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SFA**BILL ANALYSIS**

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Senate Bill 425 (as introduced 4-30-03)
Sponsor: Senator Michael D. Bishop
Committee: Banking and Financial Institutions

Date Completed: 5-1-03

CONTENT

The bill would amend the Mobile Home Commission Act to provide for the cancellation of certificates of title to mobile homes affixed to real property. The bill would do all of the following:

- **Require the owner of a mobile home that was affixed to his or her real property to deliver to the Department of Consumer and Industry Services (DCIS) a certificate of title for the home as well as an affidavit containing information about it and, if applicable, the consent of each holder of a security interest in the home to the termination of the security interest.**
- **Require the DCIS to cancel the certificate of title, and prohibit the Department from issuing a certificate of title for the mobile home, unless it was detached from the property.**
- **Provide that, when the DCIS received the owner's affidavit, any security interest in the home would be terminated, the Act's provisions for titling and security interests would not apply, and the home would be considered part of the real property and could be conveyed only as part of the property, unless it was detached.**
- **Require a copy of the affidavit to be delivered to the county register of deeds and recorded.**
- **Allow the mobile home owner to detach the home from the real property by filing an affidavit of detachment and applying for a certificate of title.**

Specifically, if a mobile home were affixed to real property in which an owner of the mobile home had an ownership interest, the owner would have to deliver to the DCIS a certificate of title for the mobile home, or the manufacturer's certificate of origin if a certificate of title had not been issued by the Department. The owner also would have to deliver an affidavit on a form provided by the DCIS that contained all of the following:

- The owner's name and address.
- A description of the mobile home that included the manufacturer's name, the year of manufacture, the model, and the manufacturer's serial number or the number assigned by the DCIS.
- A statement that the mobile home was affixed to the real property.
- The legal description of the real property.
- The name of each holder of a security interest in the mobile home, together with the written consent of each holder to the termination of the security interest and the cancellation of the certificate of title, if applicable.

When the DCIS received the affidavit and certificate of title, it would have to cancel the certificate of title. The Department could not issue a certificate of title for the mobile home, except as provided in the bill for a mobile home that the owner intended to detach from his or her real property. The DCIS would have to maintain the affidavit for 30 years after the date of filing.

The mobile home owner would have to deliver a duplicate original of the executed affidavit to the register of deeds of the county in which the real property was located. The register of deeds would have to record the affidavit.

When the DCIS received the affidavit, all of the following would apply:

- The mobile home would be considered part of the real property.
- Sections 30 to 30h of the Act (which pertain to the titling of, and security interest in, mobile homes) would not apply to that mobile home.
- Any security interest in the mobile home would be terminated.
- A lien holder could perfect and enforce a new security interest or lien on the mobile home only in the manner provided by law for perfecting and enforcing a lien on real property.
- The owner could convey the mobile home only as part of the real property to which it was affixed.

If a mobile home were affixed to real property before the bill's effective date, the holder of a lien or security interest in both the mobile home and the real property could enforce its lien or security interest in the manner provided by law for enforcing liens on the real property. If the holder of a lien or security interest became the owner of a mobile home affixed to real property through the process of real property foreclosure under the bill, the holder would have to submit an affidavit described above to the DCIS after the redemption period for the foreclosure expired and the Department canceled the mobile home's certificate of title.

If an owner of both a mobile home and the real property to which it was affixed intended to detach the mobile home from the real property, the owner would have to do both of the following:

- Before detaching the mobile home, record an affidavit of detachment in the office of the register of deeds in the county in which the owner's duplicate original affidavit was recorded.
- Apply for a certificate of title for the mobile home on a form prescribed by the DCIS. The application would have to include a duplicate original executed affidavit of detachment and proof that there were no security interests or liens on the mobile home or the written consent of each lien holder of record to the detachment.

An owner of an affixed mobile home could not detach it from the real property before the DCIS issued a certificate of title for the home. If the Department issued a certificate of title, the mobile home would no longer be considered an improvement to real property and Sections 30 to 30h would apply.

Under the bill, a mobile home would be considered "affixed" to real property if the wheels, towing hitches, or running gear were permanently removed and the mobile home were attached to a foundation or other support system.

"Ownership interest" would mean the fee simple interest in real property or an interest as the lessee under a ground lease for the real property that had a term that continued for at least 20 years after the register of deeds recorded the owner's affidavit.

Proposed MCL 125.2330i

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.