

HOUSE BILL NO. 4888

July 18, 2023, Introduced by Reps. McKinney, Fitzgerald, Aragona and Mueller and referred to the Committee on Regulatory Reform.

A bill to amend 1987 PA 96, entitled "The mobile home commission act," by amending sections 4, 5, 16, and 43 (MCL 125.2304, 125.2305, 125.2316, and 125.2343), sections 4, 16, and 43 as amended by 2015 PA 40 and section 5 as amended by 2006 PA 328.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. (1) The commission may do all of the following:
- 2 (a) After consultation with and considering comments from
- 3 representatives of the manufactured housing industry and other
- 4 interested parties, recommend rules to the department to implement

1 and administer this act.

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

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

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

11 (2) ~~The director or an authorized representative of the~~
12 ~~director~~**department** shall do all of the following:

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

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

19 (c) ~~Make~~**Conduct** investigations to determine compliance with
20 this act and rules promulgated under this act.

21 (d) ~~Provide~~**Ensure that the commission meets not less than**
22 **once each calendar quarter, take all reasonable steps necessary to**
23 **ensure that all members of the commission receive notice of**
24 **scheduled meetings, and provide** assistance to the commission as the
25 commission requires.

26 (e) ~~On not less than a quarterly basis,~~**At every quarterly**
27 **meeting,** report to the commission on the expenditure of all fees
28 collected under this act and the relation of those expenditures to
29 the enforcement and administration of this act.

1 (f) Post and maintain on the department's website all current
2 guidelines.

3 (g) Promptly notify a local government of the issuance,
4 amendment, or rescission of a guideline if the department has
5 knowledge that a mobile home park or seasonal mobile home park is
6 located in, or an application has been filed for the licensure of a
7 park proposed to be located in, the local government. The notice
8 ~~shall~~**must** be sent by first-class mail or ~~electronic mail~~**email** to
9 each of the following:

10 (i) The clerk of the local government.

11 (ii) The chief executive officer of the local government.

12 (iii) The enforcing agency for the local government if, under
13 section 8a or 8b of the Stille-DeRossett-Hale single state
14 construction code act, 1972 PA 230, MCL 125.1508a and 125.1508b,
15 the local government has assumed responsibility for the
16 administration and enforcement within its jurisdiction of that act
17 and the state construction code or a part of the state construction
18 code of limited application.

19 (h) If the department receives a complaint about a condition
20 at a mobile home park or seasonal mobile home park that imminently
21 threatens the health or safety of the residents of the park,
22 promptly notify each local government in which the park is located
23 of the details of the complaint.

24 (i) **Employ an appropriate number of employees with the**
25 **appropriate qualifications as required to implement and enforce**
26 **this act and the rules promulgated under this act, including, but**
27 **not limited to, staff to conduct community inspections, review**
28 **financial information, manage the licensing process, and**
29 **investigate potential violations of this act and the rules**

1 promulgated under this act. Beginning January 1, 2025, the
2 department shall employ at least 3 full-time employees whose sole
3 duties are to perform the obligations under this act.

4 (3) The commission shall not regulate mobile homes that are
5 not located within a mobile home park or a seasonal mobile home
6 park, except as relates to the business, sales, and service
7 practices of mobile home dealers and the business practices of
8 mobile home installers and repairers.

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

14 (a) The licensure, density, layout, permits for construction,
15 construction of mobile home parks including standards for roads,
16 utilities, open space, or proposed recreational facilities, and
17 safety measures sufficient to protect health, safety, and welfare
18 of mobile home park residents, except water supply, sewage
19 collection and treatment, and drainage facilities ~~which~~**that** are
20 regulated by the department of ~~environmental quality~~**environment,**
21 **Great Lakes, and energy.**

22 (b) The business, sales, and service practices of mobile home
23 dealers, **including requiring advertisements to contain contact**
24 **information, or placing parameters on dealer sales, financing**
25 **practices, or the terms and conditions of the sale of a mobile**
26 **home.**

27 (c) The business practices of mobile home installers and
28 repairers, **including training and licensing requirements for**
29 **individuals who install or repair mobile homes in mobile home parks**

1 **or seasonal mobile home parks.**

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

4 **(d)** ~~(e)~~—The setup and installation of mobile homes inside
5 mobile home parks or seasonal mobile home parks.

6 **(e)** ~~(f)~~—The regulation of the responsibilities, under the
7 mobile home warranty, of the mobile home components manufacturer,
8 the mobile home assembler or manufacturer, and the mobile home
9 dealer, including the time period and relationships of each under
10 the warranty, and the remedies available, if any, if the
11 responsible parties cease to operate as a business.

