

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2317

Introduced by

Senators Poolman, Klein

Representatives Dockter, Drovdal

1 A BILL for an Act to create and enact two new subsections to section 39-01-01 of the North
2 Dakota Century Code, relating to definitions; and to amend and reenact sections 39-18-01,
3 39-18-02, 39-18-06, and 39-18-08 of the North Dakota Century Code, relating to mobile home
4 and manufactured home dealer regulation.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new subsection to section 39-01-01 of the North Dakota Century Code is
7 created and enacted as follows:

8 "Manufactured home" means a structure, transportable in one or more sections, that,
9 in the traveling mode, is eight body feet [2.44 meters] or more in width or forty body
10 feet [12.19 meters] or more in length, or, when erected on site, is three hundred twenty
11 square feet [29.73 square meters] or more, and which is built on a permanent chassis
12 and designed to be used as a dwelling with or without a permanent foundation when
13 connected to the required utilities, and includes the plumbing, heating, air-conditioning,
14 and electrical systems contained therein. The term includes any structure that meets
15 all of the requirements of this subsection except the size requirements and with
16 respect to whether the manufacturer voluntarily files a certification required by the
17 United States secretary of housing and urban development and complies with the
18 standards established under title 42 of the United States Code.

19 **SECTION 2.** A new subsection to section 39-01-01 of the North Dakota Century Code is
20 created and enacted as follows:

21 "Mobile home" means a structure, either single or multisectional, which is built on a
22 permanent chassis, ordinarily designed for human living quarters, either on a
23 temporary or permanent basis, owned or used as a residence or place of business of

1 the owner or occupant, which is either attached to utility services or is twenty-seven
2 feet [8.23 meters] or more in length.

3 **SECTION 3. AMENDMENT.** Section 39-18-01 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **39-18-01. Mobile home and manufactured home dealer's license - Fees - Dealer's**
6 **plates - Penalty.**

- 7 1. ~~No~~A person, ~~partnership, corporation, or limited liability company~~ may not engage in
8 the business of buying, selling, or exchanging of mobile homes, manufactured homes,
9 or travel trailers, or advertise or hold ~~oneself or itself~~that person out to the public as
10 being in the business of buying, selling, or exchanging of mobile homes, manufactured
11 homes, or travel trailers without first being licensed ~~to do so as hereinafter provided.~~
- 12 2. Application for a dealer's license and renewal license must be made to the department
13 on ~~such~~ forms as the department prescribes and furnishes, and the application must
14 be accompanied by an annual fee of thirty-five dollars for which must be issued one
15 dealer plate. A dealer's license expires on December thirty-first of each year, and
16 application for renewal of a dealer's license must be made on or before the expiration
17 of the current dealer's license.
- 18 3. A mobile home or manufactured home dealer's license must be issued only to those
19 who will maintain a permanent office and place of business, and an adequate service
20 department, during the licensing year, and will abide by all the provisions of law
21 pertaining to mobile home or manufactured home dealers.
- 22 4. In addition, the dealer shall maintain that person's business records in one central
23 location.
- 24 5. Upon the payment of the fee of ten dollars for each additional plate, the department
25 shall register and issue dealer's license plates for use on any mobile or manufactured
26 homes owned by the licensed dealer, and the mobile and manufactured homes
27 bearing the dealer's license plates may be lawfully operated upon the public highways
28 of the state of North Dakota by the dealer, and the dealer's agents and servants,
29 during the year of the registration. A dealer's license plates expire on December
30 thirty-first of each year.

1 6. The term "mobile home" as used in this chapter includes and has the same meaning
2 as "housetrailer", and both terms have the meaning prescribed in section 39-01-01.

3 The ~~term~~terms "travel trailer" and "manufactured home" as used in this chapter
4 hashave the meaning as prescribed in section 39-01-01.

5 7. Any mobile home or manufactured home dealer licensed under ~~the provisions of this~~
6 chapter may sell house cars without being licensed under ~~the provisions of chapter~~
7 39-22. A mobile home or manufactured home dealer plate displayed on a house car
8 must be displayed on the rear of the vehicle.

9 8. Any dealer violating this chapter must be assessed a one hundred dollar fee by the
10 department for a first violation and a two hundred dollar fee by the department for a
11 second violation within two years of the first violation. The department shall suspend
12 the license of a mobile home or manufactured home dealer licensed under this
13 chapter if a third or subsequent violation of this chapter occurs within five years of the
14 first violation.

