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House Bill 5449 (as passed by the House)
Sponsor: Representative TC Clements
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 1-25-22

CONTENT

The bill would amend the Mobile Home Commission Act to prescribe a process by which the owner of a mobile home and the real property on which it was located who had lost or never received the certificate of title to the mobile home could establish that the mobile home was affixed to the real property.

Section 30i of the Act specifies that if a mobile home is affixed to real property in which the owner of the mobile home has the ownership interest, the owner may deliver all of the following to the Secretary of State (SOS): a) an affidavit of affixture; b) the certificate of title for the mobile home, the manufacturer's certificate of origin if the certificate of title has not been issued by SOS, or sufficient proof of ownership; and c) a fee for a certificate of title. A mobile home is "affixed" to real property if the wheels, towing hitches, and running gear are removed and it is attached to a foundation or other support system.

Under proposed Section 30j, if a mobile home were affixed to real property in which the party claiming to own the mobile home also owned the real property, and the mobile home had been located on the real property for 10 years or more, but the owner of the mobile home either lost or never received the certificate of title to the mobile home when the owner of the mobile home acquired the real property with the mobile home already affixed to it, the mobile home would be considered affixed to the real property free of any interests that previously attached to the mobile home.

The Department would have to approve the affidavit of affixture as submitted if the owner of the mobile home submitted to the Department an affidavit of missing title that contained all of the following information and paid any required fees to issue the affidavit of affixture:

- The name and address of the owner of the real property.
- A statement that the mobile home was affixed to the real property and either the date that the mobile home was placed on the real property or the date the property assessment or tax roll first reflected on the real property to which the mobile home was affixed was improved with the mobile home.
- A statement that the mobile home and the real property to which it was affixed were not located in a mobile home park.
- The legal description and tax parcel number of the real property to which the mobile home is affixed; a copy of the vesting deed of the real property must be attached.
- A statement that to the best of the affiant's knowledge, no payments currently were being made to any secured party and no amount currently was owed under any debt obligation that could have previously been secured by the mobile home.

- A statement that the wheels, towing hitches, and running gear of the mobile home had been removed.
- A statement that the mobile home was attached to a foundation or other support system.
- A description of the mobile home that included the name of the manufacturer, the year of manufacture, the model, and the mobile home's or manufacturer's serial number to the extent this information was known to the affiant.

(Under the Act, "Department" means the Department of Licensing and Regulatory Affairs, except as used in Sections 30 to 30j, in which circumstances the term refers to the Department of State.)

The Department could not withhold approval of an affidavit of affixture submitted under Section 30j solely because the affidavit lacked the mobile home's serial number or manufacturer's name, or both.

Once the Department accepted the affidavit of affixture, the owner immediately would have to record the affidavit of affixture with the register of deeds.

A secured party that wished to preserve the secured party's security interest in the mobile home prior to the expiration of the 10-year period that automatically would extinguish the secured party's security interest in the mobile home could preserve the secured party's security interest by complying with the requirements in Section 30i(6) (which relates to the perfection of a lien or security interest on a mobile home) and recording notice of the security interest with the register of deeds in the county where the real property was located.

The 10-year period would begin when the manufacturer of the mobile home first sold the mobile home or when the tax roll reflected the subject real property as being improved for assessment purposes, whichever was earlier.

MCL 125.2330i et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a minor positive fiscal impact on State government and no significant fiscal impact on local units of government. Under the bill, LARA likely would collect additional certificate of title fees for newly registered mobile homes. The title fee is currently \$90. The amount of revenue collected would depend on the number of homes for which affidavits were successfully submitted. The revenue would be deposited in the Mobile Home Code Fund and would be used to administer the Mobile Home Commission Act.

In addition, local courts could experience minor savings due to fewer property owners seeking court orders in pursuit of mobile home titles.

Fiscal Analyst: Elizabeth Raczkowski

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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.