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BILL ANALYSIS



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House Bill 4298 (Substitute H-1 as passed by the House)
House Bill 4299 (Substitute H-2 as passed by the House)
House Bill 4300 (Substitute H-1 as passed by the House)
House Bill 4301 (Substitute H-1 as passed by the House)
House Bill 4302 (Substitute H-1 as passed by the House)
House Bill 4303 (Substitute H-1 as passed by the House)
House Bill 4304 (Substitute H-1 as passed by the House)

Sponsor: Representative John Cherry (H.B. 4298)
Representative Bronna Kahle (H.B. 4299)
Representative TC Clements (H.B. 4300)
Representative Tim Sneller (H.B. 4301)
Representative Mike Mueller (H.B. 4302)
Representative Angela Witwer (H.B. 4303)
Representative Kevin Hertel (H.B. 4304)

House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 6-15-21

CONTENT

House Bill 4298 (H-1) would amend the Mobile Home Commission Act to do the following:

- **Require the Department of Licensing and Regulatory Affairs (LARA), by January 1, 2023, to revise and promulgate rules governing the licensure of owners of mobile home parks and seasonal mobile home parks.**
- **Specify that if LARA determined that an owner of a mobile home park were not licensed, LARA would have to impose an administrative fine of not more than \$100,000.**
- **Modify the application requirements for a mobile home owner license.**
- **Prescribe a process for an applicant to apply for a provisional mobile home owner license.**
- **Increase the licensee fees for a mobile home owner license.**

House Bill 4299 (H-2) would amend the Mobile Home Commission Act to prescribe an appeals process an applicant who had been denied a license to own a mobile home park or seasonal mobile home park.

House Bill 4300 (H-1) would amend the Mobile Home Commission Act to require LARA to promulgate rules regarding inspections, retailer practices, and a hearing process for persons aggrieved by local government decisions in relation to a mobile home park or seasonal mobile home park.

House Bill 4301 (H-1) would amend the Mobile Home Commission Act to do the following:

- **Require LARA to employ an appropriate number of employees to implement and enforce the Act.**
- **Require LARA, by January 1, 2023, to establish a database of mobile home park owners.**
- **Require LARA to establish a method in which the public could submit a report pertaining to unlicensed mobile home park owners.**

House Bill 4302 (H-1) would amend the Mobile Home Commission Act to establish certain leasing requirements and to prescribe the language that would have to be included in a lease.

House Bill 4303 (H-1) would amend the Truth in Renting Act to reflect the leasing requirements proposed by House Bill 4302 (H-1).

House Bill 4304 (H-1) would amend the Mobile Home Commission Act to prescribe the process in which a mobile home park owner could declare a mobile home in the mobile home park abandoned and the process under which a mobile home park owner could obtain the title of the mobile home.

The bills are tie-barred.

House Bill 4298 (H-1)

Licensure & Unlicensed Owners

The Mobile Home Commission Act prohibits a person from operating a mobile home park or seasonable mobile home park without a license. The bill would replace the term "operate" with "own".

Under the bill, if LARA determined that an owner of a mobile home park or seasonal mobile home park was not licensed, LARA would have to impose an administrative fine of not more than \$100,000 after notice and a hearing as provided under the Administrative Procedures Act. A person who had applied to LARA for a license would not be in violation of licensure requirement unless LARA had previously denied the person's license application and the person had exhausted an administrative review under the Administrative Procedures related to the denial.

The bill would prohibit an unlicensed owner of a mobile home park or seasonal mobile home park, and its subsidiaries, agents, attorneys, representatives, employees, affiliates, or any other person that was responsible for the day-to-day operation of the mobile home park or seasonal mobile home park from collecting rent or taking any action for possession against residents. If a tenant paid utility service fees directly to the utility service provider, the tenant would have to pay the utility service fees directly to the utility service provider. No rent or fees could be recovered by an owner of a mobile home park or seasonal mobile home park for any period of time the mobile home park was unlicensed. A tenant of a mobile home park or seasonal mobile home park could bring an action on his or her own behalf for a violation of the above in a court of competent jurisdiction, in which remedies available would include, nonexclusively, an injunction by a court of record prohibiting further violations, actual damages incurred by the tenant, and punitive damages as determined by a jury or the court.

A license issued the Department on or before December 31, 2021 would expire on December 31, 2023. The term of a license is currently three years; beginning January 1, 2024, the term of a license would be two years.

