

MOBILE HOME TAXATION

House Bills 5098 and 5100
Sponsor: Rep. Matt Milosch

Committee: Local Government and
Urban Policy

Complete to 10-3-03

A SUMMARY OF HOUSE BILLS 5098 AND 5100 AS INTRODUCED 9-30-03

Under Public Act 243 of 1959, mobile homes in mobile home parks are subject to a \$3 per month specific tax instead of property taxes. The bills would tax mobile homes as follows.

- An occupied mobile home for which a certificate of title was issued after the effective date of House Bill 5098 would be subject to the property tax rather than the current specific tax. This would appear to apply to newly purchased mobile homes and mobile homes that were transferred or sold.

- All mobile homes would be subject to the property tax rather than the specific tax as of January 1, 2013. (This means that existing mobile homes that are not issued a new certificate of title would remain subject to the specific tax until December 31, 2012.)

- Public Act 243 of 1959, which contains the specific tax, would be repealed effective January 1, 2013.

A description of the two bills follows.

House Bill 5098 would amend Public Act 243 of 1959 (MCL 125.1035 and 125.1041) which concerns the licensing and regulation of mobile home (or “trailer coach”) parks, to specify that the ‘specific tax’ of \$3 per month currently levied on mobile homes would *not* be levied on an occupied mobile home (“trailer coach”) for which a certificate of title had been issued under the Mobile Home Commission Act after the effective date of this legislation. The bill also specifies that an occupied trailer coach for which a certificate of title had been issued would be considered real property, and would be subject to the collection of taxes under the General Property Tax Act. The bill also contains an enacting section repealing the current law effective January 1, 2013.

House Bill 5100 would amend the General Property Tax Act (MCL 211.2a and 211.34c) to specify that residential real property would include, for taxes levied after December 31, 2012, a mobile home on a platted or unplatted parcel, or on leased land, which is used for, or probably will be used for, residential purposes.

Further, the bill specifies that after December 31, 2012, a mobile home located on real property, whether or not permanently affixed to the property, would be considered and assessed as real property, to its owner. For taxes levied after that date and before January 1, 2014, the mobile home’s taxable value would be 50 percent of the home’s true cash value. For taxes

levied after December 31, 2013, a mobile home's taxable value would take into account the cap on assessment increases (of five percent or the rate of inflation, whichever is lower) contained in the state constitution.

Analyst: J. Hunault

■ 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.