

HOUSE BILL NO. 4298

February 23, 2021, Introduced by Reps. Cherry, Mueller, Sneller, Witwer, Hertel, Kahle and Clements and referred to the Committee on Regulatory Reform.

A bill to amend 1987 PA 96, entitled
"The mobile home commission act,"
by amending section 16 (MCL 125.2316), as amended by 2015 PA 40.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 16. (1) No later than January 1, 2023, after consultation
2 with the commission, consumer advocates, legal aid groups,
3 representatives of the manufactured housing industry, residential
4 groups, local governments, and other interested parties, the
5 department shall revise and promulgate rules governing the

1 licensure of owners of mobile home parks and seasonal mobile home
2 parks, including determining standards to meet the licensing
3 requirements of this section.

4 (2) ~~(1)~~—A person shall not ~~operate~~ **own** a mobile home park or
5 seasonal mobile home park without a license. ~~The~~ **If the department**
6 **determines that an owner of a mobile home park or seasonal mobile**
7 **home park is not licensed, the department shall impose an**
8 **administrative fine of not more than \$100,000.00 after notice and a**
9 **hearing as provided under the administrative procedures act of**
10 **1969, 1969 PA 306, MCL 24.201 to 24.328. A person who has applied**
11 **to the department for a license is not in violation of this**
12 **subsection unless the department has denied the person's license**
13 **application and the person has exhausted an administrative review**
14 **by the department under the administrative procedures act of 1969,**
15 **1969 PA 306, MCL 24.201 to 24.328, and the commission under section**
16 **43 related to the department denying the license application. A**
17 **license issued by the department on or before December 31, 2021**
18 **expires on December 31, 2023. Beginning on January 1, 2024, the**
19 **term of a license is ~~3~~ 2 years. The department shall within 60 days**
20 **of receiving a completed license application issue a license ~~only~~**
21 **if all of the following requirements are met:**

22 (a) The applicant submits a complete license application ~~+~~
23 **that meets all of the following requirements:**

24 (i) **Shows the financial ability of the applicant to own and**
25 **operate the mobile home park or seasonal mobile home park by**
26 **submitting documentation, as required by the department, to**
27 **demonstrate the applicant's financial viability to operate and**
28 **maintain the mobile home park or seasonal mobile home park in**
29 **accordance with financial standards as promulgated by rule.**

1 (ii) Affirms the applicant's ability to comply with the
2 applicable laws, rules, and regulations of this state.

3 (iii) Affirms that the applicant, any general partner, managing
4 member, subsidiary, affiliate, or other person controlled by or
5 under common control with the applicant has not been denied
6 licensure for a mobile home park or seasonal mobile home park or
7 had a license to own a mobile home park or seasonal mobile home
8 park suspended, canceled, or revoked by a state agency within the
9 past 7 years, or demonstrates that a suspended, canceled, or
10 revoked license has since been reinstated or reissued.

11 (iv) Affirms that the applicant and any person with decision-
12 or policy-making authority for the applicant, or who is responsible
13 for the applicant's day-to-day operation of the mobile home park or
14 seasonal mobile home park, has not been convicted of a crime
15 involving fraud, deceit, or nonfeasance within the past 7 years.

16 (v) Affirms that the applicant, and any general partner,
17 managing member, subsidiary, affiliate, or other person controlled
18 by or under common control with the applicant does not have a
19 record of unjustifiable rent increases within the past 7 years.

20 (b) Certifications and recommendations of appropriate agencies
21 and local governments are submitted to and approved by the
22 department.

23 (c) The applicant pays the fee set forth in subsection ~~(4)~~**(7)**
24 **or (8)**.

25 (d) The mobile home park or seasonal mobile home park was
26 approved as being in substantial compliance after its most recent
27 inspection under section 17.