Currently, LARA is required to issue a license only if the applicant submits a complete license application, certifications and recommendations of appropriate agencies and local governments are submitted to and approved by LARA, pays the required fees, and the mobile home park was approved as being in substantial compliance after its most recent inspection.

Under the bill, LARA, within 60 days after receiving a completed application, would have to issue a license if all of the requirements listed above were met. The applicant would have to submit a complete license application that met all of the following requirements:

- Showed the financial ability of the applicant to own and operate a mobile home park or seasonal mobile home park by submitting documentation as required by LARA that demonstrated the applicant's financial viability to operate and maintain it in accordance with financial standards as promulgated by rule.
- Affirmed the applicant's ability to comply with applicable State laws, rules, and regulations.
- Affirmed that the applicant, a general partner, managing member, subsidiary, affiliate, or other person controlled by or under common control with the applicant had not been denied licensure for a mobile home park or had a license to own a mobile home park suspended, canceled, or revoked by a State agency within the past seven years, or demonstrated that a suspended, canceled, or revoked license had since been reinstated or reissued.
- Affirmed that the applicant and any person with decision or policy-making authority for the applicant, or who was responsible for the applicant's day-to-day operation of the mobile home park, had not been convicted of a crime involving fraud, deceit, or nonfeasance within the past seven years.
- Affirmed that the applicant, and any general partner, managing member, subsidiary, affiliate, or other person controlled by or under common control with the applicant did not have a record of unjustifiable rent increases within the past seven years.
- Affirmed that before submitting the application, each mobile home park owned by the applicant, and any general partner, managing member, subsidiary, affiliate, or other person controlled by or under common control with the applicant was in substantial compliance with the standards established by LARA during the most recent inspection conducted by the Department and that all material deficiencies identified by LARA during that inspection had been corrected.

Beginning January 1, 2023, an applicant also would have to have been previously issued a provisional license or a license to own the mobile home park or seasonal mobile home park in order for LARA to be required to issue a license to the applicant within 60 days of submitting their application. If all conditions were met, LARA would be required to issue the license within 60 days of receiving the application.

Under the bill, LARA could require a signed affidavit from the applicant that attested to the veracity of the information required to be included in the application, and would have to reject the application if the requirements were not met. The Department also could conduct a criminal background check on the applicant using the Law Enforcement Information Network (LEIN) or the Internet Criminal History Access Tool (ICHAT) maintained by the Michigan State Police to determine whether an applicant was eligible for a license.

Provisional License

Beginning on January 1, 2023, a person who had not been licensed previously and sought a license to own a mobile home park or seasonal mobile home park would have to apply for a provisional license to own a mobile home park. An applicant would need to be issued a provisional license before taking ownership of a mobile home park. A provisional license would

be valid for two year and could not be extended or renewed. The Department would have to issue a provisional license if the applicant submitted a complete license application, submitted the certifications and recommendations of appropriate agencies and local governments to LARA, and paid the required fees. A provision license would entitle the holder of the license to all rights, privileges, requirements, and penalties applicable to a mobile home park licensee.

Within one year of the issuance of a provisional license, LARA would have to inspect and identify any violation of the Act regarding the ownership or operation of a mobile home park or seasonal mobile home park by the owner or that mobile home park or seasonal mobile home park issued a provisional license. The Department would have to notify the owner of the mobile home park or seasonal mobile home park issued a provisional license of any violation found during the inspection and provide a notice as required under the Act.

License Fees

The bill would revise the license fees required to own a mobile home park or seasonal mobile home park as follows:

- Until September 30, 2021, an ownership license would cost \$225, plus an additional \$1.50 for each home site in excess of 25 home sites in the mobile home park, or \$120 plus an additional \$1.50 for each home site in excess of 25 home sites in a seasonal mobile home park (as is currently the case); the bill would delete a current provision allowing for a lesser amount as prescribed by the Act.
- From October 1, 2021, through December 30, 2023, an ownership license would cost \$350 plus \$4.75 for each home site in excess of 25 in a mobile home park, or \$200 plus an additional \$2.25 per home site over 25 in a seasonal mobile home park.
- Beginning December 31, 2023, an ownership license would cost \$450 plus an additional \$5.25 per home site in excess of 25 in a mobile home park, or \$250 plus an additional \$2.75 per home site in excess of 25 in a seasonal mobile home park.
- Beginning January 1, 2023, the fees for a provisional license to own a mobile home park or seasonal mobile home park would be the same as those for a license starting on December 31, 2023, or any lesser amount established under the Act.

