

THE MOBILE HOME COMMISSION ACT
Act 96 of 1987

AN ACT to create a mobile home commission; to prescribe its powers and duties and those of local governments; to provide for a mobile home code and the licensure, regulation, construction, operation, and management of mobile home parks, the licensure and regulation of retail sales dealers, warranties of mobile homes, and service practices of dealers; to provide for the titling of mobile homes; to prescribe the powers and duties of certain agencies and departments; to provide remedies and penalties; to declare the act to be remedial; to repeal this act on a specific date; and to repeal certain acts and parts of acts.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

The People of the State of Michigan enact:

125.2301 Short title.

Sec. 1. This act shall be known and may be cited as “the mobile home commission act”.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Compiler's note: For transfer of powers and duties of the mobile home commission from the department of commerce to the director of the department of consumer and industry services, see E.R.O. No. 1996-2, compiled at MCL 445.2001 of the Michigan Compiled Laws.

125.2302 Definitions.

Sec. 2. As used in this act:

(a) “Campground” means a campground as defined in section 12501 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.12501 of the Michigan Compiled Laws.

(b) “Code” means all or a part of the mobile home code promulgated pursuant to section 5.

(c) “Commission” means the mobile home code commission.

(d) “Department” means the department of commerce.

(e) “Installer and repairer” means a person, including a mobile home dealer, who for compensation installs or repairs mobile homes.

(f) “Local government” means a county or municipality.

(g) “Mobile home” means a structure, transportable in 1 or more sections, which is built on a chassis and designed to be used as a dwelling with or without permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained in the structure.

(h) “Mobile home dealer” means a person other than a manufacturer engaged in the business of buying mobile homes for resale, exchange, lease, or rent or offering mobile homes for sale, lease, rent, or exchange to customers.

(i) “Mobile home park” means a parcel or tract of land under the control of a person upon which 3 or more mobile homes are located on a continual, nonrecreational basis and which is offered to the public for that purpose regardless of whether a charge is made therefor, together with any building, structure, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home.

(j) “Municipality” means a city, village, or township.

(k) “Person” means an individual, partnership, association, trust, or corporation, or any other legal entity or combination of legal entities.

(l) “Recreational vehicle” means a vehicle primarily designed and used as temporary living quarters for recreational, camping, or travel purposes, including a vehicle having its own motor power or a vehicle mounted on or drawn by another vehicle.

(m) “Seasonal mobile home park” means a parcel or tract of land under the control of a person upon which 3 or more mobile homes are located on a continual or temporary basis but occupied on a temporary basis only, and which is offered to the public for that purpose regardless of whether a charge is made therefor, together with any building, enclosure, street, equipment, or facility used or intended for use incident to the occupancy of a mobile home. Seasonal mobile home park does not include a campground licensed pursuant to sections 12501 to 12516 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.12501 to 333.12516 of the Michigan Compiled Laws.

(n) “Security interest”, “security agreement”, “secured party”, and “termination statement” have the same meanings as in the uniform commercial code, Act No. 174 of the Public Acts of 1962, being sections 440.1101 to 440.11102 of the Michigan Compiled Laws.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2303 Mobile home commission; creation; appointment, qualifications, and terms of members; vacancy; compensation and expenses; quorum; action by commission; meetings; chairperson and vice-chairperson; removal of member; disclosure of pecuniary interest.

Sec. 3. (1) The mobile home commission is created within the department of commerce.

(2) The commission consists of 11 members appointed by the governor with the advice and consent of the senate, each of whom shall be a citizen of this state.

(3) The members of the commission shall include each of the following:

(a) A representative of an organization whose membership consists of mobile home residents.

(b) A representative of financial institutions.

(c) Two operators of a licensed mobile home park having 100 or more sites and 1 operator of a licensed mobile home park having less than 100 sites.

(d) A representative of organized labor.

(e) An elected official of a local government.

(f) A licensed mobile home dealer.

(g) One resident of a licensed mobile home park having 100 or more sites and 1 resident of a licensed mobile home park having less than 100 sites.

(h) A manufacturer of mobile homes.

(4) A person appointed to be a member under subsection (3)(a), (d), (e), (g), or a member of that person's immediate family shall not have more than a 1% ownership interest in or income benefit from a manufacturer of mobile homes, a retail seller of mobile homes, a licensed mobile home park, or a supplier of ancillary products or services to the mobile home industry.

(5) The term of each member shall be for 3 years. A vacancy in the office of a member shall be filled by the governor for the remainder of the unexpired term, not more than 1 month after the vacancy is created, in the same manner as the original appointment.

(6) The per diem compensation of the commission and the schedule for reimbursement of expenses shall be established annually by the legislature.

(7) Six members of the commission constitute a quorum for all purposes, notwithstanding the existence of a vacancy in the commission's membership. Action may be taken by the commission by a vote of a majority of the members appointed and serving. Meetings of the commission may be called by the chairperson or by 3 members on 3 business days' actual notice. At least 1 meeting shall be held each calendar quarter. The commission may hold meetings anywhere in this state.

(8) The commission shall elect a member of the commission as its chairperson and another member as its vice-chairperson. The duties and powers of the chairperson and vice-chairperson shall be as prescribed in the commission's rules.

(9) A member of the commission may be removed from office by the governor for inefficiency, neglect of duty, or misconduct or malfeasance in office. A member of the commission who has a direct pecuniary interest in a matter before the commission shall disclose that interest before the commission taking action with respect to the matter, which disclosure shall become a part of the record of the commission's official proceedings.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2304 Powers of commission; duties of director; prohibition; exception.

Sec. 4. (1) The commission may do all of the following:

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, recommend rules to the department to implement and administer this act.

(b) Act for the purpose of establishing a uniform policy relating to all phases of mobile home businesses, mobile home parks, and seasonal mobile home parks.

(c) Determine the sufficiency of local mobile home ordinances which are designed to provide local governments with superintending control over mobile home businesses, mobile home parks, or seasonal mobile homes parks.

(d) Conduct public hearings relating to the powers prescribed in this subsection.

(2) The director or an authorized representative of the director shall do all of the following:

(a) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, promulgate rules to implement and administer this act.

(b) Conduct hearings relating to violations of this act or rules promulgated under this act.

- (c) Make investigations to determine compliance with this act and rules promulgated under this act.
- (d) Provide assistance to the commission as the commission requires.
- (e) On not less than a quarterly basis, the director or an authorized representative of the director shall report to the commission on the expenditure of all fees collected under this act and the relation of such expenditures to the enforcement and administration of this act.

(3) The commission shall not act for the purpose of regulating mobile homes that are not located within a mobile home park or a seasonal mobile home park, except as relates to the business, sales, and service practices of mobile home dealers and the business practices of mobile home installers and repairers.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2305 Mobile home code; promulgation; rules.

Sec. 5. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate the mobile home code subject to section 4. The code shall consist of rules governing all of the following:

(a) The licensure, density, layout, permits for construction, construction of mobile home parks including standards for roads, utilities, open space, or proposed recreational facilities, and safety measures sufficient to protect health, safety, and welfare of mobile home park residents, except water supply, sewage collection and treatment, and drainage facilities which are regulated by the department of environmental quality.

(b) The business, sales, and service practices of mobile home dealers.

(c) The business practices of mobile home installers and repairers.

(d) The licensure and regulations of mobile home installers and repairers.

(e) The setup and installation of mobile homes inside mobile home parks or seasonal mobile home parks.

(f) The regulation of the responsibilities, under the mobile home warranty, of the mobile home components manufacturer, the mobile home assembler or manufacturer, and the mobile home dealer, including the time period and relationships of each under the warranty, and the remedies available, if any, if the responsible parties cease to operate as a business.

(g) Abuses relating to all of the following:

(i) Consumer deposits, except utility deposits from consumers who are direct customers of utilities regulated by the Michigan public service commission.

(ii) Detailed listing of furnishings and fixtures by a manufacturer of a new mobile home or a mobile home dealer for a used mobile home.

(iii) Disclosure and delivery of manufacturer's warranties.

