

2013 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2317


2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2317
February 6, 2013
Job Number 18354

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to mobile home dealer regulation

Minutes:

Testimony Attached

Chairman Klein: Opened the hearing.

Senator Poolman: Said the bill is on behalf of a constituent of hers and it is a consumer protection issue relating to manufactured housing and some of the new things happening in sales practices.

Todd Kranda, Attorney for Kelsch Law Firm: Representing the North Dakota Manufactured Housing Association. Written Testimony Attached (1).

Kent French, North Dakota Manufactured Housing Association: Said the reason he is here today is that there are people who are not dealers selling housing in North Dakota. (13:30-17:04)

Discussion about the difference between a mobile home and a manufactured home (17:10-37:45)

Chairman Klein: Closed the hearing.

Senator Andrist: Said it seemed to him they were setting up the department of transportation. They all have had trouble grasping the difference between manufactured and mobile home. The license should be merged.

Linda Sitz, Director of the Motor Vehicle Department: Said that because they haven't monitored them before they haven't charged them a fee before. It is possible to just charge them the one, thirty-five dollar fee and that would take care of both of them.

Chairman Klein: Asked if she would be good with regulating this.

Linda: Said they are currently involved as far as getting them documented into their system.

In talking to Mr. Kranda, there are only twenty-five of them in North Dakota, so it would not add a huge burden to them, to regulate manufactured home dealers.

Chairman Klein: Said by rule making you could decide if it is one, thirty-five dollar license whether it is a manufactured or mobile home?

Linda: Said that was correct.

Senator Andrist: Said he would like to have that repeated, you think by rule, even though it provides for separate licenses, you could merge the two?

Linda: Said that is correct. It is possible that we could merge the two licenses and they be charged the one, thirty-five dollars. There are guidelines they would have to abide by.

Chairman Klein: Closed the hearing.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2317
February 6, 2013
Job Number 18361

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to mobile home dealer regulation

Minutes:

Discussion

Chairman Klein: Asked if there was any discussion.

Senator Laffen: Said that they had discussion with Linda Sitz after the hearing. It was pointed out that car dealers are required to bond and they require the mobile home and manufacturers to be bonded. The bill was trying to say that manufactured homes are the same as the mobile home. The definition should be cleaned up. Instead of there being two different definitions, our state should have a definition for mobile and manufactured homes or anything that consists of a frame and can be transported.

Chairman Klein: Said they will visit with Todd on how they formulated that and why.

Senator Laffen: Said that is the reason he would like to see a definition on what these vehicles are, so when they come back in five years and they are calling them pre-engineered movable homes, we don't have to come back with another definition of what this should cover.

Senator Sorvaag: Said we should look at increasing the amount of bond, ten thousand is nothing.

Chairman Klein: Said he was thinking at least 50 or 100.

Senator Sinner: Said that they could look at what the bonding requirement is for auto dealers. It is managed by the motor vehicle department as well.

Senator Andrist: Said he isn't concerned about the cost of the bond as he is if they make it too large, are we going to put an impediment on somebody getting into the business. Is the insurance company going to ask if they did this before and tell them they won't bond them for that kind of money?

Chairman Klein: Said that they will find some information on the bond and merge this language.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2317
February 11, 2013
Job Number 18724

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to mobile home dealer regulation

Minutes:

Discussion

Chairman Klein: Opened the meeting.

Todd Kranda: Said he worked over the weekend with Linda Sitz, from the DOT, on this manufactured home license bill. They created a separate section within the chapter for manufactured homes but as a result of the discussion they decided to just do one license. They took out the new section and working with Linda and the Department of Transportation came up with an amendment that was approved by legislative council. He went over the amendment (:58-2:18).

Chairman Klein: Said it is now being crafted. The more important part is that we blended those two things, the difference between a mobile home and manufactured home. He closed the discussion.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee
Roosevelt Park Room, State Capitol

SB 2317
February 12, 2013
Job Number 18796

Conference Committee

Committee Clerk Signature

Erin Laitell

Explanation or reason for introduction of bill/resolution:

Relating to mobile home dealer regulation

Minutes:

Amendment and Vote

Chairman Klein: Opened the meeting.

Senator Andrist motioned a do pass on the amendments, 13.8256.01001.

Senator Unruh seconded the motion.

