



MOBILE HOME PARKS

House Bills 5727 and 5729 as introduced House Bill 5728 with committee amendment First Analysis (9-27-00)

Sponsor: Rep. Judson Gilbert II
Committee: Economic Development

THE APPARENT PROBLEM:

Under Public Act 243 of 1959, manufactured homes, or mobile homes, as they are still sometimes called, are subject to a “specific” tax of \$3 per month in lieu of property taxes if they are located in a mobile home park. (On a private lot, mobile homes are subject to the same property taxes as traditional homes.) According to recent news accounts, there has been a lot of controversy recently about whether this amount, when combined with the property taxes paid by the owner of the mobile home park, is a fair reimbursement for the public services required by a new residential neighborhood. For example, while other types of new homes make a direct contribution, relative to the value of the home, to help build or maintain local schools, mobile home park residents do not. Local communities must also provide other public services, such as fire, police, and emergency services, as well as roads, to all residents.

The question of whether local communities are reimbursed fairly for the services provided to mobile home parks has become more controversial as the demand for mobile homes has grown. (For many people, they represent the only means of affordable housing.) Attempts in the past to increase the specific tax of \$3 per month have failed, since local units of government and mobile home park residents cannot reach a consensus on the matter. However, many people believe that local governments should be allowed to limit the number of manufactured housing units within their jurisdictions.

THE CONTENT OF THE BILLS:

The bills, which are tie-barred to each other, would amend the zoning acts that regulate municipalities to specify that a particular jurisdiction would not be required to have more than 20 percent of its dwelling units located within mobile home parks, as follows:

****House Bills 5827 and 5729** would amend the City and Village Zoning Act (MCL 125.592), and the Township Zoning Act (125.297a), respectively, to specify that each jurisdiction could not be required to have more than 20 percent of its dwelling units located within mobile home parks.

****House Bill 5728** would amend the County Zoning Act (MCL 125.227a) to specify that a county could not be required to have more than 20 percent of a *township’s* dwelling units that were located within the county to be located within mobile home parks.

FISCAL IMPLICATIONS:

According to an analysis by the House Fiscal Agency (HFA), the bills would have no impact on state funds. (9-20-00)

ARGUMENTS:

For:

As the price of homes continues to rise across most of the state, mobile homes have come to represent an alternative to low-cost housing for many. Consequently, mobile home parks are flourishing. However, not everyone is happy with this growth. The following are among the most common complaints about mobile home parks heard from local citizens:

- The law pertaining to the specific tax on manufactured homes parks hasn’t kept up with today’s tax structures. The \$36 per year specific tax imposed on mobile homes was established in the 1950s, when the average tax on conventional homes was less than \$100 per year. This does not represent an equitable contribution to an area’s public services, including school buildings, which are paid for by local property taxpayers.

- The growth in mobile home parks has occurred only in some areas of the state. As a result, the number of mobile home park residents is often disproportionate to the local community. For example, according to testimony presented to the House committee by its mayor, almost 50 percent of the residences in the Portland area will be mobile homes if a proposed 850-unit in Portland Township is constructed.

- Mobile home parks are often built in rural areas where there are few public services and little existing infrastructure. Local communities often complain that the environmental impact of this type of construction is often ignored. Moreover, by locating on farmland, the parks destroy the agrarian character of the area.

- Local communities complain that the developers of mobile home parks typically have “deep pockets.” Consequently, they can afford to run up higher legal bills than local jurisdictions. For example, residents of small communities where mobile home parks have been built report that, once threatened by lawsuits from developers, their local unit of government bowed to the pressure and made concessions.

Against:

Some local jurisdictions have expressed concern that the bills don’t go far enough, and that local communities should be allowed to limit mobile home park dwellings to 5 or 10 percent, rather than 20 percent, of total dwellings. Still other expressed concern, that, under the provisions of House Bills 5728 and 5729, as written, one township could be forced to absorb all of the surrounding county’s 20 percent limit on mobile home units.