28 ~~(2) The commission shall promulgate rules to do all of the~~
29 ~~following:~~

1 ~~(a) Provide standards and procedures for the commission to~~
2 ~~determine whether a mobile home park or seasonal mobile home park~~
3 ~~that is not in substantial compliance with the rules promulgated~~
4 ~~under sections 5 and 6 is a distressed park. The standards and~~
5 ~~procedures shall provide the owner with an opportunity for an~~
6 ~~evidentiary hearing and require the commission to consider at least~~
7 ~~all of the following:~~

8 ~~(i) The length of time the mobile home park or seasonal mobile~~
9 ~~home park has not been in substantial compliance with the rules~~
10 ~~promulgated under sections 5 and 6.~~

11 ~~(ii) Whether the owner or operator was notified and had~~
12 ~~sufficient opportunity to bring the mobile home park or seasonal~~
13 ~~mobile home park into substantial compliance.~~

14 ~~(iii) Any imminent threat to the health or safety of the~~
15 ~~residents of the mobile home park or seasonal mobile home park.~~

16 ~~(iv) Whether the mobile home park or seasonal mobile home park~~
17 ~~has been or is likely to be abandoned by the owner or operator.~~

18 ~~(b) Require the owner of a distressed mobile home park or~~
19 ~~seasonal mobile home park to post financial assurance in the form~~
20 ~~of a bond, cash deposit, or other financial arrangement to ensure~~
21 ~~the repair and cleanup of the mobile home park or seasonal mobile~~
22 ~~home park, including the repair of substandard or noncomplying~~
23 ~~park-owned utility systems and the removal and disposal of~~
24 ~~abandoned mobile homes, scrap material, or other waste.~~

25 ~~(3) Not more than 180 days after the effective date of the~~
26 ~~amendatory act that added this subsection, the commission shall~~
27 ~~submit a report on progress on rule promulgation under subsection~~
28 ~~(2) to the standing committees of the senate and house of~~
29 ~~representatives with primary responsibility for legislation~~

1 ~~affecting mobile home parks.~~

2 (e) Beginning on January 1, 2023, the applicant has been
3 previously issued a provisional license or a license to own the
4 mobile home park or seasonal mobile home park.

5 (3) The department may require a signed affidavit from the
6 applicant that attests to the veracity of the information in
7 subsection (2) (a) (i) to (v) and shall deny the application if the
8 applicant does not meet the requirements of subsection (2) (a) (i) to
9 (v).

10 (4) To determine whether an applicant is eligible for a
11 license under this section, the department may conduct a criminal
12 background check on the applicant using the law enforcement
13 information network as provided under the C.J.I.S policy council
14 act, 1974 PA 163, MCL 28.211 to 28.215, or the internet criminal
15 history access tool (ICHAT) maintained by the department of state
16 police.

17 (5) Beginning on January 1, 2023, a person that has not been
18 previously licensed under subsection (2) and seeks a license to own
19 a mobile home park or seasonal mobile home park shall apply for a
20 provisional license to own a mobile home park or seasonal mobile
21 home park. The applicant must be issued a provisional license
22 before taking ownership of a mobile home park or seasonal mobile
23 home park. The provisional license is valid for 2 years and must
24 not be extended or renewed. The department shall issue a
25 provisional license under this subsection if the applicant meets
26 the requirements of subsection (2) (a) to (c). A provisional license
27 issued under this subsection entitles the holder of the provisional
28 license to all of the rights, privileges, requirements, and
29 penalties that are applicable to the holder of a license issued

1 under subsection (2).

2 (6) Within 1 year of the issuance of a provisional license
 3 under subsection (5), the department shall inspect and identify any
 4 violation of this act regarding the ownership or operation of a
 5 mobile home park or seasonal mobile home park by the owner of that
 6 mobile home park or seasonal mobile home park issued a provisional
 7 license under subsection (5). The department shall notify the owner
 8 of the mobile home park or seasonal mobile home park issued a
 9 provisional license of any violation found during the inspection
 10 and provide a notice as required under section 37.

11 (7) ~~(4)~~ The ~~fee~~ **fees** for a license ~~to operate~~ **issued under**
 12 **subsection (2) are as follows unless a lesser amount is established**
 13 **under section 9(5):**

14 (a) **Until September 30, 2021, as follows:**

15 (i) **To own** a mobile home park is \$225.00, plus an additional
 16 \$3.00 for each home site in excess of 25 home sites in the mobile
 17 home park. ~~, or any lesser amount established pursuant to section~~
 18 ~~9(5). The fee for a license to operate~~

19 (ii) **To own** a seasonal mobile home park is \$120.00, plus an
 20 additional \$1.50 for each home site in excess of 25 home sites in
 21 the seasonal mobile home park. ~~, or any lesser amount established~~
 22 ~~pursuant to section 9(5).~~

23 (b) **Beginning on October 1, 2021 through December 30, 2023, as**
 24 **follows:**

25 (i) **To own** a mobile home park is \$350.00, plus an additional
 26 \$4.75 for each home site in excess of 25 home sites in the mobile
 27 home park.

