

**SUBSTITUTE FOR
HOUSE BILL NO. 4298**

A bill to amend 1987 PA 96, entitled
"The mobile home commission act,"
by amending section 16 (MCL 125.2316), as amended by 2015 PA 40.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 16. (1) No later than January 1, 2023, after consultation
2 with the commission, consumer advocates, legal aid groups,
3 representatives of the manufactured housing industry, residential
4 groups, local governments, and other interested parties, the
5 department shall revise and promulgate rules governing the
6 licensure of owners of mobile home parks and seasonal mobile home
7 parks, including determining standards to meet the licensing
8 requirements of this section.

9 (2) ~~(1)~~—A person shall not ~~operate~~ own a mobile home park or



1 seasonal mobile home park without a license. ~~The~~ If the department
 2 determines that an owner of a mobile home park or seasonal mobile
 3 home park is not licensed, the department shall impose an
 4 administrative fine of not more than \$100,000.00 after notice and a
 5 hearing as provided under the administrative procedures act of
 6 1969, 1969 PA 306, MCL 24.201 to 24.328. A person who has applied
 7 to the department for a license is not in violation of this
 8 subsection unless the department has denied the person's license
 9 application and the person has exhausted an administrative review
 10 by the department under the administrative procedures act of 1969,
 11 1969 PA 306, MCL 24.201 to 24.328, and the commission under section
 12 43 related to the department denying the license application. A
 13 license issued by the department on or before December 31, 2021
 14 expires on December 31, 2023. Beginning on January 1, 2024, the
 15 term of a license is ~~3~~2 years. The department shall **within 60 days**
 16 **of receiving a completed license application** issue a license ~~only~~
 17 if all of the following requirements are met:

18 (a) The applicant submits a complete license application ~~+~~
 19 that meets all of the following requirements:

20 (i) Shows the financial ability of the applicant to own and
 21 operate the mobile home park or seasonal mobile home park by
 22 submitting documentation, as required by the department, to
 23 demonstrate the applicant's financial viability to operate and
 24 maintain the mobile home park or seasonal mobile home park in
 25 accordance with financial standards as promulgated by rule.

26 (ii) Affirms the applicant's ability to comply with the
 27 applicable laws, rules, and regulations of this state.

28 (iii) Affirms that the applicant, any general partner, managing
 29 member, subsidiary, affiliate, or other person controlled by or



1 under common control with the applicant has not been denied
2 licensure for a mobile home park or seasonal mobile home park or
3 had a license to own a mobile home park or seasonal mobile home
4 park suspended, canceled, or revoked by a state agency within the
5 past 7 years, or demonstrates that a suspended, canceled, or
6 revoked license has since been reinstated or reissued.

7 (iv) Affirms that the applicant and any person with decision-
8 or policy-making authority for the applicant, or who is responsible
9 for the applicant's day-to-day operation of the mobile home park or
10 seasonal mobile home park, has not been convicted of a crime
11 involving fraud, deceit, or nonfeasance within the past 7 years.

12 (v) Affirms that the applicant, and any general partner,
13 managing member, subsidiary, affiliate, or other person controlled
14 by or under common control with the applicant does not have a
15 record of unjustifiable rent increases within the past 7 years.

16 (vi) Affirms that prior to submitting the application, each
17 mobile home park or seasonal mobile home park owned by the
18 applicant, and any general partner, managing member, subsidiary,
19 affiliate, or other person controlled by or under common control
20 with the applicant was in substantial compliance with the standards
21 established by the department during the most recent inspection
22 conducted by the department pursuant to section 17 and that all
23 material deficiencies identified by the department during that
24 inspection had been corrected.

25 (b) Certifications and recommendations of appropriate agencies
26 and local governments are submitted to and approved by the
27 department.

28 (c) The applicant pays the fee set forth in subsection ~~(4)~~. (7)
29 or (8).