(iv) Used mobile homes. A mobile home dealer shall provide detailed listing of its service records for used mobile homes which are being sold by the dealer and of which the dealer has knowledge.

(h) Applications for and issuance of certificates of title for mobile homes.

(2) As part of the code, the department shall also promulgate rules governing the licensure, density, layout, permits for construction, and construction of seasonal mobile home parks, including standards for roads, utilities, open space, proposed recreational facilities, and safety measures sufficient to protect the health, safety, and welfare of seasonal mobile home park residents, except water supply, sewage collection and treatment, and drainage facilities, which shall be regulated by the department of environmental quality.

(3) The rules promulgated for seasonal mobile home parks may impose a less stringent standard than the rules promulgated for mobile home parks.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2306 Promulgation of rules by department of environmental quality; representatives of local government to act in advisory capacity; procedures for effective coordination.

Sec. 6. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department of environmental quality shall promulgate rules for mobile home parks and seasonal mobile home parks setting forth minimum standards regulating:

(a) Water supply system.

(b) Sewage collection and disposal system.

(c) Drainage.

(d) Garbage and rubbish storage and disposal.

(e) Insect and rodent control.

(f) General operation, maintenance, and safety.

(g) Certification of compliance under section 17.

(2) Representatives of local government shall act in an advisory capacity in the promulgation of the code.

(3) The commission shall consult with appropriate state and local governments in developing the procedures for effective coordination of efforts. The commission shall recommend procedures to the governor and the legislature for coordinating state agency decisions and activities pertaining to this act.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 325.3311 et seq. of the Michigan Administrative Code.

125.2307 Higher standard proposed by local government; filing; implementation; review; approval; adoption by ordinance; relation of ordinance to specific section of code; standard not subject to filing requirement; design of ordinance; standard for setup or installation of mobile homes; prohibited standards; aesthetic standards.

Sec. 7. (1) A local government which proposes a standard related to mobile home parks or seasonal mobile home parks, or related to mobile homes located within a mobile home park or a seasonal mobile home park that is higher than the standard provided in this act or the code; or a standard related to the business, sales, and service practices of mobile home dealers, or the business of mobile home installers and repairers, that is higher than the standard provided in this act or the code shall file the proposed standard with the commission. The commission may promulgate rules to establish the criteria and procedure for implementation of higher standards by a local government. The commission shall review and approve the proposed standard unless the standard is unreasonable, arbitrary, or not in the public interest. If the commission does not approve or disapprove the proposed standard within 60 days after it is filed with the commission, the standard shall be considered approved unless the local government grants the commission additional time to consider the standard. After the proposed standard is approved, the local government may adopt the standard by ordinance. The ordinance shall relate to a specific section of the code.

(2) A local government standard related to mobile homes not located within a mobile home park or seasonal mobile home park need not be filed with the mobile home commission, unless the standard relates to the business, sales, and service practices of mobile home dealers, or the business of mobile home installers and repairers.

(3) A local government ordinance shall not be designed as exclusionary to mobile homes generally whether the mobile homes are located inside or outside of mobile home parks or seasonal mobile home parks.

(4) A local government ordinance shall not contain a standard for the setup or installation of mobile homes that is incompatible with, or is more stringent than, either of the following:

(a) The manufacturer's recommended setup and installation specifications.

(b) The mobile home setup and installation standards promulgated by the federal department of housing and urban development pursuant to the national manufactured housing construction and safety standards act of 1974, 42 U.S.C. 5401 to 5426.

(5) In the absence of any setup or installation specifications or standards for foundations as set forth in subsection (4)(a) or (b), the local government standards for site-built housing shall apply.

(6) A local government ordinance shall not contain roof configuration standards or special use zoning requirements that apply only to, or excludes, mobile homes. A local government ordinance shall not contain a manufacturing or construction standard that is incompatible with, or is more stringent than, a standard promulgated by the federal department of housing and urban development pursuant to the national manufactured housing construction and safety standards act of 1974, 42 U.S.C. 5401 to 5426. A local government ordinance may include reasonable standards relating to mobile homes located outside of mobile home parks or seasonal mobile home parks which ensure that mobile homes compare aesthetically to site-built housing located or allowed in the same residential zone.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2308 Exemptions.

Sec. 8. This act shall not apply to property used for housing agricultural labor forces or campgrounds.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2309 Rules establishing fees and charges for licenses or permits; application of fees and charges; funding for commission; rules to adjust fees; mobile home code fund; creation; administration; disposition of fees and money; unexpended funds.

Sec. 9. (1) After consultation with and considering comments from representatives of the manufactured housing industry and other interested parties, the department shall promulgate rules to establish fees and charges for the issuance of licenses or permits under section 5.

(2) The fees and charges under this act shall be applied solely to the implementation of the act and shall

constitute the total funding for the commission except as provided in 1959 PA 243, MCL 125.1035 to 125.1043.

(3) A fee shall not be charged for an investigation conducted pursuant to section 36.

(4) A fee shall not be charged or collected by the commission in excess of that necessary to administer and enforce this act.

(5) The department may promulgate rules to adjust the fees established in subsection (1) and in sections 16, 21, 30a, and 30c such that revenues obtained under this act equal appropriations by the legislature for the purpose of administering this act. However, the adjusted fees shall not exceed the fees stated in sections 16, 21, 30a, and 30c.

(6) To accomplish the objectives of this act, a mobile home code fund is created. Fees established by the act for the issuance of licenses, plans approval, permits, certificates of title, and affidavits of affixture are intended to bear a reasonable relation to the cost, including overhead, of the service. The state treasurer is the custodian of the fund and may invest the surplus of the fund in investments that in the state treasurer's judgment are in the best interest of the fund. Earnings from those investments shall be credited to the fund. The state treasurer shall report to the director and the legislature the amount of interest credited and the balance of the fund as of September 30 of each year. The director shall supervise and administer the fund. Fees received by the department and money collected under the act shall be deposited in the fund and shall be appropriated by the legislature for the operation of the bureau of construction codes and fire safety and indirect overhead expenses in the department. Funds that are unexpended at the end of each fiscal year shall be returned to the mobile home code fund.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2310 Reproducing documents requested as public record.

Sec. 10. Upon request and at reasonable charges as the commission prescribes, the department shall furnish to a person a reproduction pursuant to the records media act, certified under the seal of office if requested, of a document that is retained as a matter of public record, except that the department shall not charge or collect a fee for a reproduction of a document furnished to a public official for use in his or her official capacity.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 1992, Act 203, Imd. Eff. Oct. 5, 1992.

125.2311 Preliminary plan for development of mobile home park or seasonal mobile home park; submission; contents; review; preliminary approval.

Sec. 11. (1) A person who desires to develop a mobile home park or a seasonal mobile home park shall submit a preliminary plan to the appropriate municipality, local health department, county road commission, and county drain commissioner for preliminary approval. The preliminary plan shall include the location, layout, general design, and a general description of the project. The preliminary plan shall not include detailed construction plans.

(2) The municipality may grant preliminary approval if the proposed mobile home park or seasonal mobile home park conforms to applicable laws and local ordinances not in conflict with this act and laws and ordinances relative to:

- (a) Land use and zoning.
- (b) Municipal water supply, sewage service, and drainage.
- (c) Compliance with local fire ordinances and state fire laws.

(3) The county drain commissioner shall review and may approve outlet drainage. The county road commission shall review and may approve ingress and egress roads. The county road commission and the county drain commissioner shall adopt and publish standards to implement this subsection. The county road commission and the county drain commissioner shall not have authority as to interior streets and drainage in the mobile home park or seasonal mobile home park, unless the streets or drains are dedicated to the public.

(4) The local health department shall grant preliminary approval, under the guidance of the department of public health, for on-site water and sewage service and general site suitability.

(5) If a reviewing agency as provided in this section has not returned the preliminary plan to the developer, either approved, modified, or disapproved within 60 days after it receives the preliminary plan, the preliminary plan shall be considered approved.

(6) Coordination of approvals by state and local governments shall be provided by the director of public health before it may grant construction approval.