Roll Call Vote: Yes - 7 No - 0

Senator Laffen motioned a do pass as amended.

Senator Sorvaag seconded the motion.

Roll Call Vote: Yes - 7 No - 0 Absent - 0

Floor Assignment: Senator Sorvaag.

FISCAL NOTE
Requested by Legislative Council
01/25/2013

Bill/Resolution No.: SB 2317

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill creates another type of dealership that would be regulated by NDDOT MV Dealer Services and provides a definition of a manufactured home.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill should have no significant fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*



Name: Linda Sitz

Agency: NDDOT

Telephone: 328-1986

Date Prepared: 01/30/2013



February 11, 2013

JK
2-12-13
1043

PROPOSED AMENDMENTS TO SENATE BILL NO. 2317

Page 1, line 1, remove "act"

Page 1, line 1, remove "and a new"

Page 1, line 2, remove "section to chapter 39-18"

Page 1, line 2, remove "and to"

Page 1, line 3, remove "manufactured home dealer licenses and fees"

Page 1, line 3, after "sections" insert "39-18-01,"

Page 1, line 4, after "home" insert "and manufactured home"

Page 2, replace lines 3 through 18 with:

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

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

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

by the dealer, and the dealer's agents and servants, during the year of the registration. A dealer's license plates expire on December thirty-first of each year.

- 6. The term "mobile home" as used in this chapter includes and has the same meaning as "housetrailer", and both terms have the meaning prescribed in section 39-01-01. The ~~terms~~ terms "travel trailer" and "manufactured home" as used in this chapter ~~has~~ have the meaning as prescribed in section 39-01-01.
- 7. Any mobile home or manufactured home dealer licensed under ~~the provisions of this chapter~~ may sell house cars without being licensed under ~~the provisions of chapter 39-22~~. A mobile home or manufactured home dealer plate displayed on a house car must be displayed on the rear of the vehicle.
- 8. Any dealer violating this chapter must be assessed a one hundred dollar fee by the department for a first violation and a two hundred dollar fee by the department for a second violation within two years of the first violation. The department shall suspend the license of a mobile home or manufactured home dealer licensed under this chapter if a third or subsequent violation of this chapter occurs within five years of the first violation."

Page 2, line 22, overstrike "as provided"

Page 2, line 23, overstrike "by law,"

Page 2, line 23, overstrike "such" and insert immediately thereafter "the"

Page 2, line 25, overstrike "the state of North Dakota, which" and insert immediately thereafter "this state. The bond"

Page 2, line 25, overstrike "ten" and insert immediately thereafter "fifty"

Page 2, line 26, overstrike "said" and insert immediately thereafter "the"

Page 2, line 26, overstrike "such" and insert immediately thereafter "the"

Page 2, line 26, overstrike "be" and insert immediately thereafter "is"

Page 2, line 27, overstrike "such" and insert immediately thereafter "the"

Page 2, line 27, overstrike "the state of North Dakota" and insert immediately thereafter "this state"

Page 2, line 28, overstrike "such" and insert immediately thereafter "the"

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Page 2, line 30, overstrike "such" and insert immediately thereafter "the"

Page 2, line 31, overstrike "such" and insert immediately thereafter "the"

Page 3, line 1, overstrike "the state of North Dakota, including" and insert immediately thereafter "this state. This includes"

Page 3, line 2, remove "or manufactured home"

Page 3, line 3, overstrike "such" and insert immediately thereafter "a"

Page 3, line 3, remove "or manufactured home"

Page 3, line 4, overstrike the first "such" and insert immediately thereafter "a"

Page 3, line 4, overstrike ", and that such" and insert immediately thereafter ". In addition, this includes furnishing to the vendee of a manufactured home within fifteen days of the sale of a manufactured home an affidavit of affixation that is obtained from the county recorder in the county where the real property is affixed, a letter of confirmation, and a bill of sale that includes a statement as to whether there are any liens or encumbrances on the manufactured home. The"

Page 3, line 5, overstrike "prior to" and insert immediately thereafter "before"

Page 3, line 5, overstrike "herein"

Page 3, line 5, after "for" insert "under this chapter"

Page 3, line 6, overstrike "Provided, however, that the" and insert immediately thereafter "The"

Page 3, line 6, overstrike the first "such"