28 (ii) **To own** a seasonal mobile home park is \$200.00, plus an
 29 additional \$2.25 for each home site in excess of 25 home sites in

1 the seasonal mobile home park.

2 (c) Beginning on December 31, 2023, as follows:

3 (i) To own a mobile home park is \$450.00, plus an additional
4 \$5.25 for each home site in excess of 25 home sites in the mobile
5 home park.

6 (ii) To own a seasonal mobile home park is \$250.00, plus an
7 additional \$2.75 for each home site in excess of 25 home sites in
8 the seasonal mobile home park.

9 (8) Beginning on January 1, 2023, the fee for a provisional
10 license issued under subsection (5) to own a mobile home park is
11 \$450.00, plus an additional \$5.25 for each home site in excess of
12 25 home sites in the mobile home park, or any lesser amount
13 established under section 9(5). Beginning on January 1, 2023, the
14 fee for a provisional license issued under subsection (5) to own a
15 seasonal mobile home park is \$250.00, plus an additional \$2.75 for
16 each home site in excess of 25 home sites in the seasonal mobile
17 home park, or any lesser amount established under section 9(5).

18 (9) ~~(5)~~—If a person submits a timely application for renewal
19 of a license **issued under subsection (2)** and pays the appropriate
20 fee, the person may continue to ~~operate~~**own** a mobile home park or
21 seasonal mobile home park unless notified that the application for
22 renewal is not approved.

23 (10) The department may issue a license to own a mobile home
24 park or seasonal mobile home park to a nonresident of this state if
25 the nonresident complies with the requirements of this act.

26 (11) The department shall not issue a license to own a mobile
27 home park or seasonal mobile home park to a foreign corporation
28 unless the foreign corporation is authorized to do business in this
29 state by the department, files with the commission a consent to

1 service of process in a form prescribed by the commission pursuant
2 to section 35, and complies with all other requirements of this
3 act.

4 (12) An unlicensed owner of a mobile home park or seasonal
5 mobile home park shall not collect rent or take any action for
6 possession against residents. If the tenant pays the utility
7 service fees directly to the utility service provider, the tenant
8 must continue to pay the utility service fees directly to the
9 utility service provider. No rent or fees may be recovered by an
10 owner of a mobile home park or seasonal mobile home park for any
11 period of time the mobile home park is unlicensed. A tenant of a
12 mobile home park or seasonal mobile home park may bring an action
13 on his or her own behalf for a violation of this subsection in a
14 court of competent jurisdiction. Remedies available include, but
15 are not limited to, an injunction by a court of record prohibiting
16 further violations, actual damages incurred by the tenant, and
17 punitive damages as determined by a jury or the court.

18 (13) ~~(6)~~—A campground that is currently licensed under
19 sections 12501 to 12516 of the public health code, 1978 PA 368, MCL
20 333.12501 to 333.12516, and was previously licensed under the
21 former licensing provisions of 1959 PA 243, MCL 125.1035 to
22 125.1043, as a seasonal trailer park may apply for and ~~shall~~ **must**
23 be granted a license as a seasonal mobile home park under this act
24 if the campground meets all other requirements for licensure under
25 this act as a seasonal mobile home park.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 101st Legislature are
28 enacted into law:

29 (a) Senate Bill No. ____ or House Bill No. 4301 (request no.

- 1 00774'21).
- 2 (b) Senate Bill No. _____ or House Bill No. 4304 (request no.
3 00775'21).
- 4 (c) Senate Bill No. _____ or House Bill No. 4300 (request no.
5 01198'21).
- 6 (d) Senate Bill No. _____ or House Bill No. 4299 (request no.
7 01201'21).
- 8 (e) Senate Bill No. _____ or House Bill No. 4303 (request no.
9 01312'21).
- 10 (f) Senate Bill No. _____ or House Bill No. 4302 (request no.
11 01469'21).