Nonresident License

The Department could issue a license to own a mobile home park or seasonal mobile home park to a nonresident of the State if the nonresident complied with the Mobile Home Commission Act. The Department could not issue a license to own a mobile home park or seasonal mobile home park to a foreign corporation unless it was authorized to do business in the State by LARA, filed with the Commission a consent to service of process in a form prescribed by the Commission, and was compliant with all other requirements prescribed by the Act.

Rule Promulgation

By January 1, 2023, LARA would have to revise and promulgate rules governing the licensure of owners of mobile home parks and seasonal mobile home parks after consultation with the Mobile Home Commission, consumer advocates, legal aid groups, representatives of the manufactured housing industry, residential groups, local governments, and other interested parties. These rules would include standards to meet the licensing requirements described above.

The Act requires the Commission to promulgate rules to regulate various aspects of mobile home parks. The bill would delete these provisions. (Those provisions would be recodified in substantially the same form as proposed Section 16b under House Bill 4299 (H-2).)

House Bill 4299 (H-2)

License Denial Appeal

The bill would add Section 16b to the Mobile Home Commission Act to specify that, notwithstanding any provision of law to the contrary, if LARA denied a license application for ownership of a mobile home park or seasonal mobile home park, it would give written notice of the denial by registered mail to the applicant stating reasons for the denial, including the applicable statutory provision or promulgated rules it relied upon in making that determination, and the right to appeal the denial to the Commission. An applicant could request an appeal before the Commission on the denial within 15 business days after the United States Postal Service confirmed delivery or attempted delivery of the denial.

After receiving the applicant's appeal, LARA would set a date and place for the Commission to hear the appeal, which may be at any regular meeting or at any special meeting of the Commission duly called for that purpose. Within 120 days after the applicant's appeal, the Commission would have to issue a determination. The Department would have to take all possible actions to ensure that the Commission complied with the timetable described above. If the Commission made a determination that was different from LARA's decision, then the Commission would have to issue a written opinion stating the reasons for the determination, including the applicable statutory provision or promulgated rules it relied upon in making the determination.

After receiving the Commission's determination, LARA either would have to issue the license to the applicant if the determination stated that LARA had to issue the license or decline to issue the license if the determination rejected the applicant's appeal. If LARA failed to set a date and place for the Commission to hear the appeal and the Commission failed to hear the applicant's appeal within 120 days after the applicant's request for an appeal, LARA would have to refund to the applicant any fees paid and any waive fees due for the subsequent licensing period.

Required Notification Given Transfer of Ownership

The bill would require a licensed owner of a mobile home park or seasonal mobile home park to notify LARA of any of the following within 30 days: a) a change in ownership, or b) a change of the mailing or electronic business address of the licensed owner. An owner who sold a mobile home park, within 30 days of the sale, would have to provide LARA with a copy of the sales contract or a recorded deed and notify LARA of all of the following:

- The identity of the buyer, including the contact information of the buyer.
- The date of the sale.
- Any change in the seller's contact information.

House Bill 4300 (H-1)

Section 5 of the Mobile Home Commission Act requires LARA to promulgate the Mobile Home Code after consultation and considering comments from the representatives of the manufacturing home industry and other interested parties. Under the bill, LARA would have to do so by December 31, 2022, after consultation with the Mobile Home Commission,

consumer advocates, legal aid groups, local governments, representatives of the manufactured housing industry, residential groups, and other interested parties.

The Code must consist of rules governing certain subject matter, including licensure, density, layout, permits for construction, and construction of mobile home parks including standards for roads, utilities, open space, proposed community buildings, and other safety measures. Under the bill, this would include standards for fire hydrants, road signs, and proposed community buildings.

The Code also must include rules governing the business, sales, and service practices of mobile home dealers. Under the bill, this would include requiring advertisements to contain contact information, as well as parameters on dealer sales financing practices and terms, claims, and conditions to the sale of a mobile home.

Under the Act, the Code must include rules governing the business practices of mobile home installers and repairers. Under the bills, these rules would have to include training and licensing requirements for individuals who installed and repaired mobile homes in mobile home parks or seasonal mobile home parks.