Page 3, line 6, overstrike the second "such"

Page 3, line 7, overstrike ", in no event," and insert immediately thereafter "not"

Page 3, line 7, overstrike "such" and insert immediately thereafter "the"

Page 3, line 9, overstrike "such proceedings" and insert immediately thereafter "proceeding"

Page 3, line 19, overstrike "the state of North Dakota" and insert immediately thereafter "this state"

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Page 3, line 22, after "may" insert "not"

Page 4, line 2, replace "which" with "that"

Page 4, line 4, remove "or manufactured home"

Page 4, line 4, overstrike "which" and insert immediately thereafter "or manufactured home that"

Page 4, line 5, overstrike "such" and insert immediately thereafter "the"

Page 4, line 8, overstrike "No" and insert immediately thereafter "A"

Page 4, line 8, after "may" insert "not"

Page 4, line 11, overstrike "pursuant to" and insert immediately thereafter "under"

Renumber accordingly

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2317**

Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8256.01001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Andrist Seconded By Senator Unruh

Senators	Yes	No	Senator	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner	x	
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 7 No 0

Absent

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2317**

Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8256.01001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Laffen Seconded By Senator Sorvaag

Senators	Yes	No	Senator	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Laffen	x		Senator Sinner	x	
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Sorvaag

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2317: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2317 was placed on the Sixth order on the calendar.

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3. A mobile home or manufactured home dealer's license must be issued only to those who will maintain a permanent office and place of business, and an adequate service department, during the licensing year, and will abide by all the provisions of law pertaining to mobile home or manufactured home dealers.
4. In addition, the dealer shall maintain that person's business records in one central location.
5. Upon the payment of the fee of ten dollars for each additional plate, the department shall register and issue dealer's license plates for use on any mobile or manufactured homes owned by the licensed dealer, and the mobile and manufactured homes bearing the dealer's license plates may be lawfully operated upon the public highways of the state of North Dakota by the dealer, and the dealer's agents and servants, during the year of the registration. A dealer's license plates expire on December thirty-first of each year.

6. The term "mobile home" as used in this chapter includes and has the same meaning as "house trailer", and both terms have the meaning prescribed in section 39-01-01. The ~~term~~ terms "travel trailer" and "manufactured home" as used in this chapter ~~has~~ have the meaning as prescribed in section 39-01-01.
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8. Any dealer violating this chapter must be assessed a one hundred dollar fee by the department for a first violation and a two hundred dollar fee by the department for a second violation within two years of the first violation. The department shall suspend the license of a mobile home or manufactured home dealer licensed under this chapter if a third or subsequent violation of this chapter occurs within five years of the first violation."

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Page 4, line 11, overstrike "pursuant to" and insert immediately thereafter "under"

Re-number accordingly

2013 HOUSE INDUSTRY, BUSINESS, AND LABOR

SB 2317

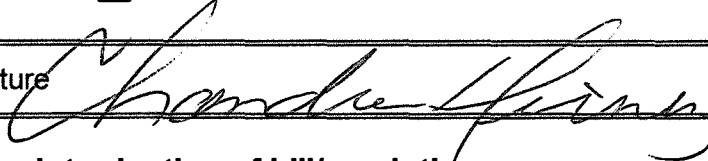
2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee
Peace Garden Room, State Capitol

SB 2317
March 18, 2013
Job 20038

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to mobile home dealer regulation

Minutes:

Written testimony, attachment 1

Meeting called to order. Roll call taken.

Hearing opened.

Senator Nicole Poolman, District 7: Introduced SB 2317.

Support:

2:15 **Todd Kranda, representing the North Dakota Manufactured Housing Association:** Refer to written testimony, attachment 1. Elaborated on written testimony.

10:00 **Representative Ruby:** Does this also include homes built offsite and then moved to a foundation?

10:26 **Todd Kranda:** I would think that if a structure does not fall within this definition, it would or would not apply.

10:50 **Representative Ruby:** Has there been a problem with sales of manufactured homes?

11:17 **Todd Kranda:** Mr. French will provide details on the problems which have arisen. Another important aspect is that you are not requiring two dealer's licenses. Emphasized consumer protection aspect. Summarized desired outcomes that having this legislation would bring.

12:15 **Chairman Keiser:** What is magic about twenty-seven feet? Page 1, lines 13-14, contains *and*. Would it be possible for a home to circumvent this law because it does not meet all the condition?