(7) The developer shall submit the preliminary approval with the final plans to the department of public health for review before the department of commerce may issue a construction permit.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

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125.2312 Submission of legal documents and final plans draft; application fee; review; approval; issuance of construction permit.

Sec. 12. (1) When all preliminary approvals are made, the developer shall submit the legal documents and the final plans draft to the department.

(2) The nonrefundable fee for an application for plans approval and a permit for new mobile home park construction or for the expansion of an existing licensed mobile home park is \$185.00 plus an additional \$4.00 for each home site over 25 home sites, to a maximum of \$1,000.00. The nonrefundable fee for an application for an extension of a permit to construct is \$185.00.

(3) The nonrefundable fee for the construction of a new home condominium or the expansion of an existing home condominium is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites that is to be constructed.

(4) The nonrefundable fee for an existing licensed mobile home park that converts to a home condominium with an increase in the number of home sites is \$505.00, plus an additional \$4.00 for each home condominium home site over 25 home sites, to a maximum of \$1,480.00.

(5) The nonrefundable fee for an application for a permit to construct for an alteration to an existing mobile home park is \$50.00.

(6) The department shall review the filing and within 90 days after filing issue its approval or disapproval. Upon the approval of all the reviewing agencies, the department shall issue a permit to construct the mobile home park or seasonal mobile home park.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

125.2313 Construction permit required.

Sec. 13. (1) A person shall not construct a mobile home park or seasonal mobile home park without obtaining a permit issued by the department.

(2) Construction may begin upon the granting of a permit to construct by the department.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2314 Affidavit.

Sec. 14. Upon completion of the construction of the mobile home park or seasonal mobile home park, the owner or operator of the park and a registered professional engineer or architect shall file with the department an affidavit certifying that the mobile home park or seasonal mobile home park, lot, and work were completed in accordance with the approved specifications and plans.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2316 License to operate mobile home park or seasonal mobile home park required; grant and renewal; fees; licensure of campground as seasonal mobile home park.

Sec. 16. (1) A person shall not operate a mobile home park or seasonal mobile home park without a license.

(2) Upon completion, review, and approval of certifications, the department shall grant a license to operate a mobile home park or seasonal mobile home park.

(3) A 3-year license shall be granted and renewed by the department based upon the certifications and recommendations of the appropriate agencies and local governments. The fee for the 3-year license to operate a mobile home park is \$225.00, plus an additional \$3.00 for each home site in excess of 25 home sites in the mobile home park, or any lesser amount established pursuant to section 9(5). The fee for a 3-year license to operate a seasonal mobile home park is \$120.00, plus an additional \$1.50 for each home site in excess of 25 home sites in the seasonal mobile home park, or any lesser amount established pursuant to section 9(5).

(4) If a person submits a timely application for renewal of a license and pays the appropriate fee, the person may continue to operate a mobile home park or seasonal mobile home park unless notified that the application for renewal is not approved.

(5) A campground which is currently licensed under sections 12501 to 12516 of the public health code, 1978 PA 368, MCL 333.12501 to 333.12516, was previously licensed under the licensing provisions of 1959 PA 243, MCL 125.1035 to 125.1043 as a seasonal trailer park and which currently meets the seasonal trailer park construction standards under 1959 PA 243, MCL 125.1035 to 125.1043, may apply for and shall be licensed as a seasonal mobile home park under this act if the campground meets all other requirements for licensure under this act as a seasonal mobile home park.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

125.2316a Occupancy of mobile home in seasonal mobile home park.

Sec. 16a. Mobile homes located in a seasonal mobile home park may be occupied on a full-time basis from April 1 to October 31, but shall not be occupied for more than 15 consecutive days in any 30-day period from November 1 to March 31.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2317 Inspection of mobile home parks and seasonal mobile home parks; issuance of license.

Sec. 17. (1) The department of environmental quality or its authorized representative shall conduct a physical inspection of mobile home parks and seasonal mobile home parks in accordance with standards established by the department of environmental quality. If the mobile home park or seasonal mobile home park is approved, the department shall issue a license pursuant to section 16.

(2) Except for purposes of issuing a license or renewing a license pursuant to this act, a local government may not make an inspection unless it has reason to believe that this act, the code, or rules promulgated pursuant to this act were violated.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2318 Variances.

Sec. 18. (1) A variance in the design and construction of a mobile home park or seasonal mobile home park may be granted upon notice of the request to the local government and the department of public health at the time of filing with the department of commerce. If the local government grants a variance which would permit activities violative of the minimum standards of the code, the local government shall file with the department a copy of the variance order and an explanation of the reason for the granting of the order. The department may approve or disapprove the variance or revoke the variance upon notice and hearing.

(2) After a public hearing the department may grant a specific variance to a substantive requirement of the code if the literal application of the substantive requirement would result in an exceptional, practical difficulty to the applicant, and if the specific condition justifying the variance is neither so general nor recurrent in nature as to make an amendment of the code with respect to the condition reasonably practical or desirable.

(3) The department may attach in writing a condition in connection with the granting of a variance that in its judgment is necessary to protect the health, safety, and welfare of the people of this state. The variance shall not exceed the minimum necessary to alleviate the exceptional, practical difficulty.

(4) A variance to a local ordinance, zoning requirement, or local rule may be granted only by a local government.

(5) A variance to a rule promulgated under this act may be granted only by the commission.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2321 Licensing mobile home dealers, installers, or repairers; initial or renewal license; application; consent to service of process; duration and expiration of license; license fee; license of successor; continuation of sales.

Sec. 21. (1) A mobile home dealer shall not engage in the retail sale of a mobile home without a license.

(2) A mobile home dealer, mobile home installer, or repairer may obtain an initial or renewal license by filing with the commission an application together with consent to service of process in a form prescribed by the commission pursuant to section 35.

(3) An initial or renewal license under this act shall be issued for 3 years. Licenses shall expire on October 1.

(4) The license fee for a mobile home dealer is \$450.00 or any other lesser amount established pursuant to section 9(5).

(5) The license fee for a mobile home installer or repairer is \$150.00 or any other lesser amount established pursuant to section 9(5).

(6) A licensed mobile home dealer, mobile home installer, or repairer may file an application for the license of a successor, whether or not the successor is then in existence, for the unexpired portion of the year. The commission may grant or deny the application.

(7) A licensee who submits a timely application for renewal of a license and pays the appropriate fee may continue sales of mobile homes unless notified that the application for renewal is not approved.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2322 Mobile home dealer; surety bond; deposit; rules.

Sec. 22. The commission may promulgate rules to require a licensed mobile home dealer to post a surety bond in an amount up to \$10,000.00 for each sales location and may determine conditions of the bond. An appropriate deposit of cash or securities shall be accepted in lieu of a bond which is required.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2323 Mobile home dealer; accounts and other records.

Sec. 23. A licensed mobile home dealer shall make and keep accounts, and other records as the commission prescribes by rule. The records required shall be preserved for 3 years unless the commission otherwise prescribes by rule for particular types of records. If the information contained in a record filed with the commission is or becomes inaccurate or incomplete in any material respect, the licensee promptly shall file a correcting amendment.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2324 Mobile home dealer; prohibited conduct.

Sec. 24. A mobile home dealer shall not:

- (a) Advertise or represent a mobile home as other than calendar or model year.
- (b) Misapply consumer deposits on a mobile home or a mobile home park.
- (c) Fail to place deposits, down payments, or similar payments for the purchase or right to purchase a mobile home in a separate escrow account subject to return upon cancellation of the purchase order by the prospective purchaser under the rules or orders as the commission promulgates or issues unless the dealer shall post a bond or a deposit of cash or securities for protection of these payments in an amount acceptable to the commission.
- (d) Fail to disclose to the department any direct or indirect business relationships with financial and loan institutions, banks, and insurance companies.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2325 Installation and setup of mobile home; rules; licensing requirements.

Sec. 25. (1) The commission shall promulgate rules relating to the responsibility of the mobile home dealer, mobile home installer, and the mobile home park or seasonal mobile home park owner for installation and setup of a mobile home.