The Code also would have to include rules governing all of the following:

- Inspections, including audit inspections of mobile home parks.
- Retailers and retailers' agents practices as well as prohibited practices, including violations of the Act and the rules promulgated under the Act, acting on an unlicensed person's, disclosure of retailers' interest to third parties, and disclosure of retailers' interest in transactions.
- The hearing process for entities aggrieved by a local government's decision in relation to a mobile home park or seasonal mobile home park licensed under the Act.

All administrative rules promulgated by LARA or the Mobile Home Commission under the Act and not rescinded on the bill's effective date would be confirmed as authorized, valid, and enforceable, and would be required to remain in effect until December 31, 2022, or until the date on which LARA promulgated administrative rules under this provision, whichever was earlier.

House Bill 4301 (H-1)

Rules Recommendations

Section 4 of the Act allows the Commission to engage in certain actions with respect to mobile home parks, including recommending rules to LARA to implement and administer the Act after consultation with representatives of the manufactured housing industry and other interested parties. Under the bill, this would require consultation with consumer advocates, legal aid groups, representatives of the manufactured housing industry, residential groups, local governments, and other interested parties including organizations known by the Commission to represent residents of mobile home parks.

Enforcement

The Act authorizes the Director or his or her authorized representative to undertake certain actions. Under the bill, the Department instead would be charged with undertaking these actions. Also, LARA would have to employ an appropriate number of employees with the appropriate qualifications as required to implement and enforce the Act and its rules, including

staff to conduct community inspections, review financial information, manage the licensing process, and investigate potential violations of the Act and the rules promulgated under it.

Database of Mobile Home Park Owners

By January 1, 2023, LARA would have to establish or cause to be established a database of mobile home park owners that included every licensed mobile home park owner's contact information, license number, and current licensing status. The Department would have to make the database available to the public on its website. The database would have to include each mobile home park owner that had a license to operate a mobile home park. The Department would have to establish a method in which the public could submit a reporting form on its website regarding potentially unlicensed mobile home park owners and the Department would have to update the public database within 30 days of a change in licensure status. The Department could use an existing database if it were compliant with the bill's requirements.

The database would have to provide a means by which a mobile home park owner could update the owner's contact information. Every mobile home park owner would have to designate an individual who was an owner, officer, director, or employee of the park owner as the mobile home park owner's designee to communicate with LARA and would have to provide that individual's contact information to the Department, including his or her current street address, monitored email address, and operational telephone number. A mobile home park owner would have to notify LARA within 30 days if the owner sold a mobile home park or if the mobile home park owner's designee changes. If a mobile home park owner failed to update the information required above, LARA could assess an administrative fine of \$50 on the mobile home park owner after notice and a hearing as provided under the Administrative Procedures Act. The mobile home park owner would be required to pay the fine assessed before LARA could issue or renew a license to the mobile home park owner.

Administrative Fines

Under the Mobile Home Commission Act, if a person is determined to have violated the Act, the Commission may impose one or more penalties, including censure, probation, license limitation, license suspension, license revocation, license denial, civil fines up to \$50,000, and restitution. The bill also would authorize the Commission to impose an administrative fine of not more than \$5,000.

The bill would allow a civil and administrative fines to be collected by the imposition of a judgment lien by a court or by obtaining a writ of garnishment against the person determined to have violated the Act. A writ of garnishment would need to be issued by a court of competent jurisdiction and directed to the State or State Treasurer to satisfy the fine. The Commission would need to comply with the requirements of Chapter 40 (Attachment and Garnishment) of the Revised Judicature Act to issue a writ of garnishment.

If the Department determined that a mobile home park located in Michigan was owned by a person who did not have a LARA-issued license to own that mobile home park, it would have to notify the unlicensed owner of the mobile home park. The Department would have to forward a copy of the notice provided to the clerk of the city, village, or township where the mobile home park is located. The written notice would require the unlicensed owner to apply to LARA for licensure within 30 days after the date of the notice. If the unlicensed owner did not do so, LARA would have to commence proceedings to impose a fine on the unlicensed owner. If LARA determined that a person owned a mobile home park or seasonal mobile home park without a license, the Department would have to impose a fine of not more than \$100,000 after notice and a hearing as provided under the Administrative Procedures Act. The

Department would have to advise the Attorney General of the failure of any person to pay any fine imposed, and the Attorney General would have to bring a civil action in a court of competent jurisdiction to recover it.