13:38 **Todd Kranda:** Will defer to Mr. French regarding size. The concept of this product has developed over time. It could be possible that structures in the future may fall outside this definition. The definition of a manufactured home was taken from existing law.

14:48 **Chairman Keiser:** Suggests consideration of inserting *three or more*. Is there such a thing as a continuous surety bond?

15:18 **Todd Kranda:** That is existing law. I assume there is such a thing.

15:55 **Kent French, North Dakota Manufactured Housing Association:** Provided historical background regarding evolution to manufactured homes, including the addition of online sales. Summarized problems which have arisen as time has gone by. Spoke of problems arising when houses come into the state without meeting the state criteria. The end consumer not getting what those who are licensed and bonded give the consumer. We are guided by the federal government regarding sizes and criteria. In 1976, we became manufactured housing through HUD. They are the ones who control the design and construction of the units we sell today.

18:38 **Representative Kreun:** There are other types of homes that do not come on a chassis but are put on a foundation. Some come in two halves. What is the definition of that type of home?

19:09 **Kent French:** That is a different type of home. Manufactured housing has a HUD label. All the criteria for a manufactured house come from HUD. If it is not a HUD-built house, it falls under whatever label the state or whoever wants to put on it. A manufactured house is HUD-designed home with a frame and a permanent chassis.

19:54 **Representative Kreun:** What about the local building inspectors and local building codes? Wouldn't they be the first to inspect them?

20:19 **Kent French:** HUD has an inspector at every manufacturing plant in the nation. That supersedes local building codes. That does not supersede how a home can be set. That is why we asked for guidelines during a previous session. All brand-new manufactured housing has to be put on a permanent foundation.

21:28 **Representative Kreun:** If local building codes are more stringent than the federal guidelines, they still would apply, would they not?

21:34 **Kent French:** No. HUD supersedes. That is federal regulation. There is nothing that a city building code, a state building code... We would not be able to have any kind of manufactured housing if we had to follow building codes of each city and state. That is why HUD did this. They did this also for the consumer so that we would have affordable housing. Gave example of lack of home building inspections in some areas.

22:46 **Representative Kreun:** So we are not talking about modular; we are talking about the old definition of mobile into manufactured.

Kent French: That is correct.

23:00 **Representative Kasper:** If HUD has set all these rules and monitors everything, who is not doing their job if considering there are problems occurring in the oil patch?

23:20 **Kent French:** Nobody. That's why we're here. We're here to correct the problems. We saw a problem and were trying to correct it. There have been problems other than oil patch. Gave example relating to mortgages.

24:13 **Representative Kasper:** So you're saying that some sellers of mobile homes are not securing a mortgage for the buyer? They're the middle man on the mortgage?

24:28 **Kent French:** I was relating one problem. There are other problems.

24:54 **Representative Kasper:** If the problems are severe, the penalty is only an infraction. Is that a stiff enough penalty to get the attention of those who are violating or might violate this section of the law?

25:19 **Kent French:** We can suspect and revoke a license, take them out of business.

25:42 **Representative Kasper:** That does not do anything to help the person who suffered loss.

25:52 **Kent French:** That's what the bond is for.

26:00 **Representative Kasper:** The bond is sufficient? They might not have had a bond.

26:07 **Chairman Keiser:** The current problem is not that you have a large group of bad operators, but because we have not defined it in code, they can operate without a license or bond. Have there been a lot of problems, or are we trying to be proactive, recognizing that we do have some operating who are not bonded or licensed?

26:41 **Kent French:** There are problems out there. We are being proactive but are not jumping the gun.

27:01 **Representative M. Nelson:** What would an adequate service department for a manufactured house be?

27:13 **Kent French:** One that would be able to take care of the normal service on a manufactured house, the setup of the house. Normally the manufacturer does the warranty, but the setup of the unit relies solely on the dealer.

27:37 **Representative M. Nelson:** That's not being subcontracted to carpenters or actual employees of the dealer?

27:44 **Kent French:** It could be subcontracted.

27:51 **Representative Frantsvog:** Referred to testimony regarding homes being bought on line. What about financing? Are they getting financing out of state?

