

# SENATE BILL No. 551

June 4, 2003, Introduced by Senator GARCIA and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1978 PA 59, entitled "Condominium act," by amending sections 7, 121, 122, 122a, 122b, 123, 124, and 127 (MCL 559.107, 559.221, 559.222, 559.222a, 559.222b, 559.223, 559.224, and 559.227), sections 121, 122, and 127 as amended by 1982 PA 538, and section 122a as amended and section 122b as added by 1984 PA 356.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

SENATE BILL No. 551

1       Sec. 7. (1) "Leasehold condominium" means a condominium  
2 project in which each co-owner owns an estate for years in all or  
3 ~~any~~ part of the condominium project if the leasehold  
4 ~~interests~~ **interest** will expire naturally at the same time.

5       (2) "Limited common elements" means a portion of the common  
6 elements reserved in the master deed for the exclusive use of  
7 less than all of the co-owners.

1           (3) ~~"Mobile"~~ **"Manufactured** home condominium project" means a  
2 condominium project in which ~~mobile~~ **manufactured** homes as  
3 defined in section ~~30a of Act No. 300 of the Public Acts of~~  
4 ~~1949, being section 257.30a of the Michigan Compiled Laws~~ **2 of**  
5 **the manufactured housing commission act, 1987 PA 96, MCL**  
6 **125.2302**, are intended to be located upon separate sites ~~which~~  
7 **that** constitute individual condominium units.

8           Sec. 121. The establishment, operation, and regulation of  
9 ~~mobile~~ **manufactured** home condominium projects shall comply with  
10 this act, **with** rules promulgated under this act, and with **all of**  
11 the following:

12           (a) A ~~mobile~~ **manufactured** home located on a ~~mobile~~  
13 **manufactured** home condominium site shall be contained entirely  
14 within that site. The ~~mobile~~ **manufactured** home condominium  
15 master deed shall set forth the minimum and maximum size of a  
16 ~~mobile~~ **manufactured** home that may be located on the ~~mobile~~  
17 **manufactured** home condominium site.

18           (b) The association of co-owners may remove a ~~mobile~~  
19 **manufactured** home from a ~~mobile~~ **manufactured** home condominium  
20 site if the ~~mobile~~ **manufactured** home does not conform to the  
21 reasonable standards set forth by the association of co-owners in  
22 the bylaws.

23           (c) Upon completion of foreclosure of a lien of the  
24 association of co-owners for nonpayment of assessments on a  
25 condominium unit ~~pursuant~~ **according** to section 108, the  
26 association of co-owners may remove a ~~mobile~~ **manufactured** home  
27 and other personal property from the condominium unit and ~~cause~~

1 store the ~~mobile~~ **manufactured** home and other personal property  
2 ~~to be stored~~ at the expense of the co-owner of the ~~mobile~~  
3 **manufactured** home.

4 (d) Except as provided in section 127, the ~~mobile home~~  
5 **manufactured housing** commission shall not act for the purpose of  
6 regulating ~~mobile~~ **manufactured** home condominiums that are not  
7 located within a ~~mobile~~ **manufactured** home park, except as  
8 relates to the business, sales, and service practices of ~~mobile~~  
9 **manufactured** home dealers, and the business of ~~mobile~~  
10 **manufactured** home installers and repairers, or the setup and  
11 installation of ~~mobile~~ **manufactured** homes, as provided in the  
12 ~~mobile home~~ **manufactured housing** commission act, ~~Act No. 419~~  
13 ~~of the Public Acts of 1976~~ **1987 PA 96, MCL 125.2301 to**  
14 **125.2349.**

15 Sec. 122. The developer of a ~~mobile~~ **manufactured** home  
16 condominium project shall disclose to a prospective ~~mobile~~  
17 **manufactured** home condominium purchaser, in a manner and form to  
18 be promulgated by rule of the administrator, an affiliation  
19 between the developer and the seller of skirting and the seller  
20 of the ~~mobile~~ **manufactured** home, if the purchaser as a  
21 condition to buying a site must also purchase a ~~mobile~~  
22 **manufactured** home or skirting from the developer or an affiliate  
23 of the developer. The administrator may prohibit required  
24 purchases of skirting from the developer or a source designated  
25 by the developer, as prescribed in ~~Act No. 419 of the Public~~  
26 ~~Acts of 1976, being sections 125.1101 to 125.1147 of the Michigan~~  
27 ~~Compiled Laws~~ **the manufactured housing commission act, 1987 PA**

1 96, MCL 125.2301 to 125.2349.