House Bill 4302 (H-1)

The bill would amend the Mobile Home Commission Act to require an owner of a mobile home park or seasonal mobile park to offer a lease or rental agreement with a term of no less than one year to a prospective tenant or tenant. The bill would not prohibit an owner from entering into a monthly lease or rental agreement with a prospective tenant or tenant. In addition, at least 30 days before a one year or greater lease or rental agreement expired, the owner of a mobile home park would have to deliver to the tenant a written or electronic notice identifying the date the lease or rental agreement ended and would have to offer a renewal of the lease or a new lease or rental agreement. An expired lease or rental agreement not renewed in writing would constitute a month-to-month tenancy with all the rights, responsibilities, and obligations of a month-to-month tenancy.

A lease or rental agreement between an owner of a mobile home park or seasonal mobile home park and a tenant for a duration of less than one year would have to include language that a lease or rental agreement of a duration of one year or more was offered but was declined. Furthermore, a lease or rental agreement between these parties would have to include language that an unlicensed owner of a mobile home park or seasonal mobile home park could not collect rent or take any action for possession against residents under the Act.

A lease or rental agreement would have to comply with the Truth of Renting Act, and a person would be liable as provided in Section 42 of the Mobile Home Commission Act (which prescribes a misdemeanor punishable by a fine of up to \$500 per day for each separate violation, imprisonment for up to one year, or both). A tenant of a mobile home park or seasonal mobile home park could bring an action on his or her own behalf for a violation of these provisions in a court of competent jurisdiction.

House Bill 4303 (H-1)

The bill would amend the Truth in Renting Act to specify that all of the following would apply to a lease or a rental agreement under the Mobile Home Commission Act:

- An owner of a mobile home park or seasonal mobile home park would have to offer a lease or rental agreement with a term of no less than one year to a prospective tenant or tenant; however, an owner would not be prohibited from entering into a monthly lease or rental agreement with a prospective tenant or tenant.
- At least 30 days before a lease or rental agreement with a duration of one year or greater expired, the owner would have to deliver to the tenant a notice identifying the date the lease or rental agreement ended and would have to offer a renewal of the lease or a new lease or rental agreement.
- A lease or rental agreement between an owner of a mobile home park or seasonal mobile home park and a tenant for a duration that was less than one year would have to include language that a lease or rental agreement of a duration of one year or more had been offered but was declined.
- A lease or rental agreement between an owner of a mobile home park or seasonal mobile home park and a tenant would have to include language that an unlicensed owner could not collect rent or take any action for possession against residents under the Act.

Notwithstanding the above provisions, a lease or rental agreement under the Mobile Home Commission Act would have to comply with the Truth in Renting Act.

House Bill 4304 (H-1)

Abandonment

The bill would amend the Mobile Home Commission Act to allow an owner of a mobile home park at which a mobile home owned by another person was located to declare the mobile home abandoned if all of the following conditions were met:

- A court of competent jurisdiction issued an order pursuant to the Revised Judicature Act.
- The mobile home had been continuously unoccupied for at least 90 days after the court issued the order above or rent had not been paid for at least 10 days after the court issued the order above.
- Any indebtedness secured by the mobile home or that is related to a lease agreement or terms of the tenancy between the park owner and the home owner was delinquent.
- The mobile home park owner has a license to own the mobile home park under the Mobile Home Commission Act.

Notice of Intent

Before declaring a mobile home abandoned but after meeting the requirements to declare a home abandoned, the mobile home park owner would have to do all of the following:

- Using industry standards, calculate the fair market value of the mobile home and determine whether the fair market value of the mobile home exceeded the sum of the amount of rent due and unpaid for the premises occupied by the mobile home, any unpaid fees, and any unpaid utility service fees that were owed to the mobile home park by the mobile home owner.
- Affix a notice of intent to declare the mobile home abandoned on the mobile home.
- Send a copy of the notice of intent to declare the mobile home abandoned and a copy of the complete appraisal or other valuation document on which the mobile home park owner relied to determine the fair market value of the mobile home by certified United States Postal Service mail to the mobile home owner, all individuals identified on the lease agreement, all forwarding addresses provided by the home owner to the park owner, and all lienholders at the addresses listed on the mobile home owner's title.
- File a copy of the notice of intent to declare the mobile home abandoned with the Secretary of State.