28:16 **Kent French:** We do not know where some of the money comes from. Described scenario. The department of commerce does know about it and cannot regulate it. The problems are not severe, but they can be.

29:22 **Representative Frantsvog:** How do you proposed to find out who is doing this? Described scenario.

29:54 **Kent French:** The state requires them to have a sticker. The state is out there looking for and finding houses that do not have stickers. That is part of what we are trying to address. This won't take care of all the problems, but it will at least put a foot forward and make sure we are on the right track for trying to create a situation for the homeowner who buys the house. Described scenario.

31:10 **Representative Kasper:** Page 3, lines 5-6. What is a house car?

Kent French: I do not know. I'm thinking it is a motor home.

Opposition:

Neutral:

Chairman Keiser: Is there anyone here from the Department of Transportation?

32:20 **Linda Sitz, director of Motor Vehicle:** The Department of Transportation worked with the committee to come up with this bill and are in support of the bill as it stands.

32:40 **Representative M. Nelson:** If someone moved a manufactured home off its foundation to a second place, would they need to put a license on the back of each section of the home?

33:00 Linda Sitz: No, they do not.

Representative M. Nelson: Only when it's new? Why is that?

Linda Sitz: A manufactured home technically is not licensed. We do not put a title on it. It is established to real property.

33:33 **Representative M. Nelson:** Page 2, lines 24-30. Sounds like a plate on a home to me.

34:03 **Kent French:** That license is a license, but it is for transportation only. It is to make sure we're in compliance with road regulations. If we move it from one location to another, we do have to have a license on it.

34:42 **Representative Ruby:** Once a mobile home is placed, there an ongoing tax to the county for that, but that does not exist for a manufactured home, correct?

Kent French: Yes, it does.

Hearing closed.

Representative Kreun: I believe your comment about *three out of four* would alleviate some confusion. Is it worth holding to make an amendment?

Chairman Keiser: It is current law. We can certainly hold it and get it corrected.

Todd Kranda: That is current law, and it is HUD regulated, so we mirrored the definition. We would be concerned about changing it.

Representative Kreun **moves a Do Pass**. Representative Becker seconds the motion.

Roll call on a motion for a Do Pass on SB 2317. Motion carries

Yes = 12

No = 1

Absent = 2

Carrier: Representative M. Nelson

FISCAL NOTE
Requested by Legislative Council
02/15/2013

Amendment to: SB 2317

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill creates another type of dealership that would be regulated by NDDOT MV Dealer Services and provides a definition of a manufactured home.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*


This bill should have no significant fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*



Name: Shannon L. Sauer

Agency: NDDOT

Telephone: 328-4375

Date Prepared: 02/15/2013



FISCAL NOTE
Requested by Legislative Council
01/25/2013

Bill/Resolution No.: SB 2317

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill creates another type of dealership that would be regulated by NDDOT MV Dealer Services and provides a definition of a manufactured home.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill should have no significant fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name: Linda Sitz
Agency: NDDOT
Telephone: 328-1986
Date Prepared: 01/30/2013

Date: 3-18-2013

Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2317**

House Industry, Business, and Labor Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider Consent Calendar

Motion Made By Kreun Seconded By Becker

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut	✓		Rep. Joshua Boschee	✓	
Rep. Thomas Beadle		nb	Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper	✓				
Rep. Curtiss Kreun	✓				
Rep. Scott Louser	✓				
Rep. Dan Ruby		✓			
Rep. Don Vigesaa	✓				

Total Yes 12 No 1

Absent 2

Floor Assignment Mr. Nelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2317, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (12 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2317 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2317

**TESTIMONY IN SUPPORT OF
SENATE BILL NO. 2317**

**SENATE INDUSTRY BUSINESS & LABOR COMMITTEE
FEBRUARY 6, 2013**

Good morning Chairman Klein and members of the Senate Industry Business & Labor Committee, for the record my name is Todd D. Kranda. I am an attorney at the Kelsch Law Firm in Mandan and I am representing the North Dakota Manufactured Housing Association in support of SB 2317.

SB 2317 is being presented in order to provide for and establishing reasonable criteria and guidelines for licensing and bonding with manufactured home dealer transactions. This bill provides a method of requiring those involved in the business of buying or selling manufactured homes to be licensed and bonded.