(2) A person licensed under any of the following acts shall not be required to be licensed as a mobile home installer and repairer in order to perform work on mobile homes for which the person is licensed, unless the work performed also includes the setup, installation, or general repair of mobile homes:

(a) The electrical administrative act, Act No. 217 of the Public Acts of 1956, being sections 338.881 to 338.892 of the Michigan Compiled Laws.

(b) Act No. 266 of the Public Acts of 1929, being sections 338.901 to 338.917 of the Michigan Compiled Laws.

(c) The Forbes mechanical contractors act, Act No. 192 of the Public Acts of 1984, being sections 338.971 to 338.988 of the Michigan Compiled Laws.

(3) The electrical administrative act, Act No. 217 of the Public Acts of 1956, being sections 338.881 to 338.892 of the Michigan Compiled Laws, Act No. 266 of the Public Acts of 1929, being sections 338.901 to 338.917 of the Michigan Compiled Laws, and the Forbes mechanical contractors act, Act No. 192 of the Public Acts of 1984, being sections 338.971 to 338.988 of the Michigan Compiled Laws, shall not apply to the setup or installation of a mobile home and the following connections or replacement or repair of the following connections, by a licensed mobile home installer and repairer:

(a) Factory-installed electrical wiring, devices, appliances, or appurtenances to available electrical meters or pedestals.

(b) Factory-installed piping, fixtures, plumbing appliances, and plumbing appurtenances to sanitary drainage or storm drainage facilities, venting systems, or public or private water supply systems.

(c) Factory-installed process piping, heating and cooling equipment, and systems or supply lines to available service meters or mains.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2327 Mobile home, mobile home site, or equipment; fraudulent practices.

Sec. 27. (1) A person shall not, in connection with the offer, sale, purchase, or rental of a mobile home, mobile home site, or equipment, relating thereto:

(a) Employ a devise, scheme, or artifice to defraud.

(b) Make an untrue statement of material fact or omit to state a material fact necessary to make the statement not misleading, in the light of the circumstances under which it is made.

(2) A person shall not willfully authorize, direct, or aid in publication, advertisement, distribution, or circulation of a statement or representation concerning a mobile home, mobile home site, or equipment relating thereto, which misrepresents the facts concerning the mobile home, mobile home site, or equipment relating thereto.

(3) A person with knowledge that an advertisement, pamphlet, prospectus, or letter concerning a mobile home, mobile home site, or equipment relating thereto contains a written statement that is false or fraudulent, shall not issue, circulate, publish, or distribute the advertisement, pamphlet, prospectus, or letter concerning a mobile home, mobile home site, or equipment relating thereto.

(4) A person shall not willfully make any material misrepresentation in the sale of a mobile home, mobile home site, or equipment relating thereto.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2328 Owner or operator of mobile home park or seasonal mobile home park; unfair or deceptive practices; action by tenant; violation of water utility tariffs; qualification of owner for regulation as water utility; report.

Sec. 28. (1) An owner or operator of a mobile home park or seasonal mobile home park shall not engage, or permit an employee or agent to engage, in any of the following unfair or deceptive methods, acts, or practices:

(a) Directly or indirectly charging or collecting from a person an entrance fee.

(b) Requiring a person to directly or indirectly purchase a mobile home from another person as a condition of entrance to, or lease or rental of, a mobile home park or seasonal mobile home park space.

(c) Directly or indirectly charging or collecting from a person a refundable or nonrefundable exit fee.

(d) Requiring or coercing a person to purchase, rent, or lease goods or services from another person as a condition of any of the following:

(i) Entering into a park or lease.

(ii) Selling a mobile home through the park owner or operator, or his or her agent or designee upon leaving a mobile home park or seasonal mobile home park.

(iii) Renting space in a mobile home park or seasonal mobile home park.

(e) Directly or indirectly charging or collecting from a person money or other thing of value for electric, fuel, or water service without the use of that service by a resident or tenant being first accurately and consistently measured, unless that service is included in the rental charge as an incident of tenancy.

(f) Conspiring, combining, agreeing, aiding, or abetting in the employment of a method, act, or practice that violates this act.

(g) Renting or leasing a mobile home or site in a mobile home park or seasonal mobile home park without offering a written lease.

(h) Subject to section 28a, prohibiting a resident from selling his or her mobile home on-site for a price determined by that resident, if the purchaser qualifies for tenancy and the mobile home meets the conditions of written park rules or regulations. This subdivision does not apply to seasonal mobile home parks.

(i) Subject to reasonable mobile home park or seasonal mobile home park rules governing the location, size, and style of exterior television antenna, prohibiting a person from installing or maintaining an exterior television antenna on a mobile home within the park unless the mobile home park or seasonal mobile home park provides park residents, without charge, a central television antenna for UHF-VHF reception.

(2) A tenant of a mobile home park or seasonal mobile home park may bring an action on his or her own behalf for a violation of this section.

(3) If the commission has reason to suspect that the owner of a mobile home park or seasonal mobile home park is engaged in conduct that violates existing water utility tariffs or qualifies the owner of a mobile home park or seasonal mobile home park for regulation as a water utility, the commission shall promptly send a written report of the alleged violation to the Michigan public service commission.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 1988, Act 337, Eff. May 1, 1989;—Am. 1993, Act 241, Imd. Eff. Nov. 15, 1993

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125.2328a Rules or regulations governing physical condition and aesthetic characteristics of mobile homes; applicability of subsection (1)(f); expense of moving mobile home to comparable site; termination of tenancy for just cause; appraisal and sale of mobile home; burden of showing compliance with subsection (1).

Sec. 28a. (1) Mobile home park rules or regulations may include provisions governing the physical condition of mobile homes and the aesthetic characteristics of mobile homes in relation to the mobile home park in which they are located, subject to all of the following:

(a) The age or size of a mobile home shall not be used as the sole basis for refusing to allow an on-site, in-park sale or for refusing to allow the mobile home to remain on-site. The burden of going forward in a suit against the mobile home park owner or operator for violation of this subdivision is on the resident.

(b) The standards incorporated in the written park rules or regulations governing the physical condition and aesthetic characteristics of mobile homes in the mobile home park shall apply equally to all residents.

(c) A mobile home sold on-site shall conform with Act No. 133 of the Public Acts of 1974, being sections 125.771 to 125.774 of the Michigan Compiled Laws.

(d) Any charge connected to the on-site, in-park sale of a mobile home, other than the inspection fee permitted under subdivision (e) and the commission or fee charged by a mobile home dealer licensed under this act who is engaged by the seller to transact the sale, is an entrance or exit fee in violation of section 28.

(e) A park owner or operator may charge a reasonable fee to inspect the mobile home before sale. The charge shall not be more than \$30.00, or the amount charged for building permit inspections by the municipality in which the mobile home is located, whichever is higher.

(f) The standards governing the physical condition of mobile homes and the aesthetic characteristics of mobile homes in the mobile home park, as incorporated in the written park rules, shall not be designed to defeat the intent of this section.

(2) Subsection (1)(f) shall not apply if the mobile home park is changing its method of doing business and provides not less than 1 year's notice, unless a different notice period is otherwise provided by law, of the proposed change to all affected mobile home park residents. A change in a mobile home park's method of doing business includes, but is not limited to, any of the following:

(a) Conversion to a mobile home park condominium pursuant to the condominium act, Act No. 59 of the Public Acts of 1978, being sections 559.101 to 559.275 of the Michigan Compiled Laws.

(b) Conversion to total rental of both mobile home site and park-owned mobile homes.

(c) Changes in use of the land on which the mobile home park is located.

(3) Notwithstanding subsection (1) or (2), a mobile home park may require a mobile home to be moved to a comparable site within the mobile home park, at the expense of the mobile home park.

(4) If, after termination of a resident's tenancy for just cause as provided in chapter 57a of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being sections 600.5771 to 600.5785 of the Michigan Compiled Laws, the resident of a mobile home park sells his or her mobile home to the owner or operator of the mobile home park, or to any entity in which the owner or operator has any interest, the resident shall have the right to have the mobile home's value appraised and, if so appraised, the sale price of the mobile home shall not be less than the appraised value.