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

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

6 ~~(a) Provide standards and procedures for the commission to~~
 7 ~~determine whether a mobile home park or seasonal mobile home park~~
 8 ~~that is not in substantial compliance with the rules promulgated~~
 9 ~~under sections 5 and 6 is a distressed park. The standards and~~
 10 ~~procedures shall provide the owner with an opportunity for an~~
 11 ~~evidentiary hearing and require the commission to consider at least~~
 12 ~~all of the following:~~

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

16 ~~(ii) Whether the owner or operator was notified and had~~
 17 ~~sufficient opportunity to bring the mobile home park or seasonal~~
 18 ~~mobile home park into substantial compliance.~~

19 ~~(iii) Any imminent threat to the health or safety of the~~
 20 ~~residents of the mobile home park or seasonal mobile home park.~~

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

23 ~~(b) Require the owner of a distressed mobile home park or~~
 24 ~~seasonal mobile home park to post financial assurance in the form~~
 25 ~~of a bond, cash deposit, or other financial arrangement to ensure~~
 26 ~~the repair and cleanup of the mobile home park or seasonal mobile~~
 27 ~~home park, including the repair of substandard or noncomplying~~
 28 ~~park-owned utility systems and the removal and disposal of~~
 29 ~~abandoned mobile homes, scrap material, or other waste.~~



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

(e) Beginning on January 1, 2023, the applicant has been previously issued a provisional license or a license to own the mobile home park or seasonal mobile home park.

(3) The department may require a signed affidavit from the applicant that attests to the veracity of the information in subsection (2) (a) (i) to (vi) and shall deny the application if the applicant does not meet the requirements of subsection (2) (a) (i) to (vi) .

(4) To determine whether an applicant is eligible for a license under this section, the department may conduct a criminal background check on the applicant using the law enforcement information network as provided under the C.J.I.S policy council act, 1974 PA 163, MCL 28.211 to 28.215, or the internet criminal history access tool (ICHAT) maintained by the department of state police.

(5) Beginning on January 1, 2023, a person that has not been previously licensed under subsection (2) and seeks a license to own a mobile home park or seasonal mobile home park shall apply for a provisional license to own a mobile home park or seasonal mobile home park. The applicant must be issued a provisional license before taking ownership of a mobile home park or seasonal mobile home park. The provisional license is valid for 2 years and must not be extended or renewed. The department shall issue a



1 provisional license under this subsection if the applicant meets
 2 the requirements of subsection (2) (a) to (c). A provisional license
 3 issued under this subsection entitles the holder of the provisional
 4 license to all of the rights, privileges, requirements, and
 5 penalties that are applicable to the holder of a license issued
 6 under subsection (2).

7 (6) Within 1 year of the issuance of a provisional license
 8 under subsection (5), the department shall inspect and identify any
 9 violation of this act regarding the ownership or operation of a
 10 mobile home park or seasonal mobile home park by the owner of that
 11 mobile home park or seasonal mobile home park issued a provisional
 12 license under subsection (5). The department shall notify the owner
 13 of the mobile home park or seasonal mobile home park issued a
 14 provisional license of any violation found during the inspection
 15 and provide a notice as required under section 37.

16 (7) ~~(4)~~ The ~~fee~~ **fees** for a license ~~to operate~~ **issued under**
 17 **subsection (2) are as follows unless a lesser amount is established**
 18 **under section 9(5):**

19 (a) **Until September 30, 2021, as follows:**

20 (i) **To own** a mobile home park is \$225.00, plus an additional
 21 \$3.00 for each home site in excess of 25 home sites in the mobile
 22 home park. ~~, or any lesser amount established pursuant to section~~
 23 ~~9(5). The fee for a license to operate~~

24 (ii) **To own** a seasonal mobile home park is \$120.00, plus an
 25 additional \$1.50 for each home site in excess of 25 home sites in
 26 the seasonal mobile home park. ~~, or any lesser amount established~~
 27 ~~pursuant to section 9(5).~~

28 (b) **Beginning on October 1, 2021 through December 30, 2023, as**
 29 **follows:**



1 (i) To own a mobile home park is \$350.00, plus an additional
2 \$4.75 for each home site in excess of 25 home sites in the mobile
3 home park.