This is a consumer protection bill. The licensing and bonding requirements will hopefully prevent the sale of manufactured homes that do not have good title or some other defect. The bond assures consumers that they have some type of recourse and some fund to go after if the sale of a manufactured home is improper.

This is also a bill that will help the entire industry of manufactured home dealers, buyers, and sellers. Currently, the dealers are bonded and licensed to sell their products. This bill aims to curb those situations in which an individual might sell a manufactured home on the side of the road without proper licensing or bonding.

The licensing and bonding requirements for manufactured homes is something

other states have already done. For instance, the laws and requirements in South Dakota, Minnesota, Montana, and Wisconsin were reviewed and similar language exists with the main difference being in which state office or department the licensing and enforcement is handled and the amount required for filing an application and for a bond.

We have created a new section to Chapter 39-18 which deals with Mobile Home Dealer Regulations instead of just including manufactured homes in each of the sections because there were certain requirements in Section 39-18-01 that only apply to mobile homes. By way of review, the following are the different sections of SB 2317.

SECTION 1: Provides a definition of “Manufactured Home”

- The definition comes from section 41-09-02, Secured Transactions, of the North Dakota Century Code

SECTION 2: Provides a definition of “Mobile Home”

- Currently, chapter 39-18 does not have a definition for “mobile home” and in fact tells you that the definition is in section 39-01-01. However, there is no definition of mobile home in section 39-01-01.
- After meeting with Linda Sitz and the Motor Vehicle Division of the Department of Transportation, they requested we add the mobile home definition to this bill.
- The definition comes from section 57-55-01 of the North Dakota Century Code.

SECTION 3: Creates a new section to Chapter 39-18 and sets up the license requirement for manufactured home buyers and sellers.

- States that anyone engaged in the business of buying, selling, or exchanging manufactured homes or one who holds oneself out to the public as being in the business of buying, selling, or exchanging manufactured home must have a license.

- The reference to department refers to the Department of Transportation Motor Vehicle Division.
- Provides that in order to get a license, the dealer must maintain a permanent office and place of business.
- The language is essentially the same as what is currently in place in section 39-18-01 for mobile home dealers.

SECTION 4: Amends section 39-18-02 to include manufactured homes with mobile homes.

- This section deals with the bond requirement and amount

SECTION 5: Amends section 39-18-06 to include manufactured homes with mobile homes.

- This section deals with the suspension or revocation of the dealer's license.

SECTION 6: Amends section 39-18-08 to include manufactured homes with mobile homes.

- This section deals with the selling of manufactured homes by a real estate broker or salesperson.

This bill has no effect on the average person going out and buying or selling their own manufactured home. The license and bond requirements are for those engaged in the business of buying and selling manufactured homes.

Members of the North Dakota Manufactured Housing Association are here to testify in support of the license and bonding requirements in SB 2317. I will end my formal testimony at this point and stand for any questions and simply conclude with a request that you give a favorable **Do Pass** recommendation to SB 2317.

CHAPTER 39-18
MOBILE HOME DEALER REGULATION

Add a
separate
Manufactured
Home
Dealer
License A
(SB2317)
§3

39-18-01. Mobile home dealer's license - Fees - Dealer's plates - Penalty.

No person, partnership, corporation, or limited liability company may engage in the business of buying, selling, or exchanging of mobile homes or travel trailers, or advertise or hold oneself or itself out to the public as being in the business of buying, selling, or exchanging of mobile homes or travel trailers without first being licensed to do so as hereinafter provided.

Application for a dealer's license and renewal license must be made to the department on such forms as the department prescribes and furnishes, and the application must be accompanied by an annual fee of thirty-five dollars for which must be issued one dealer plate. A dealer's license expires on December thirty-first of each year, and application for renewal of a dealer's license must be made on or before the expiration of the current dealer's license.

A mobile home dealer's license must be issued only to those who will maintain a permanent office and place of business, and an adequate service department, during the licensing year, and will abide by all the provisions of law pertaining to mobile home dealers.

In addition, the dealer shall maintain that person's business records in one central location.

Upon the payment of the fee of ten dollars for each additional plate, the department shall register and issue dealer's license plates for use on any mobile homes owned by the licensed dealer, and the mobile homes bearing the dealer's license plates may be lawfully operated upon the public highways of the state of North Dakota by the dealer, and the dealer's agents and servants, during the year of the registration. A dealer's license plates expire on December thirty-first of each year.