(5) Except as provided in subsection (1)(a), a mobile home park owner or operator, or both, has the burden of going forward to show compliance with subsection (1).

History: Add. 1988, Act 337, Eff. May 1, 1989.

125.2328b Children and pets; enforcement of rules.

Sec. 28b. A mobile home park rule that does either of the following shall not be enforced against a resident, unless the rule was proposed and in force before the resident was approved for tenancy in the mobile home park:

(a) Prohibits those children who were previously approved under prior park rules from residing in the mobile home park. A rule prohibiting children, or additional children, shall not be enforced against persons who were residents of the mobile home park at the time the rule was adopted until after 1 year's notice to those persons.

(b) Prohibits a resident from keeping those pets which were previously approved under prior park rules, except dangerous animals.

History: Add. 1988, Act 337, Eff. May 1, 1989.

125.2328c Action to terminate tenancy; liquidated damages.

Sec. 28c. (1) A lease or rental agreement or rules or regulations that are adopted pursuant to a lease or rental agreement may include a provision that requires liquidated damages to be awarded to the prevailing party in a contested action to terminate a tenancy in a mobile home park for just cause under section 5775 of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being section 600.5775 of the Michigan Compiled Laws.

(2) A provision allowed under subsection (1) may require liquidated damages of not more than \$500.00 for an action in the district court and not more than \$300.00 for each appellate level. Liquidated damages shall not be construed to be a penalty.

History: Add. 1988, Act 337, Eff. May 1, 1989.

125.2329 Shutoff of utility service for nonpayment; notice.

Sec. 29. A utility company shall notify the department 10 days before shutoff of service for nonpayment, including sewer, water, gas, or electric service, when the service is being supplied to the licensed owner or operator of a mobile home park or seasonal mobile home park for the use and benefit of the park's tenants.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330 Mobile home subject to certificate of title provisions.

Sec. 30. (1) After December 31, 1978, every mobile home located in this state shall be subject to the certificate of title provisions of this act, except for any new mobile home owned by a manufacturer or licensed mobile home dealer and held for sale.

(2) After December 31, 1978, a certificate of title for a mobile home issued by the secretary of state before January 1, 1979, pursuant to Act No. 300 of the Public Acts of 1949, being sections 257.1 to 257.923 of the Michigan Compiled Laws, shall be considered to be a certificate of title issued by the department under this act and shall be subject to all of the provisions of this act respecting certificates of title.

(3) After December 31, 1978, a mobile home shall not be sold or transferred except by transfer of the certificate of title for the mobile home pursuant to this act.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330a Certificate of title; application; form; fee; signature; acknowledgment; contents; bond; examination of application; determination; investigation; additional information; rejection of application; duplicate, replacement, or corrected title; placing or terminating lien on title; placing name on title; fee.

Sec. 30a. (1) An owner of a mobile home which is subject to the certificate of title provisions of this act shall make application to the department for the issuance of a certificate of title for the mobile home upon the appropriate form furnished by the department, accompanied by a fee of \$90.00 or any lesser amount established pursuant to section 9(5). The application shall bear the signature of the owner written in ink, shall be acknowledged by the owner before a person authorized to take acknowledgments, and shall contain:

(a) The name and address of the owner.

(b) A description of the mobile home, including the name of the manufacturer, the year and model, and the manufacturer's serial number or, in the absence of a serial number, a number assigned by the department. A number assigned by the department shall be permanently placed on the mobile home in the manner and place designated by the department.

(c) A statement of the names and addresses of the holders of any security interests in the mobile home, in the order of their priority.

(d) Further information as may reasonably be required by the department to enable it to determine whether the owner of the mobile home is entitled to a certificate of title for the mobile home.

(2) If the department is not satisfied as to the ownership of the mobile home, before issuing a certificate of title for it, the department may require the applicant to file a properly executed surety bond in a form prescribed by the department, executed by the applicant and a company authorized to conduct a surety business in this state. The bond shall be in an amount equal to twice the value of the mobile home as determined by the department and shall be conditioned to indemnify or reimburse the department, any prior owner, any holder of a security interest in the mobile home, and any subsequent purchaser of the mobile home, and their successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of a certificate of title to the mobile home or on account of any defect in the right, title, or interest of the applicant in and to the mobile home. Each interested person has a right of action to recover on the bond for a breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of 5 years, or before 5 years if the currently valid certificate of title is surrendered to the department, unless the department has received

notification of the pendency of an action to recover on the bond.

(3) The department shall examine and determine the genuineness, regularity, and legality of an application for a certificate of title for a mobile home and of any other application lawfully made to the department, and may in all cases make investigation or require additional information as may be considered necessary, and shall reject any application if not satisfied of the genuineness, regularity, or legality of it or the truth of any statement contained in it, or for any other reason, when authorized by law.

(4) The fee for obtaining a duplicate, replacement, or corrected title, for placing or terminating a lien on the title, or for placing a name on the title is \$15.00 or any other lesser amount established pursuant to section 9(5).

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

125.2330b Certificate of title; issuance; contents; mailing or delivering to owner or other person.

Sec. 30b. (1) The department upon receipt of the required application and fees shall issue a certificate of title except as otherwise provided.

(2) The certificate of title shall contain upon its face the date issued, the name and address of the owner, a description of the mobile home as determined by the department, a statement of all security interests in the mobile home as set forth in the application, the date on which the application was filed, and other information as the department may require.

(3) The certificate of title shall contain forms for assignment of title or interest and warranty of title by the owner with space for notation of security interests in the mobile home at the time of a transfer to be signed in ink, and other forms as the department may consider necessary to facilitate the effective administration of this section. The certificate shall bear the seal of the department.

(4) The certificate of title shall be mailed or delivered to the owner or other person as the owner may direct in a separate instrument, in the form as the department shall prescribe.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 142, Imd. Eff. May 22, 2006.

125.2330c Transfer or assignment of title or interest; indorsement; mailing or delivering certificate; effective date of transfer; issuance of new certificate; fee; reservation or creation of security interest; mobile home dealer as transferee; transfer of dealer's title or interest.

Sec. 30c. (1) If the owner of a mobile home transfers or assigns the owner's title or interest to the mobile home, the owner shall indorse an assignment of the mobile home with warranty of title with a statement of all security interests in the mobile home, and shall cause the certificate to be mailed or delivered to the department or to the purchaser or transferee at the time of the delivery to the purchaser or transferee of the mobile home.

(2) Upon the delivery of a mobile home and the transfer, sale, or assignment of the title or interest in a mobile home, the effective date of the transfer of title or interest shall be the date of execution of either the application for title or the certificate of title.

(3) The purchaser or transferee, unless the purchaser or transferee is a licensed dealer, shall cause to be presented to the department the certificate of title accompanied by the applicable fee, as follows:

(a) Except as provided in subdivision (b) or (c), \$90.00.

(b) Except as provided in subdivision (c), \$15.00, if the sale, assignment, or other transfer will require the addition or deletion from the certificate of title of any of the following:

(i) The owner's spouse.

(ii) A person related to the owner within the fourth degree of consanguinity as computed by the civil law method.

(iii) A person related to the owner's spouse within the fourth degree of consanguinity as computed by the civil law method.

(c) Any other lesser amount established pursuant to section 9(5).

(4) Upon presentation of the certificate of title accompanied by the applicable fee, a new certificate of title shall be issued. A certificate of title issued under subsection (3) and this subsection shall be mailed or delivered to the owner or any other person the owner may direct in a separate instrument in a form as prescribed by the department.

(5) If a security interest is reserved or created at the time of the transfer, the parties shall comply with section 30d.

(6) If the transferee of a mobile home is a mobile home dealer who holds the mobile home for resale, the dealer shall not be required to forward the certificate of title to the department, but the dealer shall retain

possession of the assigned certificate of title. Upon transfer of the dealer's title or interest to another person, the dealer shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver it to the person to whom the transfer is made if the person is a licensed dealer; otherwise application for a new title shall be made by the transferor as provided in section 30a(1).