4 (ii) To own a seasonal mobile home park is \$200.00, plus an
5 additional \$2.25 for each home site in excess of 25 home sites in
6 the seasonal mobile home park.

7 (c) Beginning on December 31, 2023, as follows:

8 (i) To own a mobile home park is \$450.00, plus an additional
9 \$5.25 for each home site in excess of 25 home sites in the mobile
10 home park.

11 (ii) To own a seasonal mobile home park is \$250.00, plus an
12 additional \$2.75 for each home site in excess of 25 home sites in
13 the seasonal mobile home park.

14 (8) Beginning on January 1, 2023, the fee for a provisional
15 license issued under subsection (5) to own a mobile home park is
16 \$450.00, plus an additional \$5.25 for each home site in excess of
17 25 home sites in the mobile home park, or any lesser amount
18 established under section 9(5). Beginning on January 1, 2023, the
19 fee for a provisional license issued under subsection (5) to own a
20 seasonal mobile home park is \$250.00, plus an additional \$2.75 for
21 each home site in excess of 25 home sites in the seasonal mobile
22 home park, or any lesser amount established under section 9(5).

23 (9) ~~(5)~~—If a person submits a timely application for renewal
24 of a license **issued under subsection (2)** and pays the appropriate
25 fee, the person may continue to ~~operate~~**own** a mobile home park or
26 seasonal mobile home park unless notified that the application for
27 renewal is not approved.

28 (10) The department may issue a license to own a mobile home
29 park or seasonal mobile home park to a nonresident of this state if



1 the nonresident complies with the requirements of this act.

2 (11) The department shall not issue a license to own a mobile
3 home park or seasonal mobile home park to a foreign corporation
4 unless the foreign corporation is authorized to do business in this
5 state by the department, files with the commission a consent to
6 service of process in a form prescribed by the commission pursuant
7 to section 35, and complies with all other requirements of this
8 act.

9 (12) An unlicensed owner of a mobile home park or seasonal
10 mobile home park, and its subsidiaries, agents, attorneys,
11 representatives, employees, affiliates, or any other person that is
12 responsible for the day-to-day operation of the mobile home park or
13 seasonal mobile home park shall not collect rent or take any action
14 for possession against residents. If the tenant pays the utility
15 service fees directly to the utility service provider, the tenant
16 must continue to pay the utility service fees directly to the
17 utility service provider. No rent or fees may be recovered by an
18 owner of a mobile home park or seasonal mobile home park for any
19 period of time the mobile home park is unlicensed. A tenant of a
20 mobile home park or seasonal mobile home park may bring an action
21 on his or her own behalf for a violation of this subsection in a
22 court of competent jurisdiction. Remedies available include, but
23 are not limited to, an injunction by a court of record prohibiting
24 further violations, actual damages incurred by the tenant, and
25 punitive damages as determined by a jury or the court.

26 (13) ~~(6)~~—A campground that is currently licensed under
27 sections 12501 to 12516 of the public health code, 1978 PA 368, MCL
28 333.12501 to 333.12516, and was previously licensed under the
29 former licensing provisions of 1959 PA 243, MCL 125.1035 to



1 125.1043, as a seasonal trailer park may apply for and ~~shall~~**must**
2 be granted a license as a seasonal mobile home park under this act
3 if the campground meets all other requirements for licensure under
4 this act as a seasonal mobile home park.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 101st Legislature are
7 enacted into law:

- 8 (a) House Bill No. 4299.
9 (b) House Bill No. 4300.
10 (c) House Bill No. 4301.
11 (d) House Bill No. 4302.
12 (e) House Bill No. 4303.
13 (f) House Bill No. 4304.