12 **(f)** ~~(g)~~—Abuses relating to all of the following:

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

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

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

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

23 **(g)** ~~(h)~~—Applications for and issuance of certificates of title
24 for mobile homes.

25 **(h) Inspections of mobile home parks and seasonal mobile home**
26 **parks, including establishing standard procedures for inspections**
27 **that include a comprehensive list of items that a mobile home park**
28 **or seasonal mobile home park must comply with to undergo a**
29 **satisfactory inspection.**

1 (i) Inspection of the books and records of mobile home parks
2 or seasonal mobile home parks after giving the mobile home parks or
3 seasonal mobile home parks at least 10 days' written notice before
4 the inspection.

5 (j) The content of a mobile home park or seasonal mobile home
6 park licensing form.

7 (k) Conduct in mobile home sales, including, but not limited
8 to, substituting of purchased mobile homes, removing equipment from
9 mobile homes after the purchase agreement is executed, and revising
10 a purchase agreement after it has been executed.

11 (l) Dealer sales financing practices, including, but not
12 limited to, the form of retail installment sales agreement,
13 prohibiting mandatory retailer-obtained financing or insurance of a
14 mobile home as a condition of sale, and requiring a retailer to pay
15 off a loan after taking a mobile home as a trade.

16 (m) Retailers' and retailers' agents' practices as well as
17 prohibited practices, including violations of this act and the
18 rules promulgated under this act, acting on an unlicensed person's
19 behalf, allowing a license to be used by an unlicensed person,
20 disclosure of retailers' interest to third parties, and disclosure
21 of retailers' interest in transactions.

22 (n) The hearing process for persons aggrieved by a local
23 government's decision in relation to a mobile home park or seasonal
24 mobile home park licensed under this act.

25 (o) The process for identifying, documenting, notifying, and
26 undertaking enforcement measures against an unlicensed owner of a
27 mobile home park or seasonal mobile home park.

28 (2) As part of the code, the department shall also promulgate
29 rules governing the licensure, density, layout, permits for

1 construction, and construction of seasonal mobile home parks,
2 including standards for roads, utilities, open space, proposed
3 recreational facilities, and safety measures sufficient to protect
4 the health, safety, and welfare of seasonal mobile home park
5 residents, except water supply, sewage collection and treatment,
6 and drainage facilities ~~, which shall be~~ **that are** regulated by the
7 department of ~~environmental quality~~. **environment, Great Lakes, and**
8 **energy.**

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

12 (4) **All rules promulgated by the department or the commission**
13 **under this act and not rescinded on the effective date of the**
14 **amendatory act that added this subsection are authorized, valid,**
15 **and enforceable, and remain in effect until December 31, 2025 or**
16 **the date on which the department promulgates rules pursuant to the**
17 **amendatory act that added this subsection, whichever is earlier.**

18 Sec. 16. (1) A person shall not ~~operate~~ **own** a mobile home park
19 or seasonal mobile home park without a license. **Notwithstanding**
20 **this subsection, a person shall apply for a license under this**
21 **subsection within 30 days after becoming an owner of a mobile home**
22 **park or seasonal mobile home park. If the department determines**
23 **that an owner of a mobile home park or seasonal mobile home park is**
24 **not licensed, the department must notify the owner of the mobile**
25 **home park or seasonal mobile home park in writing regarding the**
26 **lack of license and provide the owner of the mobile home park or**
27 **seasonal mobile home park an application for licensure.** The term of
28 a license is 3 years. The department shall issue a license only if
29 all of the following requirements are met:

1 (a) The applicant submits a complete license application.

2 (b) Certifications and recommendations of appropriate
3 agencies. ~~and local governments are submitted to and approved by~~
4 ~~the department.~~

5 (c) The applicant pays the fee set forth in subsection
6 ~~(4)-(7)~~.

7 (d) The mobile home park or seasonal mobile home park was
8 approved as being in substantial compliance after its most recent
9 inspection under section 17.

10 (2) A licensed owner of a mobile home park or seasonal mobile
11 home park must post a copy of a license issued pursuant to this
12 section in a conspicuous place and in an area that is accessible to
13 all residents of the mobile home park or seasonal mobile home park.

