enforce this act and the rules promulgated under this act." It is unclear whether this provision would necessitate the hiring of additional staff. However, any additional FTEs would increase departmental costs, with the average state classified employee having a salary of \$63,772 in FY 2019-20,¹ which does not include costs for fringe benefits. While it is not specified how any additional positions would be funded, presumably the Mobile Home Code Fund would be utilized. The table below shows the fiscal year-end balance and fiscal year-end fund change in this fund for each of the previous four fiscal years (the most recent years for which finalized data are available).

Fiscal Year	Year-End Fund Balance	Year-End Fund Change
FY 2018-19	\$4,217,198	\$1,264,594
FY 2017-18	\$2,953,865	\$1,673,193
FY 2016-17	\$1,265,697	\$585,244
FY 2015-16	\$680,454	(\$115,893)

The bill would allow for a \$50 administrative fine to be assessed on mobile home park owners who fail to update their information as required under section 4(5). The bill would also allow an administrative fine of up to \$5,000 to be assessed on persons found to have violated the Mobile Home Commission Act and a fine of up to \$100,000 to be imposed on persons who owned or operated a mobile home park without a license. The revenue from these fines would depend on the volume of infractions and is presently indeterminate.

The bill would require the Department of the Attorney General (AG) to bring a civil action against any person identified as failing to pay a fine for unlicensed operation of a mobile home park. The additional caseload of any potential future civil action would likely be marginal and able to be supported through existing appropriations to the AG. Should the increased caseload result in enough work to exceed the capabilities of existing AG attorneys and staff, the annual cost for an additional attorney FTE within the AG is approximately \$180,000 and for support staff approximately \$100,000.

House Bill 6007 would result in increased costs for the Department of State (DOS) from additional mailing and administrative responsibilities. The bill may also result in increased revenue to the Mobile Home Code Fund. Actual costs to DOS would depend on the number of notices of intent to declare a mobile home abandoned that are sent to the secretary of state, which is not known at this time.

Primary factors for increased costs include additional mailing materials and postage, as well as the possible need to hire an additional FTE position to administer the new mailing and tracking process to satisfy the bill's requirements. While the increase of additional mailing and postage costs cannot yet be determined, it would likely be marginal and may be able to be supported through the department's ongoing annual appropriations. However, if an additional FTE position were needed to satisfy the bill's requirements, the cost would be between \$60,000 and \$80,000 annually.

¹ As reported in the Forty-First Annual Workforce Report, published by the Michigan Civil Service Commission.

The bill authorizes no additional revenue to DOS to cover new expenses. DOS currently expends approximately \$300,000 annually for costs related to mobile home titling and licensing services. These expenses are supported by reimbursements from LARA from the Mobile Home Code Fund. Section 9 of the Mobile Home Commission Act authorizes DOS to adjust fees for purposes of administering licensing and titling services required under the act. This revenue authorization, however, would not cover expenses related to processing declarations of abandoned mobile homes. LARA reimburses DOS approximately \$10 for each mobile home title and license transaction.

The bill may also result in an increase in fee revenue to the Mobile Home Code Fund should it lead to an increase in title transfers following declarations of mobile homes being abandoned. DOS received \$2.2 million in mobile home title and license fees in FY 2018-19. LARA is estimating an end-of-year balance of \$4.8 million in the Mobile Home Code Fund after FY 2019-20 expenditures.

House Bill 6008 would have an indeterminate fiscal impact on the state and on local units of government. The number of convictions that would result under provisions of the bill is not known. New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. Costs of local incarceration in county jails and local misdemeanor probation supervision, and how those costs are financed, vary by jurisdiction. The fiscal impact on local court systems would depend on how provisions of the bill affected caseloads and related administrative costs. Any increase in penal fine revenue would increase funding for public and county law libraries, which are the constitutionally designated recipients of those revenues.

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