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2006, Act 142, Imd. Eff. May 22, 2006;—Am. 2006, Act 328, Imd. Eff. Aug. 10, 2006.

125.2330d Creation of security interest in mobile home; assignment of security interest; assignee named as holder of security interest; perfection of security interest; termination statement; issuance of new certificate.

Sec. 30d. (1) All of the following apply if an owner named in a certificate of title creates a security interest in the mobile home described in the certificate:

(a) The owner shall immediately execute an application in the form prescribed by the department showing the name and address of the holder of the security interest and deliver the certificate of title, the application, and a copy of the application which need not be signed, to the holder of the security interest.

(b) The holder of the security interest shall cause the certificate of title, the application, the required fee, and the copy of the application to be mailed or delivered to the department.

(c) The department shall indicate on the copy of the application the date and place of filing of the application and return the copy to the person presenting it.

(d) Upon receipt of the certificate of title, application, and the required fee, the department shall issue a new certificate in the form provided in section 30b, setting forth the name and address of each holder of a security interest in the mobile home for which a termination statement has not been filed and the date on which the application first stating the security interest was filed, and mail the certificate to the owner.

(2) A holder of a security interest may assign, absolutely or otherwise, the security interest to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but a person without notice of the assignment is protected in dealing with the holder of the security interest as the holder of the security interest. The assignee may have its interest as the holder of the security interest shown on the certificate of title by providing the department with a copy of the assignment instrument but the failure of the assignee to do so does not affect the validity of the security interest or the assignment of the security interest.

(3) Receipt by the department of a properly tendered application for a certificate of title on which a security interest in a mobile home is to be indicated, whether the application is tendered under this act, is a condition of perfection of a security interest in the mobile home and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, with respect to the mobile home. When a security interest in a mobile home is perfected, it has priority over the rights of a lien creditor, as defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

(4) If there is not an outstanding obligation or commitment to make advances, incur obligations, or otherwise give value, secured or to be secured by a security interest in a mobile home, the secured party shall, within 30 days after satisfaction of the obligation, execute a termination statement in the form prescribed by the department and mail or deliver the termination statement to the owner or other person as the owner may direct. An owner who is not a dealer holding the mobile home for resale shall promptly cause the certificate, all termination statements, and an application for certificate of title to be mailed or delivered to the department. The department shall issue a new certificate.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 2005, Act 38, Imd. Eff. June 7, 2005.

125.2330e Termination of owner's interest by enforcement of security agreement; duty of transferee; duty of holder of security interest; mailing or delivering certificate; application for new certificate; affidavit; issuance of new certificate; demand for outstanding certificate.

Sec. 30e. (1) If the interest of the owner in a mobile home is terminated by the enforcement of a security agreement, the transferee of the owner's interest shall promptly mail or deliver to the department the last certificate of title, if the transferee has possession of it, an application for a new certificate in the form prescribed by the department, and an affidavit made by or on behalf of the holder of the security interest so enforced that the mobile home was repossessed, that the interest of the owner was lawfully terminated by enforcement of the security agreement, and whether the holder has delivered the last certificate of title to the transferee of the owner's interest, naming the transferee, or if not, the reason delivery was not made and the then location of the certificate of title so far as known to the holder. If the holder of the security interest succeeds to the interest of the owner and holds the mobile home for resale, the holder shall not be required to

secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the department the certificate, if in the holder's possession, the affidavit, and other documents required to be sent to the department by the transferee.

(2) If the interest of the owner in a mobile home is terminated by sale pursuant to a levy of execution, attachment, or other process of a court, the transferee of the owner's interest shall promptly mail or deliver to the department the last certificate of title, if the transferee has possession of it, an application for a new certificate of title in the form prescribed by the department and an affidavit, upon a form prescribed by the department, made by the officer of the court who conducted the sale, setting forth the date of the sale, and the name of the purchaser and whether the officer has delivered the certificate of title to the purchaser and if not, the reason delivery was not made and the then location of the certificate of title so far as known to the officer.

(3) A person holding a certificate of title where the interest of the owner named in the certificate has been terminated in the manner provided by subsection (1) or (2) shall mail or deliver the certificate to the department upon its request. The delivery of the certificate pursuant to the request of the department does not affect the rights of the person surrendering the certificate, and the action of the department in issuing a new certificate of title is not conclusive upon any rights of an owner or holder of a security interest named in the old certificate.

(4) The department, upon receipt of an application for a new certificate of title by a transferee in the manner provided by subsection (1) or (2), with proof of the transfer, the required fee, and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner, setting forth all security interests noted on the last certificate of title as having priority over the security agreement so enforced and shall mail or deliver the new certificate to the owner. If the outstanding certificate of title is not delivered, the department shall make demand for the outstanding certificate of title from the holder.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330f Filing surrendered certificate of title; maintaining file for period of 10 years.

Sec. 30f. The department shall retain and appropriately file every surrendered certificate of title. The file shall be maintained so as to permit the tracing of title of the mobile home designated in a surrendered certificate for a period of 10 years.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330g Cancellation of or refusal to issue certificate of title; grounds; notice; hearing.

Sec. 30g. (1) The department may cancel or refuse to issue a certificate of title:

- (a) If the department is satisfied that the certificate of title was fraudulently or erroneously issued.
- (b) If the department determines that the holder of the certificate has made or is making an unlawful use of the certificate.
- (c) If the department determines that the required fee has not been paid and the fee is not paid upon reasonable notice or demand.
- (d) If the department is authorized under any other provision of this act.
- (e) Upon receipt of notification from another state or foreign country that a certificate of title issued by the department has been surrendered by the owner in conformity with the laws of the other state or foreign country.
- (f) If it is shown by satisfactory evidence that delivery of a mobile home in the possession of a dealer was not made to the applicant to whom the certificate was issued.

(2) Before a cancellation under subsection (1)(a), (b), or (d) is made, the person affected shall be given notice and an opportunity to be heard.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330h Rules.

Sec. 30h. The commission in consultation with the secretary of state shall promulgate rules, which shall further define and distinguish between the term mobile home as used in this act and the term trailer coach as used in the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being sections 257.1 to 257.923 of the Michigan Compiled Laws.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2330i Affixation of mobile home to real property; ownership interest.

Sec. 30i. (1) 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 department:

- (a) An affidavit of affixture on a form provided by the department that contains all of the following:

- (i) The name and address of the owner.
 - (ii) A description of the mobile home that includes the name of the manufacturer of the mobile home, the year of manufacture, the model, the manufacturer's serial number and, if applicable, the number assigned by the department.
 - (iii) A statement that the mobile home is affixed to the real property.
 - (iv) The legal description of the real property to which the mobile home is affixed.
 - (v) The name of each holder of a security interest in the mobile home, together with the written consent of each holder to the termination of the security interest and the cancellation of the certificate of title under subsection (2), if applicable.
- (b) The certificate of title for the mobile home, the manufacturer's certificate of origin if a certificate of title has not been issued by the department, or sufficient proof of ownership as provided in section 30a or 30e.
- (c) A fee in an amount prescribed in section 30a for a certificate of title.
- (2) When the department receives an affidavit and certificate of title under subsection (1), the department shall cancel the certificate of title for the mobile home. The department shall not issue a certificate of title for a mobile home described in subsection (1) except as provided in subsection (8).
- (3) The owner of the mobile home shall deliver a duplicate original of the executed affidavit under subsection (1) to the register of deeds for the county in which the real property is located. The register of deeds shall record the affidavit.
- (4) The department shall maintain the affidavit under subsection (1) for a period of 10 years from the date of filing.
- (5) When the department receives an affidavit under subsection (1), the mobile home is considered to be part of the real property, sections 30 to 30h do not apply to that mobile home, any security interest in the mobile home is terminated, a lienholder shall perfect and enforce a new security interest or lien on the mobile home only in the manner provided by law for perfecting and enforcing a lien on real property, and the owner may convey the mobile home only as part of the real property to which it is affixed.
- (6) If a mobile home is affixed to real property before July 14, 2003, a person who is the holder of a lien or security interest in both the mobile home and the real property to which it is affixed on July 14, 2003 may enforce its liens or security interests by accepting a deed in lieu of foreclosure or in the manner provided by law for enforcing liens on the real property. The lien or security interest on a mobile home described in this subsection is perfected against the mobile home if the holder of the lien or security interest in both the mobile home and the real property to which it is affixed on July 14, 2003 has perfected a lien on the real property as provided under law for perfecting a lien on real property. The date of perfection of the lien or security interest of the mobile home is the date of perfection of the lien on the real property to which the mobile home is affixed on July 14, 2003.
- (7) If the holder of a lien or security interest becomes the owner of a mobile home affixed to real property through the process of real property foreclosure or through a deed in lieu of foreclosure under subsection (6), the holder shall submit an affidavit described in subsection (1) to the department after the redemption period for the foreclosure expires or the deed in lieu of foreclosure is recorded and the department shall cancel the certificate of title for the mobile home.
- (8) If an owner of both the mobile home and the real property described in subsection (1) intends to detach the mobile home from the real property, the owner shall do both of the following:
- (a) Before detaching the mobile home, record an affidavit of detachment in the office of the register of deeds in the county in which the affidavit is recorded under subsection (3).
 - (b) Apply for a certificate of title for the mobile home on a form prescribed by the department. The application shall include a duplicate original executed affidavit of detachment and proof that there are no security interests or liens on the mobile home or the written consent of each lienholder of record to the detachment and a fee in the amount prescribed in section 30a for a certificate of title.
- (9) An owner of an affixed mobile home shall not detach it from the real property before a certificate of title for the mobile home is issued by the department. If a certificate of title is issued by the department, the mobile home is no longer considered part of the real property and sections 30 to 30h apply.
- (10) This section applies to all transactions, liens, and mortgages within its scope even if the transaction, lien, or mortgage was entered into or created before July 14, 2003.
- (11) As used in this section:
- (a) A mobile home is "affixed" to real property if it meets all of the following:
 - (i) The wheels, towing hitches, and running gear are removed.
 - (ii) It is attached to a foundation or other support system.
 - (b) "Ownership interest" means the fee simple interest in real property or an interest as the lessee under a ground lease for the real property that has a term that continues for at least 20 years after the recording of the

affidavit under subsection (3).

History: Add. 2003, Act 44, Imd. Eff. July 14, 2003;—Am. 2005, Act 162, Imd. Eff. Oct. 4, 2005.

Compiler's note: Enacting section 1 of Act 44 of 2003 provides:

"Enacting section 1. It is the intent of this legislature that a security interest or lien on a mobile home affixed to real property may be perfected in the manner provided under law for perfecting a lien on real property, and not exclusively by a notation of the security interest or lien on the certificate of title."

125.2331 Action to rescind transaction and recover damages.

Sec. 31. A person who offers, sells, or purchases a mobile home or equipment or a mobile home site in violation of this act or the code may have an action brought against him or her to rescind the transaction and recover damages.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2332 Certain conditions, stipulations, or provisions voided.

Sec. 32. A condition, stipulation, or provision binding a person to waive compliance with this act or a rule promulgated or order issued under this act is void.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2333 Statute of limitations; rejection of valid rescission as bar to action.

Sec. 33. A person may not bring an action under this act more than 3 years after the contract of sale, except that a person suing because of a violation of section 27 may not bring an action more than 6 years after the date of sale. A person may not bring an action if he or she previously rejected a valid rescission offer made at least 30 days after the transaction, except that a person suing under section 24 shall bring an action for rescission within 1 year.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2335 Service of process.

Sec. 35. (1) A person who applies for a license or permit under this act which is for other than a domestic corporation shall file with the commission, in a form the commission prescribes, an irrevocable consent appointing the commission to be its attorney to receive service of lawful process in any noncriminal action or proceeding against it or its successor, executor, or administrator, which arises under this act or a rule promulgated or order issued under this act after the consent is filed, with the same force and validity as if served personally on the person filing the consent.

(2) When a person, including a nonresident of this state, engages in conduct prohibited or made actionable by this act or a rule promulgated or order issued under this act, whether or not consent to service of process was filed and personal jurisdiction over him or her cannot otherwise be obtained in this state, that conduct shall be considered equivalent to his or her appointment of the commission to be his or her attorney to receive service of lawful process in a noncriminal action or proceeding against him or her or his or her successor, executor, or administrator which grows out of that conduct and which is brought under this act or a rule promulgated or order issued under this act, with the same force and validity as if served on the person personally.

(3) Service under subsection (1) or (2) may be made by filing a copy of the process in the office of the commission together with a \$25.00 fee. The service is not effective unless the plaintiff, which may be the commission in an action or proceeding instituted by it, immediately sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at his or her last known address or takes other steps which are reasonably calculated to give actual notice, and the plaintiff's affidavit or compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2336 Powers of department, prosecuting attorney, or law enforcement officer; evidence; copies of pleadings; assistance to local government or state agency.

Sec. 36. (1) The department, a prosecuting attorney, or a law enforcement officer of a municipality may:

(a) Make public or private investigations within or without this state he or she considers necessary to determine if a person violated or is about to violate this act or a rule promulgated or order issued under this act. The department may inspect any premises licensed under this act for violation of this act, the code, or rules promulgated pursuant to this act.

(b) Require a licensee to file a written statement in response to a complaint of an alleged violation of this

act or the rules promulgated under this act received by a local government and forwarded to the licensee. The statement shall state the facts and circumstances concerning the matter raised in the complaint. If the licensee does not make the required statement within 15 days after the licensee receives the letter requiring the written statement, the department, upon its own action or upon petition by the prosecuting attorney or law enforcement officer of the municipality issuing the letter, may issue an order directing a response by the licensee.

(2) A prosecuting attorney or a law enforcement officer of a municipality shall present any evidence of an alleged violation of this act or rule promulgated under this act to the department. The department may refer the evidence as is available concerning violations of this act to the attorney general or the proper prosecuting attorney who, with or without a reference, may institute appropriate criminal proceedings under this act.

(3) Before, or simultaneous with, the commencement of a criminal proceeding or a proceeding in which injunctive relief is sought by the local government, that local government shall serve copies of all pleadings in the matter upon the department.

(4) The department shall render assistance to a local government or state agency. The department may use all investigative powers conferred upon it to assist a local government.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2337 Administrative proceedings; notice; response; assurance of discontinuance.

Sec. 37. (1) Before commencement of administrative proceedings, the department may issue a statement of intent to commence proceedings to persons who are subjects of an investigation relating to possible violations of this act. The notice shall provide that the subjects of the investigation shall have opportunity to show why proceedings should not be commenced against them. If a response satisfactory to the department is received, then further proceedings under this act shall not be required.

(2) In connection with an investigation or proceeding held pursuant to this act, the department may accept an assurance from the person who is alleged to have violated the act, that the method, act, or practice which is allegedly in violation of the act will be discontinued. An assurance of discontinuance shall be in writing and filed with the department.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2338 Order to show cause; grounds; notice to show cause; stopping construction after notice and opportunity for hearing.

Sec. 38. (1) The department may issue an order to show cause why an order imposing sanctions or penalties allowed under this act should not be issued by the commission if the department finds that the order is in the public interest, and any of the following:

(a) An application filed pertaining to a license, a disclosure statement, or a related document filed with the department in connection with a mobile home license, is incomplete in any material respect or contains a statement which is false or misleading, in the light of the circumstances under which it is made.

(b) A provision of this act, or a rule, order, or condition lawfully imposed under this act, was not complied with or was violated in connection with the offering by the person filing the document; the developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer, dealer, or operator; or a person directly or indirectly controlling, or directly controlled by, the developer, dealer, or operator.

(c) The project worked or tended to work a fraud or deception or would so operate, or the project would create an unreasonable risk to prospective tenants, as defined by rules promulgated by the commission.