14 (3) Not later than January 1, 2025, the department shall
15 establish or cause to be established a database that includes the
16 contact information, license number, and current licensing status
17 of every owner of a mobile home park or seasonal mobile home park,
18 every mobile home dealer, and every mobile home installer and
19 repairer. The department must make the database available to the
20 public on the department's website. The department must establish a
21 method in which the public may submit a reporting form on its
22 website regarding potentially unlicensed owners of mobile home
23 parks or seasonal mobile home parks, mobile home dealers, or mobile
24 home installers and repairers. The department must update the
25 public database within 30 days after a change in licensure status.

26 (4) The database described in subsection (3) must provide a
27 means by which an owner of a mobile home park or seasonal mobile
28 home park, a mobile home dealer, or a mobile home installer and
29 repairer may update the contact information of the owner of the

1 mobile home park or seasonal mobile home park, the mobile home
2 dealer, or the mobile home installer and repairer. Every owner of a
3 mobile home park or seasonal mobile home park must designate an
4 individual who is an officer, a director, or an employee of the
5 owner of the mobile home park or seasonal mobile home park to
6 communicate with the department and must provide that individual's
7 contact information to the department, including the individual's
8 current street address, monitored email address, and operational
9 telephone number. Within 30 days of the occurrence of any of the
10 following, an owner of a mobile home park shall notify the
11 department of that occurrence:

- 12 (a) A sale of a mobile home park.
- 13 (b) A change of a designee of the owner of a mobile home park.
- 14 (c) A change in the email address, mailing address, or
15 business address of the owner of the mobile home park.

16 (5) ~~(2)~~—The commission shall promulgate rules to do all of the
17 following:

18 (a) Provide standards and procedures for the commission to
19 determine whether a mobile home park or seasonal mobile home park
20 that is not in substantial compliance with the rules promulgated
21 under sections 5 and 6 is a distressed park. The standards and
22 procedures ~~shall~~**must** provide the owner with an opportunity for an
23 evidentiary hearing and require the commission to consider at least
24 all of the following:

25 (i) The length of time the mobile home park or seasonal mobile
26 home park has not been in substantial compliance with the rules
27 promulgated under sections 5 and 6.

28 (ii) Whether the owner ~~or operator~~ was notified and had
29 sufficient opportunity to bring the mobile home park or seasonal

1 mobile home park into substantial compliance.

2 (iii) Any imminent threat to the health or safety of the
3 residents of the mobile home park or seasonal mobile home park.

4 (iv) Whether the mobile home park or seasonal mobile home park
5 has been or is likely to be abandoned by the owner. ~~or operator.~~

6 (b) Require the owner of a distressed mobile home park or
7 seasonal mobile home park to post financial assurance in the form
8 of a bond, cash deposit, or other financial arrangement to ensure
9 the repair and cleanup of the mobile home park or seasonal mobile
10 home park, including the repair of substandard or noncomplying
11 park-owned utility systems and the removal and disposal of
12 abandoned mobile homes, scrap material, or other waste.

13 (6) ~~(3)~~ Not more than 180 days after the effective date of the
14 amendatory act that added this subsection, the commission shall
15 submit a report on progress on rule promulgation under subsection
16 ~~(2)~~ (5) to the standing committees of the senate and house of
17 representatives with primary responsibility for legislation
18 affecting mobile home parks.

19 (7) ~~(4)~~ **The Beginning October 1, 2024, the** fee for a license
20 to ~~operate-own~~ a mobile home park is ~~\$225.00,~~ **\$250.00**, plus an
21 additional ~~\$3.00~~ **\$4.00** for each home site in excess of 25 home
22 sites in the mobile home park, or any lesser amount established
23 pursuant to section 9(5). The fee for a license to ~~operate-own~~ a
24 seasonal mobile home park is ~~\$120.00,~~ **\$200.00**, plus an additional
25 ~~\$1.50~~ **\$2.00** for each home site in excess of 25 home sites in the
26 seasonal mobile home park, or any lesser amount established
27 pursuant to section 9(5).

28 (8) ~~(5)~~ If a person submits a timely application for renewal
29 of a license and pays the appropriate fee, the person may continue

1 to ~~operate-own~~ a mobile home park or seasonal mobile home park
2 unless notified that the application for renewal is not approved.

3 **(9)** ~~(6)~~—A campground that is currently licensed under sections
4 12501 to 12516 of the public health code, 1978 PA 368, MCL
5 333.12501 to 333.12516, and was previously licensed under the
6 former licensing provisions of 1959 PA 243, MCL 125.1035 to
7 125.1043, as a seasonal trailer park may apply for and shall be
8 granted a license as a seasonal mobile home park under this act if
9 the campground meets all other requirements for licensure under
10 this act as a seasonal mobile home park.