It has also been pointed out that, although the bills state clearly that each jurisdiction is not required to have *more than* 20 percent of its dwelling units located within mobile home parks, these provisions could be interpreted to mean that each jurisdiction *must* accommodate mobile home park units amounting to 20 percent of its dwelling units: in testimony before the House committee, some warned that developers would target those communities where mobile home park units were below 20 percent, and locate there.

Against:

In testimony presented to the House committee, a representative of the Michigan Manufactured Housing Association (MMHA) raised the following concerns regarding the bills:

- The bills are discriminatory, since they would single out and prohibit a lawful land use. Since the legislature does not put caps on the number of private homes, apartments, or condos allowed in a particular jurisdiction, why should mobile home parks be discriminated against? By denying equal protection of the laws to all citizens, the bills would violate the anti-discrimination clause of the Constitution. Moreover, by allowing a cap to be placed on the number of mobile homes allowed, the provisions of the bills would probably violate the requirements of the federal Fair Housing Act.

- The bills are unfair, since they would allow local units of government to place a limit on the number of mobile home parks allowed within their jurisdiction. If local communities are allowed to *restrict* the number of mobile home parks allowed within their boundaries, then it should also be mandated that they specify how many mobile home parks be *allowed* within their boundaries.

- The bills are potentially unworkable, since they don’t specify how overlapping jurisdictions are to calculate the “20 percent cap.” For example, if a city, and the township surrounding the city, each have a 20 percent cap on the number of mobile homes allowed in a mobile home park, should the township’s 20 percent cap be included in the city’s cap?

The MMHA representative also pointed out that, although the bills purport to protect school districts against influxes of students when mobile home parks are built in their districts, this would not be the case. School district boundaries often span more than one township, and some span more than one county. The 20 percent cap specified in the bills would be unworkable in such circumstances.

Response:

Attempts by local units of government to restrict the number of mobile home parks within their boundaries *have* been upheld by the Michigan Court of Appeals. In *Guy v. Brandon Township*, 181 Mich App 775 (1989), the court ruled that, because the proposed use of land for a mobile home park would have resulted in an excessive level of mobile homes in the township, the township’s 2-1/2 acre minimum lot requirement was not unconstitutional. Consequently, the township was allowed to restrict the number of mobile home parks to approximately twenty percent of the residential housing within its boundaries.

Against:

SEMCOG (Southeast Michigan Council of Governments) has adopted a resolution that opposes House Bills 5727, 5728, and 5729. The resolution asserts SEMCOG's belief that it is the role of local government, and not the legislature, to set limits on land use within its jurisdiction.

SEMCOG (Southeast Michigan Council of Governments) has adopted a resolution opposing the bills. (9-22-00)

SEMCOG also presented written testimony to the House committee stating its position that a better solution than the proposed legislation would be to give local governments more control in the siting, development and inspection of manufactured housing communities by, among other changes, increasing the size of the Mobile Home Commission to include three -- rather than four -- representatives from local government.

POSITIONS:

The City of Portland supports the concept of the bills, but has expressed concern that every governmental unit would be forced to accommodate a mobile home park population of at least 20 percent. (9-26-00)

The Michigan Association of Counties (MAC) supports the legislation, but maintains that it is only a short-term solution, designed to help specific communities at the present time. MAC maintains that additional legislation will be needed to fully resolve the conflict between local governments and mobile home parks. (9-26-00)

A representative of the Michigan Townships Association (MTA) testified in support of the bills. (9-21-00)

Citizens for Responsible Development, a 400-member organization established to work for responsible development of mobile home parks in Ash Township has no position on the bills. However, the organization would support legislation that returned control over mobile home parks to local governments, and that taxed mobile home residents in these parks in the same manner as other property owners. (9-26-00)

The Department of Consumer and Industry Services has no position on the bills. (9-27-00)

The Michigan Manufactured Housing Association (MMHA) opposes the bills. (9-26-00)

Analyst: R. Young

#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.