(d) The developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer, dealer, or operator; a person directly or indirectly controlling or directly controlled by the developer, dealer, or operator; or a person identified in the application for a license, or a disclosure statement, was within the past 10 years convicted of an offense under this act, or is the subject of an administrative order issued under this act, or had a civil judgment entered against him or her as a result of a violation of this act or a rule promulgated or order issued pursuant to this act, and the department determines that the involvement of the person in the sale or development of the project creates an unreasonable risk to prospective tenants or mobile home purchasers.

(e) The developer, dealer, or operator; a partner, officer, director, proprietor, or manager of the developer; a person directly or indirectly controlling or directly controlled by the developer, dealer, or operator; or a person identified in the application for a license, or a disclosure statement, was convicted of a violation or the subject of an administrative order or civil judgment as a result of a violation of a statute regulating the offering of securities or franchises or licensing or regulating builders, real estate brokers, or real estate salespersons, or of violation of the land sales act, Act No. 286 of the Public Acts of 1972, being sections

565.801 to 565.835 of the Michigan Compiled Laws, or a rule promulgated or an order issued under that act.

(f) The applicant's method of business, construction, development, or sales includes or would include activities which are illegal.

(g) The applicant failed to pay the proper fee.

(h) The applicant failed to comply with the state warranty laws.

(2) When it appears to the department that a person engaged in an act or practice constituting a violation of this act or a rule promulgated or order issued under this act, the department may issue a notice to show cause why a cease and desist order should not be issued.

(3) After 10 days' notice and opportunity for hearing, the department may stop construction as to part or all of a project if continuing the building will cause irreparable harm to residents and prospective residents of the project.

History: 1987, Act 96, Imd. Eff. July 6, 1987;—Am. 1988, Act 337, Eff. May 1, 1989.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2339 Entry and notice of order to show cause; hearing; powers of department for purpose of investigation or proceeding; order of circuit court for information; issuance of subpoenas or orders.

Sec. 39. (1) Upon the entry of an order to show cause under this act, the department shall promptly notify the applicant that the order was entered and of the reasons for the order and that upon receipt of written request the matter shall be set down for a hearing to commence within 45 days after the receipt of the order unless the applicant and the department consent to a later date. If a hearing is not requested within 15 days and none is ordered by the department, an appropriate order shall be entered and remain in effect until it is modified or vacated by the department. If a hearing is requested or ordered, the department may enter an appropriate order of its determination, after notice and hearing.

(2) For the purpose of an investigation or proceeding under this act, the department may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of records or other documents which the department deems relevant or material to the inquiry. Before any of the requirements of this subsection become operative, the department shall obtain an order of the circuit court for the information by a showing that there is good cause that a violation has taken place or is about to take place, and all of the subpoenas or orders shall issue from the circuit court.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2340 Effect of appeal.

Sec. 40. An appeal to a court of competent jurisdiction pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, shall not automatically stay a cease and desist order issued by the department or prevent the department from seeking an order in a court of competent jurisdiction enjoining the violation of a cease and desist order. In other cases, an appeal to the department pursuant to this act, or to a court of competent jurisdiction pursuant to Act No. 306 of the Public Acts of 1969, shall act as a stay upon any other order, determination, decision, or action appealed from, unless the department establishes that immediate enforcement of the order, determination, decision, or action is necessary to avoid substantial peril to life or property.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2341 Injunction.

Sec. 41. The department, a prosecuting attorney, or municipal attorney may bring an action in a court of competent jurisdiction against a person to enjoin that person from engaging or continuing in a violation of this act, a rule promulgated under this act.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2342 Violation as misdemeanor; penalty.

Sec. 42. A person who violates this act or the code promulgated under this act is guilty of a misdemeanor punishable by a fine of not more than \$500.00 per day for each separate violation or imprisonment for not more than 1 year, or both.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2343 Violation of act; penalties; disposition of fine; actions under other provisions not

prohibited; pursuit of lawful rights.

Sec. 43. (1) If, after notice and a hearing as provided in the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, a person is determined to have violated this act, the commission may impose 1 or more of the following penalties:

- (a) Censure.
 - (b) Probation.
 - (c) Placement of a limitation on a license.
 - (d) Suspension of a license. The commission may request the appointment of a receiver when taking action under this subdivision.
 - (e) Revocation of a license. The commission may request the appointment of a receiver when taking action under this subdivision.
 - (f) Denial of a license.
 - (g) A civil fine of not more than \$10,000.00.
 - (h) A requirement that restitution be made.
- (2) A fine collected under this section shall be deposited with the state treasurer and credited to the mobile home commission fund.
- (3) This section does not prohibit actions being taken under other sections of this act.
- (4) The pursuit in court of the lawful rights of a licensee does not constitute a violation of this act, regardless of the outcome of the court action.

History: Add. 1988, Act 337, Eff. May 1, 1989.

125.2343a Summary suspension of license.

Sec. 43a. If the department finds that the health, safety, or welfare requires emergency action, and incorporates that finding in its order, summary suspension of a license may be ordered effective on the date specified in the order or on service of a certified copy of the order on the licensee, whichever is later, and effective during the proceedings. The proceedings shall be promptly commenced and determined.

History: Add. 1988, Act 337, Eff. May 1, 1989.

125.2344 Remedies not mutually exclusive.

Sec. 44. The remedies provided for in this act are not mutually exclusive and the department may use as many remedies as it considers necessary.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2345 Other prosecution and enforcement not prohibited.

Sec. 45. (1) This act shall not be construed to prohibit the prosecution or punishment of a person for conduct which constitutes a crime by statute or at common law.

(2) This act shall not be construed to prohibit a municipality from enforcing its local ordinances or from taking any other appropriate action to protect the public health, safety, or welfare as authorized by law or its charter.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2348 Repeal of MCL 125.1101 to 125.1147.

Sec. 48. Subject to section 49, Act No. 419 of the Public Acts of 1976, being sections 125.1101 to 125.1147 of the Michigan Compiled Laws, is repealed.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

125.2349 Legislative intent and declarations.

Sec. 49. This act is intended to eliminate the confusion with respect to the legal status of Act No. 419 of the Public Acts of 1976 as a result of attorney general opinion no. 6438 of 1987. The legislature hereby makes the following declarations:

(a) The legislature, through the enactment of Act No. 299 of the Public Acts of 1986, intended to repeal section 47 of Act No. 419 of the Public Acts of 1976 and thereby maintain Act No. 419 of the Public Acts of 1976 in effect.

(b) This act is intended to remedy and cure any defect, actual or illusory, in the passage of Act No. 299 of the Public Acts of 1986.

(c) This act does not dissolve and recreate the mobile home commission created pursuant to Act No. 419 of the Public Acts of 1976 and the mobile home commission is intended to be the same mobile home commission created and operating pursuant to Act No. 419 of the Public Acts of 1976, without interruption.

(d) This act validates all action taken by the department and the mobile home commission on and after

January 10, 1987, if such action is otherwise valid under this act. All applications, complaints, and other proceedings commenced or continued on and after January 10, 1987 are deemed to be valid and commenced or continued under this act, if such applications, complaints, and other proceedings are otherwise valid under this act.

(e) Any administrative rules promulgated under Act No. 419 of the Public Acts of 1976 shall be considered to have remained in effect and without interruption pursuant to this act regardless of the repeal of Act No. 419 of the Public Acts of 1976.

(f) All rights, powers, duties, and liabilities of any person or entity under Act No. 419 of the Public Acts of 1976 shall continue, without interruption, under this act.

(g) This act is remedial and curative and shall apply from January 10, 1987 and is intended to be a continuation without interruption of Act No. 419 of the Public Acts of 1976.

History: 1987, Act 96, Imd. Eff. July 6, 1987.

Administrative rules: R 125.1101 et seq. of the Michigan Administrative Code.

125.2350 Repealed. 1988, Act 337, Imd. Eff. Oct. 18, 1988.

Compiler's note: The repealed section contained a prospective repeal provision.