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**BILL ANALYSIS**

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Senate Bill 111 (Substitute S-1 as reported)  
Sponsor: Senator Ron Jelinek  
Committee: Local, Urban and State Affairs

**CONTENT**

The bill would amend Public Act 243 of 1959, which provides for the regulation of trailer coach parks, to create a civil fine for failure to remit a monthly trailer coach tax.

The Act requires trailer coach park licensees to collect and remit a monthly tax of \$3 per occupied trailer coach by the fifth day of each month. Licensees may recover the cost of this tax through an increase in charges on trailer coach parking spaces. The tax is in lieu of the property tax on a trailer coach, and must be remitted to the treasurer of the municipality where the park is located. Of each fee, the Act allocates \$0.50 to the municipality, \$0.50 to the county, and \$2 to the State School Aid Fund.

Under the bill, if the tax was not remitted by the required date, a licensee would have to pay a late payment penalty of 3% of the unpaid balance, and interest would accrue on the unpaid balance at a rate of 1% per month. The licensee also would be liable for a civil fine of up to \$10 per occupied trailer coach for each month the licensee did not remit the tax.

MCL 125.1041

Legislative Analyst: Craig Laurie

**FISCAL IMPACT**

The current \$3 per month mobile home tax generates about \$5.0 million annually. This tax is in lieu of the general property tax. The School Aid Fund receives the revenue generated from \$2 of this tax and the county government and local municipal government (city, village, or township) in which the park is located each receive the revenue generated from \$0.50 of this tax. The licensed park owner is required to collect this tax each month and remit it to the municipal government by the fifth day of the following month. The municipal government then distributes the county and School Aid Fund shares. There is currently no penalty for late payment of this tax. As described above, the penalty proposed in this bill would include a late charge, an interest charge, and a civil fine. For example, a trailer park owner (licensee) whose park has 100 occupied trailers would have a \$300 monthly mobile home tax liability. If the trailer park owner is one month late in remitting this tax, under current law the trailer park owner would incur no type of late payment, but under this bill would incur a late penalty of \$9, an interest charge of \$3, and a civil fine of up to \$1,000, for a total late payment of up to \$1,012. If this trailer park owner remitted a month's \$300 tax liability six months late, the total late penalty would increase to \$6,027. The bill is not clear as to how the new revenue generated from the proposed late payment penalties would be distributed. The extent to which the mobile home tax is being paid late is not known, but it is estimated this bill would help improve the timely payment of this tax and would generate a minimal amount of new revenue.

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Fiscal Analyst: Jay Wortley

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