If the mobile home park owner determined that the fair market value of the mobile home exceeded the sum of the amount of rent due and unpaid for the premises occupied by the mobile home, any unpaid fees and any unpaid utility service fees that were owed to the mobile home park by the mobile home owner, the mobile home park owner, upon filing the notice of intent to declare the mobile home abandoned, would have to make a good-faith effort to send a written notice to the mobile home owner that her or she was entitled to receive the amount of the excess from the mobile home park, subject to any liens on the mobile home, that was equal to the fair market value of the mobile home minus the sum of the amount of rent due and unpaid for the premises occupied by the mobile home, and unpaid fees, and any unpaid utility service fees that are owed to the mobile home park by the mobile home owner. A written notice would have to include a check for the amount of the excess and a written statement in at least 12-point boldfaced type that conformed to the text specified in the bill.

After receiving a notice of intent to declare a mobile home abandoned, the Secretary of State, within 10 days of receiving the notice, would have to send a written notice to the mobile home owner and any lienholder at all current addresses the Secretary of State has in its records for

the mobile home owner and the lienholder. The notice would have to contain all of the following:

- A statement explaining the requirements to show that a mobile home was abandoned and that notice would have to be provided.
- The Secretary of State's contact information if the mobile home owner intended to contest the declaration that the mobile home was abandoned.
- A statement explaining that the mobile home owner could contest the declaration that the mobile home was abandoned before a court of competent jurisdiction.

After receiving a notice of intent to declare the mobile home abandoned, the mobile home owner or a lienholder could enter into the mobile home park to remove the mobile home. A mobile home owner or a lienholder removing the mobile home would be responsible to the mobile home park owner for all actual damages to the mobile home park that result from the removal of the mobile home and any amount owed. On request of the mobile home owner or a lienholder, the mobile home park owner would be required to provide an itemized receipt that detailed the actual damages to the mobile home park and any amount owed.

Mobile Home Park Owner Assuming Title of Abandoned Home

If a mobile home that was not encumbered by a lien remained in the mobile home park for at least 30 days after the date the written notice required to be sent by the Secretary of State was postmarked, the mobile home park owner could declare the home abandoned and could apply to the Secretary of State to obtain title to the mobile home.

If a mobile home encumbered by a lien remained in the mobile home park for at least 60 days after the date of the notice required to be sent by the owner of the mobile home park was postmarked, the lienholder would have to inform the mobile home park owner that the lienholder would not retain ownership of the mobile home, remove the mobile home from the mobile home park, or provide a written or electronic notice to the mobile home park owner of the lienholder's intent to retain ownership of the mobile home and remove the mobile home from the mobile home park. If the lienholder notified the mobile home park owner that the lienholder intended to retain ownership of the mobile home, the lienholder could, upon payment of rent and fees that had accrued from the date of the notice, keep the home in the park as long as the lienholder paid standard monthly lot rent, utility service fees, and other normal charges until the mobile home was removed from the mobile home park or sold to a new owner who entered into a lease agreement with the mobile home park owner. A payment made would be subject to late fees, nonsufficient fund fees, and other service charges provided under the mobile home park's rent or fee schedule. If the lienholder failed to meet the requirements above or informed the mobile home park that the lienholder would not retain ownership of the mobile home, all liens on the mobile home would be extinguished and the mobile home park owner could declare the mobile home abandoned and could apply to the Secretary of State to obtain title to the mobile home. The application would require an affidavit that included the following statements:

- That the affiant was the licensed owner of the mobile home park in which the mobile home was located.
- That the title of the mobile home was being transferred to the licensed owner of the mobile home park in which the mobile home was located.
- That the mobile home park owner complied with all the requirements above.
- That the mobile home park owner was not aware of any challenge to the declaration that the mobile home was abandoned or any proceeding in a court of competent jurisdiction challenging the declaration that the mobile home is abandoned.

The Secretary of State could require that the mobile home park owner provide proof of its compliance in the application to transfer the title of the mobile home to the mobile home park owner. Except as otherwise provided, if there was evidence of a United States Postal Service mail return receipt showing proof of delivery of the notice described from each lienholder required to be notified, a title issued by the Secretary of State to the mobile home park owner would be free of all liens.