2       Sec. 122a. The developer of a ~~mobile~~ **manufactured** home  
3 conversion condominium project shall notify each existing tenant  
4 of ~~any mobile~~ **a manufactured** home in the proposed ~~mobile~~  
5 **manufactured** home conversion condominium project that the  
6 ~~mobile~~ **manufactured** home park is proposed to be converted to a  
7 condominium project. The notice shall be physically delivered or  
8 sent by first class mail to each unit addressed to the tenant.  
9 Except as provided in section 122b, a tenancy in a ~~mobile~~  
10 **manufactured** home that is proposed to be a conversion  
11 condominium, whether month to month or otherwise, shall not be  
12 terminated without cause until 1 year after receipt of the notice  
13 required under this section, or until termination of the lease,  
14 whichever is later.

15       Sec. 122b. (1) A developer shall notify each existing  
16 qualified senior citizen, at the same time notice is given under  
17 section 122a, of the right to elect an extended lease arrangement  
18 for the lot on which the senior citizen's ~~mobile~~ **manufactured**  
19 home is located, and the terms and conditions of an extended  
20 lease arrangement. A qualified senior citizen shall, within 60  
21 days after receipt of notice under this subsection, communicate  
22 the election of an extended lease arrangement to the developer.

23       (2) An extended lease arrangement shall be in writing and  
24 shall provide for all of the following:

25       (a) A written lease for the lot on which the senior citizen's  
26 ~~mobile~~ **manufactured** home is located, renewable from year to  
27 year for the number of years specified in subsection (3).

1 (b) That the number of years for which a lease subject to an  
2 extended lease arrangement may be renewed shall be measured from  
3 the date on which the election of an extended lease arrangement  
4 is communicated to the developer.

5 (c) That ~~any~~ **an** increase in the rent during the time the  
6 ~~mobile~~ **manufactured** home lot is a restricted ~~mobile~~  
7 **manufactured** home lot will not be an unreasonable increase beyond  
8 the fair market rent for a comparable ~~mobile~~ **manufactured** home  
9 lot.

10 (d) That upon request of the lessee of a restricted ~~mobile~~  
11 **manufactured** home lot, the lessor shall disclose all information  
12 used in determining a reasonable rent increase based upon the  
13 standard in subdivision (c).

14 (3) The number of years for which a qualified senior citizen  
15 may renew a lease subject to an extended lease arrangement ~~shall~~  
16 ~~be~~ **is** determined by his or her age on the date of receipt of the  
17 notice required under subsection (1), as follows:

18 (a) A person who is not less than 65 years of age and not  
19 more than 69 years of age may renew year to year for 4 years.

20 (b) A person who is not less than 70 years of age and not  
21 more than 74 years of age may renew year to year for 6 years.

22 (c) A person who is not less than 75 years of age and not  
23 more than 79 years of age may renew year to year for 7 years.

24 (d) A person who is 80 years of age or more may renew year to  
25 year for 10 years.

26 (4) A developer who enters into an extended lease arrangement  
27 or the developer's successor shall notify both of the following

1 of each extended lease arrangement:

2 (a) The Michigan state housing development authority of each  
3 qualified senior citizen who elects an extended lease arrangement  
4 as soon as practicable after the election is communicated to the  
5 developer.

6 (b) The office of services to the aging created in section 5  
7 of the older Michiganians act, ~~Act No. 180 of the Public Acts of~~  
8 ~~1981, being section 400.585 of the Michigan Compiled Laws 1981~~  
9 **PA 180, MCL 400.585**, 18 months before the expiration of the  
10 extended lease arrangement for a qualified senior citizen who is  
11 in ~~the~~ **an** age ~~categories~~ **category** described in subsection  
12 (3) (c) ~~and~~ **or** (d).

13 (5) A lease subject to an extended lease arrangement shall  
14 not be assigned, devised, subleased, or transferred by the  
15 qualified senior citizen.

16 (6) A lease subject to an extended lease arrangement ~~shall~~  
17 ~~terminate~~ **terminates** automatically upon the death of the  
18 qualified senior citizen. However, a surviving spouse of a  
19 qualified senior citizen who is 65 years of age or older at the  
20 time the qualified senior citizen dies ~~shall have~~ **has** the right  
21 to execute a lease under an extended lease arrangement subject to  
22 the right of renewal, and other conditions, that applied to the  
23 deceased. A surviving spouse who does not qualify for an  
24 extended lease ~~shall have~~ **has** 6 months in which to vacate the  
25 ~~mobile~~ **manufactured** home lot, during which time the conditions  
26 of the deceased spouse's extended lease ~~shall~~ apply, except for  
27 the right of renewal.