11 Sec. 43. (1) If, after notice and a hearing as provided in the
12 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
13 24.328, a person is determined to have violated this act, the
14 commission may impose 1 or more of the following penalties:

15 (a) Censure.

16 (b) Probation.

17 (c) License limitation.

18 (d) License suspension. The commission may request the
19 appointment of a receiver when taking action under this
20 subdivision.

21 (e) License revocation. The commission may request the
22 appointment of a receiver when taking action under this
23 subdivision.

24 (f) License denial.

25 (g) A civil fine of not more than \$50,000.00 **per violation**.

26 (h) Restitution.

27 **(2) If the department determines that a mobile home park or**
28 **seasonal mobile home park located in this state is owned by an**
29 **unlicensed person, the department shall provide written notice to**

1 the unlicensed owner of the mobile home park or seasonal mobile
2 home park. The written notice provided under this subsection must
3 require the unlicensed owner of the mobile home park or seasonal
4 mobile home park to apply for a license within 30 days after the
5 date of the written notice. The department shall forward a copy of
6 the written notice provided to the unlicensed owner of a mobile
7 home park or seasonal mobile home park under this subsection to the
8 clerk of the municipality where the mobile home park or seasonal
9 mobile home park is located. If the unlicensed owner of the mobile
10 home park or seasonal mobile home park does not apply for a license
11 within the 30-day period provided under this subsection, the
12 department shall impose a fine of not more than \$100,000.00 after
13 notice and a hearing as provided under the administrative
14 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The
15 department shall advise the attorney general of the failure of any
16 person to pay any fine imposed under this section. The attorney
17 general must bring a civil action in a court of competent
18 jurisdiction to recover the fine.

19 (3) ~~(2)~~—A fine imposed under subsection (1) or (2) may be
20 collected by the imposition of a judgment lien by a court or
21 obtaining a writ of garnishment against the person determined to
22 have violated this act. A writ of garnishment under this section
23 must be issued by a court of competent jurisdiction and directed to
24 this state or the state treasurer to satisfy the fine. To obtain a
25 writ of garnishment under this subsection, the department must
26 comply with the requirements of chapter 40 of the revised
27 judicature act of 1961, 1961 PA 236, MCL 600.4001 to 600.4065. A
28 fine collected under this section ~~shall~~ **must** be deposited with the
29 state treasurer and credited to the mobile home code fund created

1 in section 9.

2 **(4)** ~~(3)~~—If the department determines that the owner ~~or~~
 3 ~~operator~~ of a mobile home park or seasonal mobile home park has
 4 violated this act or rules promulgated under this act by failing to
 5 maintain or repair any infrastructure or facilities of the mobile
 6 home park or seasonal mobile home park, the department shall give
 7 notice of the determination by personal service or first-class mail
 8 to the local governments where the mobile home park **or seasonal**
 9 **mobile home park** is located, the owner ~~, the operator,~~ and, if
 10 financial assurance in the form of a bond has been posted under
 11 rules promulgated under section 16(2), the surety executing the
 12 bond. If the owner ~~, operator,~~ or surety does not perform or
 13 commence the specified maintenance or repair within 60 days after
 14 service of the notice, the department or its authorized
 15 representative may enter the mobile home park or seasonal mobile
 16 home park and perform the specified maintenance or repair. At the
 17 request of the owner ~~, operator,~~ or surety, the department may
 18 grant an extension of up to an additional 90 days. The owner ~~or~~
 19 ~~operator,~~ and any surety are jointly and severally liable for all
 20 expenses incurred by the department or its authorized
 21 representative in performing the specified maintenance or repair.
 22 The department shall certify the claim to the owner ~~, operator,~~ and
 23 any surety, listing in the claim the items of expense in performing
 24 the maintenance or repair, and shall draw on any financial
 25 assurance for the payment of the claim. The department shall notify
 26 the local government where the mobile home park **or seasonal mobile**
 27 **home park** is located when the specified maintenance or repair has
 28 been completed.

29 **(5)** ~~(4)~~—This section does not prohibit actions from being

1 taken under other sections of this act.

2 (6) ~~(5)~~—The pursuit in court of the lawful rights of a
3 licensee does not constitute a violation of this act, regardless of
4 the outcome of the court action.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 102nd Legislature are
7 enacted into law:

8 (a) Senate Bill No. _____ or House Bill No. 4886 (request no.
9 03258'23).

10 (b) Senate Bill No. _____ or House Bill No. 4887 (request no.
11 03259'23).

12 (c) Senate Bill No. _____ or House Bill No. 4889 (request no.
13 03261'23).