15 **SECTION 4. AMENDMENT.** Section 39-18-02 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **39-18-02. Bond required.**

18 Before the issuance of a mobile home or manufactured home dealer's license, ~~as provided~~
19 ~~by law~~, the applicant for ~~such~~the license shall furnish a continuous surety bond executed by the
20 applicant as principal and executed by a surety company licensed and qualified to do business
21 within ~~the state of North Dakota, which~~ this state. The bond must be in the amount of ~~ten~~fifty
22 thousand dollars, and be conditioned upon the faithful compliance by ~~said~~the applicant as a
23 dealer, if ~~such~~the license ~~be~~is issued to the dealer, that ~~such~~the dealer will comply with all the
24 laws of ~~the state of North Dakota~~this state pertaining to ~~such~~the business, and regulating or
25 being applicable to the business of ~~said~~the dealer as a dealer in mobile homes or manufactured
26 homes, and indemnifying any person dealing or transacting business with ~~such~~the dealer in
27 connection with any mobile home or manufactured home from any loss or damage occasioned
28 by the failure of ~~such~~the dealer to comply with the provisions of the laws of ~~the state of North~~
29 ~~Dakota, including~~this state. This includes the furnishing of a proper and valid certificate of title to
30 the vendee of a mobile home within fifteen days of the sale of ~~such~~a mobile home, and to the
31 vendee of a travel trailer as defined by section 57-55-01 within fifteen days of the sale of ~~such~~a

1 ~~travel trailer, and that such.~~ In addition, this includes furnishing to the vendee of a manufactured
2 home within fifteen days of the sale of a manufactured home an affidavit of affixation that is
3 obtained from the county recorder in the county where the real property is affixed, a letter of
4 confirmation, and a bill of sale that includes a statement as to whether there are any liens or
5 encumbrances on the manufactured home. The bond must be filed with the director ~~prior~~
6 ~~to~~before the issuance of the license ~~herein~~ provided for under this chapter. Provided, however,
7 ~~that the~~The aggregate liability of the surety to all ~~such~~ persons for all ~~such~~ losses or damages
8 may, ~~in no event,~~not exceed the amount of ~~such~~the bond. Any third party sustaining injury within
9 the terms of the bond may proceed against the principal and surety without making the state a
10 party to any ~~such proceedings~~proceeding. The bond may be canceled by the surety, as to future
11 liability, by giving written notice by certified mail, addressed to the principal at the address stated
12 in the bond, and to the department. Thirty days after the mailing of the notice, the bond is null
13 and void as to any liability thereafter arising. The surety remains liable, subject to the terms,
14 conditions, and provisions of the bond, until the effective date of the cancellation.

15 **SECTION 5. AMENDMENT.** Section 39-18-06 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **39-18-06. Suspension or revocation of dealer's license.**

18 The department may suspend or revoke any dealer's license for failure of the licensee to
19 comply with any of the laws of ~~the state of North Dakota~~this state governing mobile home or
20 manufactured home dealers, or for failure to comply with the reasonable rules and regulations
21 of the department set up under chapter 28-32, but ~~no~~an order suspending or revoking a dealer's
22 license may not be made before a hearing at which the licensee must be given an opportunity
23 to be heard.

24 **SECTION 6. AMENDMENT.** Section 39-18-08 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **39-18-08. Sales by real estate broker or salesperson of used mobile home or**
27 **manufactured home - Penalty.**

28 Notwithstanding any other provision of law, a person licensed as a real estate broker or
29 salesperson may sell or offer to sell, buy or offer to buy, solicit prospective purchasers of, solicit
30 or obtain listings of, or negotiate the purchase, sale, or exchange of any used mobile home or
31 manufactured home. For the purposes of this section, a used mobile home is a mobile home

1 which has been previously sold by a mobile home dealer and a used manufactured home is a
2 manufactured home that has been previously sold by a manufactured home dealer. Any person,
3 including a person licensed as a real estate broker or salesperson, who obtains a listing for the
4 sale or exchange of a used mobile home ~~which~~ or manufactured home that is located in a
5 mobile home park, as defined in section 23-10-01, shall provide notice of ~~such~~ the listing within
6 seven days after the listing is obtained, in writing, to the owner or operator of the mobile home
7 park.

8 ~~No~~ A real estate broker who engages in the activities authorized by this section may not
9 maintain any place of business where two or more mobile homes are displayed and offered for
10 sale by the broker, unless the broker is also licensed as a mobile home or manufactured home
11 dealer ~~pursuant to~~ under this chapter. A person who violates this section is guilty of an infraction.