As part of the transfer of title to an abandoned mobile home, the owner of a mobile home would be entitled, subject to any liens, to the fair market value of the mobile home minus the sum of the amount of rent due and unpaid for the premises occupied by the mobile home, any unpaid fees, and any unpaid utility service fees to the mobile home park by the mobile home owner. If a mobile home park owner took title to a mobile home under the process outlined and the fair market value calculated was greater than zero, the mobile home park owner would have to do all of the following:

- If the mobile home were not subject to a lien, within 90 days of receiving title, the mobile home park owner would have to make a good-faith effort to pay the mobile home owner from which the mobile home park owner received the title the fair market value with applicable fees and rent deducted accordingly.
- If the mobile home were subject to a lien, within 90 days of receiving title, the mobile home park owner would have to pay to any lienholder the amount for which the lienholder had provided written evidence to the mobile home park owner as due and owing to that lienholder.
- If the owner of the mobile home from which the mobile home park owner received the title did not claim the amount due if the home were not subject to a lien or the balance remaining if it were, the mobile home park owner would have to remit those amounts to the Department of Treasury in accordance with the Uniform Unclaimed Property Act.

An owner of a mobile home not located within a mobile home park could apply for a certificate of title.

MCL 125.2316 (H.B. 4298)
Proposed MCL 125.2316b (H.B. 4299)
MCL 125.2305 (H.B. 4300)
MCL 123.2343 et al. (H.B. 4301)
MCL 125.2328b (H.B. 4302)
MCL 534.634a (H.B. 4303)
Proposed MCL 125. 2330j (H.B. 4304)

Legislative Analyst: Christian Schmidt

FISCAL IMPACT

House Bill 4298 (H-1)

The bill would have a significant positive fiscal impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local units of government.

The bill would add a provisional licensing requirement for both seasonal and permanent mobile home parks and would increase the fees associated with full licenses for each. Beginning October 1, 2021, the bill would raise license fees by \$125 for a mobile home park owner license and \$80 for seasonal mobile home park owner license. The fee for each site in excess of 25 sites within a park would be increased by \$1.75 and \$0.75 per site, respectively. Beginning January 1, 2023, the fee for a mobile home park owner license would be increased to a total of \$450, or \$225 above the current level, and the fee for a seasonal mobile home

park owner license would be increased to a total of \$250, or \$130 above the current level. Per site fees for sites above 25 would be \$4.24 and \$2.75 per site, respectively.

The magnitude of the total increase in revenue to LARA would depend on the number of licenses granted and renewed each year. The number of individuals who would apply for and receive these licenses is unknown at this time. However, if current licensing levels were maintained, the Department would experience a significant increase in revenue under the new fee schedule. Revenue from fees would support mobile home licensing activities and administration of the Mobile Home Commission Act.

Further revenue would result from the imposition of administrative fines under the bill. This revenue would be deposited into the Mobile Home Code Fund.

The bill also would result in additional costs related to the implementation and administration of the new provisional license. However, the license fees likely would be sufficient to cover these costs.

House Bill 4299 (H-2) and 4300 (H-1)

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

House Bill 4301 (H-1)

The bill would have an indeterminate fiscal impact on State government and no fiscal impact on local government units.

The bill specifically would require the Department of Licensing and Regulatory Affairs to employ an appropriate number of employees to implement and enforce the Act. This would include conducting reviews and inspections. The cost of one additional FTE is approximately \$110,000 annually. It is unknown at this time how many additional FTEs would be required to perform this work. Additional administrative costs could be incurred because of the expanded scope of the interested parties the Mobile Home Commission would need to consult with before recommending rules. However, these consultation costs likely would be covered by existing appropriations.

The database required under bill would involve additional expenses of unknown magnitude that likely would impose additional IT and staffing costs on LARA.

These expenditures partially would be offset by administrative fines and fees imposed under the bill. Penalties range from \$50 to \$100,000. The amount of revenue collected would depend on the nature and number of violations. Revenue would be deposited into the Mobile Home Code Fund.

House Bills 4302 (H-1) & 4303 (H-1)

The bills would have a minor fiscal impact on the State and local court systems. By requiring mobile home parks and seasonal mobile home parks to comply with the Truth in Renting Act, the bills would subject mobile parks to judicial procedures that already are in place and in which local courts are already practiced. There could be some variation in revenue for local courts through filing fees or misdemeanor convictions, but these variations likely would be minor.

House Bill 4304 (H-1)

The Department of State could incur additional postage costs to comply with the bill's requirements. After receiving notice of intent to declare a mobile home abandoned by a mobile home park owner, the Department of State would have to mail a written notice to the mobile home owner and any lienholders on file with the Secretary of State notifying them of the notice of intent to declare the mobile home abandoned. The current cost of postage for a first-class letter is \$0.55. These costs could be higher depending on the actual postage rate; however, the costs likely would be absorbed within the Department's annual appropriations.

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