1 (7) A lessor who violates the rental restrictions of  
2 subsection (2)(c) ~~shall be~~ **is** liable to the qualified senior  
3 citizen in an amount equal to 3 times the amount by which the  
4 rental payments exceed the fair market rent, to be recovered in a  
5 civil action.

6 (8) The lessor in an extended lease arrangement may recover  
7 possession of a restricted ~~mobile~~ **manufactured** home lot for  
8 nonpayment of rent or other grounds for recovery of possession  
9 under chapter 57 of the revised judicature act of 1961, ~~Act~~  
10 ~~No. 236 of the Public Acts of 1961, being sections 600.5701 to~~  
11 ~~600.5759 of the Michigan Compiled Laws~~ **1961 PA 236, MCL 600.5701**  
12 **to 600.5759.**

13 (9) A restricted ~~mobile~~ **manufactured** home lot may be  
14 transferred to ~~any~~ **a** person by the lessor in an extended lease  
15 arrangement, subject to the extended lease arrangement.

16 (10) As used in this section:

17 (a) "Qualified senior citizen" means an individual who is all  
18 of the following:

19 (i) On the date that notice is given under subsection (1),  
20 the owner and resident of a ~~mobile~~ **manufactured** home in a  
21 ~~mobile~~ **manufactured** home conversion condominium project  
22 containing 6 or more ~~mobile~~ **manufactured** homes.

23 (ii) A party to an oral or written agreement providing for  
24 the rental of the lot on which a ~~mobile~~ **manufactured** home  
25 described in subparagraph (i) is located.

26 (iii) Sixty-five years of age or older on the date that  
27 notice is given under subsection (1).

1 (b) "Rent" means the total monthly amount payable to the  
2 lessor for the ~~mobile~~ **manufactured** home lot and utilities.

3 (c) "Resident" means an individual who uses his or her  
4 ~~mobile~~ **manufactured** home as a primary residence to which he or  
5 she intends to return whenever absent.

6 (d) "Restricted ~~mobile~~ **manufactured** home lot" means a  
7 ~~mobile~~ **manufactured** home lot that is subject to an extended  
8 lease arrangement as provided in subsection (2).

9 (11) This section does not apply to a developer of a ~~mobile~~  
10 **manufactured** home conversion condominium project if the developer  
11 was issued a permit to sell before ~~the effective date of this~~  
12 ~~section~~ **March 29, 1985**.

13 Sec. 123. A developer or an affiliate of a developer shall  
14 not develop a ~~mobile~~ **manufactured** home condominium project  
15 ~~which~~ **that** involves, as a condition of sale, leasing agreements  
16 covering the recreational facilities, amenities, other common  
17 elements, or ~~mobile~~ **manufactured** home condominium sites.

18 Sec. 124. (1) A ~~mobile~~ **manufactured** home condominium  
19 co-owner shall receive good and marketable title to his **or her**  
20 particular ~~mobile~~ **manufactured** home condominium site together  
21 with an undivided interest in the common elements.

22 (2) A ~~mobile~~ **manufactured** home condominium co-owner may  
23 remove a ~~mobile~~ **manufactured** home from the ~~mobile~~  
24 **manufactured** home condominium site, and sell his **or her** rights  
25 and interest in the ~~mobile~~ **manufactured** home condominium site,  
26 but may not remove ~~any of~~ the common elements.

27 Sec. 127. A developer of a ~~mobile~~ **manufactured** home

1 condominium shall comply with ~~Act No. 419 of the Public Acts of~~  
2 ~~1976, being sections 125.1101 to 125.1147 of the Michigan~~  
3 ~~Compiled Laws~~ **the manufactured housing commission act, 1987 PA**  
4 **96, MCL 125.2301 to 125.2349.** The administrator shall not impose  
5 requirements relating to density, zoning, layout, or construction  
6 inconsistent with rules regarding density, zoning, layout, or  
7 construction promulgated under ~~Act No. 419 of the Public Acts~~  
8 ~~of 1976~~ **the manufactured housing commission act, 1987 PA 96, MCL**  
9 **125.2301 to 125.2349.**

10 Enacting section 1. This amendatory act does not take  
11 effect unless Senate Bill No. 544  
12 of the 92nd Legislature is enacted into  
13 law.