House
Legislative
Analysis
Section

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MOBILE HOME DISPUTES

House Bill 4212
Sponsor: Rep. Sharon Gire
Committee: Housing and Urban Affairs

Complete to 4-20-93

A SUMMARY OF HOUSE BILL 4212 AS INTRODUCED 2-10-93

Currently, the Mobile Home Commission Act prescribes, among other things, the powers and duties of the commission and those of local governments. House Bill 4212 would amend the act to extend the commission's duties to include providing for the mediation or arbitration of disputes. The bill would set the following requirements for mediation or arbitration between mobile home park owners and mobile home owners:

Written Notice. Under the bill, a mobile home park owner would be required to give 90 days written notice to mobile home owners and to a homeowners' association board of directors before increasing lot rents, reducing provided services or utilities, or changing mobile home park rules and regulations. A rule adopted as a result of government restrictions designed to protect the public health, safety, and welfare could be enforced before the expiration of the 90-day period, but would not be exempt from the mediation and arbitration provisions of the bill. The notice would contain a description and the effective date of the proposed change, the identification of all other homeowners who would be affected by it, and a separate listing for each pass-through charge (a homeowner's proportionate share of the cost of a capital improvement to the park that was required by law). If an increase in a lot rent reflected a pass-through charge, then a statement of the additional amount and the starting and ending date of each pass-through charge would have to be included in the notice.

Mediation. The bill would require a meeting between a park owner and a committee of up to five homeowners to discuss the proposed change, within 30 days after a notice was given. The committee would be required to file a request for mediation with the Department of Commerce within 30 days after the meeting if a majority of affected homeowners had agreed in writing to one or more of the following:

-- That the increase in lot rent was unreasonable.

-- That the increase had made the total lot rent unreasonable.

-- That the decrease in services or utilities was not accompanied by a corresponding decrease in rent or was otherwise unreasonable.

-- That the change in rules and regulations was unreasonable.

A homeowners' association would have no standing to represent the homeowners in a challenge to a proposed change unless a majority of the homeowners agreed, in writing,

to such representation. In addition, the mediation of a dispute regarding a proposed change would not be binding unless the park owner and committee agreed in writing.

Binding Arbitration. A park owner and the committee of homeowners could agree to submit their dispute to binding arbitration, as an alternative to mediation, if the majority of the affected homeowners agreed to do so in writing.

Court Action. If the parties had not agreed to be bound by the result of mediation, then a party could not be foreclosed from bringing court action. An action relating to a dispute regarding a proposed change could not be filed in any court unless a request had been submitted to the department for mediation or unless the dispute had been arbitrated and the court action was for enforcement of the arbitration award, as provided under the Revised Judicature Act.

Costs. A party that refused to agree to mediate or arbitrate would not be entitled to attorney's fees.

Commission and Department Responsibilities. The commission would be required to promulgate rules to govern the provision of mediation or arbitration services that would include, but would not be limited to, provisions regarding the parties' payment for the services. The department would be required to employ or contract with qualified individuals to provide mediation services, in accordance with the rules, and to serve as arbitrators, as provided under the Revised Judicature Act.

MCL 125.2326 et al.