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

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

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

39-18-02. Bond required.

Insert
Manufactured
Home
(SB2317)
§4

Before the issuance of a mobile home dealer's license, as provided by law, the applicant for such license shall furnish a continuous surety bond executed by the applicant as principal and executed by a surety company licensed and qualified to do business within the state of North Dakota, which must be in the amount of ten thousand dollars, and be conditioned upon the faithful compliance by said applicant as a dealer, if such license be issued to the dealer, that such dealer will comply with all the laws of the state of North Dakota pertaining to such business, and regulating or being applicable to the business of said dealer as a dealer in mobile homes, and indemnifying any person dealing or transacting business with such dealer in connection with any mobile home from any loss or damage occasioned by the failure of such dealer to comply with the provisions of the laws of the state of North Dakota, including the furnishing of a proper and valid certificate of title to the vendee of a mobile home within fifteen days of the sale of such mobile home, and to the vendee of a travel trailer as defined by section 57-55-01 within fifteen days of the sale of such travel trailer, and that such bond must be filed with the director prior to the issuance of the license herein provided for. Provided, however, that the aggregate liability of the surety to all such persons for all such losses or damages may, in no event, exceed the amount of such bond. Any third party sustaining injury within the terms of the bond may proceed against the principal and surety without making the state a party to any such proceedings. The bond may be canceled by the surety, as to future liability, by giving written notice by certified mail, addressed to the principal at the address stated in the bond, and to the department. Thirty days after the mailing of the notice, the bond is null and void as to any

liability thereafter arising. The surety remains liable, subject to the terms, conditions, and provisions of the bond, until the effective date of the cancellation.

39-18-02.1. Disposition of fees.

Fees from registration of dealers must be deposited with the state treasurer and credited to the highway tax distribution fund.

39-18-03. Titling and licensing of mobile homes, housetrailers, and travel trailers - License fee.

The owner of a travel trailer, housetrailer, or mobile home, who sells or transfers the title to such vehicle shall endorse an assignment and warranty of title upon the certificate of title for such vehicle, along with a statement as to whether there are liens or encumbrances thereon. The owner shall deliver the certificate of title to the purchaser within fifteen days after such sale if title passes to the purchaser. If the legal title does not pass to the purchaser under the contract for sale of the vehicle, the legal title owner shall endorse thereon a statement that the owner holds the lien, the date thereof, and the name of the purchaser, and shall send the certificate of title to the department with an application of the purchaser for a new certificate of title showing the name of the legal owner, the registered owner, the date of the lien of the legal owner, which certificate of title when issued must be returned by the department to the legal title owner; who shall retain the same in the owner's possession until the terms of the contract are complied with by the purchaser, and thereupon, after showing that the lien has been paid and satisfied the owner shall deliver the certificate of title properly assigned to the purchaser. The purchaser or transferee shall present the endorsed and assigned certificate to the department, within thirty days after the receipt thereof, accompanied by a transfer fee of five dollars, and shall make an application for and obtain a new certificate of title for such vehicle. A penalty of not more than ten dollars may be imposed by the director for failure to present the certificate of title to the department as required by this section. Except when transported by a drive-away transporter duly registered and licensed under the laws of this state, no person may haul a mobile home, housetrailer, or travel trailer unless the same is first registered with and titled by the department, a certificate of title has been issued, and it displays a number plate issued by and under such regulations as the director may prescribe. The annual fee for such licensing is twenty dollars for mobile homes and housetrailers and twenty dollars for travel trailers.

The registration required hereunder must be on a calendar-year basis.

If such mobile home, housetrailer, or travel trailer enters the state carrying the current number plate of another state, no number plates may be required by the state of North Dakota for a period of thirty days.

The annual license fee provided for in this section does not preclude the taxation of certain mobile homes pursuant to chapter 57-55.

If such mobile home, housetrailer, or travel trailer remains stationary or parked within the state of North Dakota for a period of one year, no license may be required for that year, provided that nothing in this chapter permits the use of a dealer's plate on such mobile home, housetrailer, or travel trailer after the same has been sold by the dealer to whom such plate was issued.

39-18-03.1. Park model trailer fee.

Expired under S.L. 1997, ch. 344, § 4.

39-18-03.2. Park model trailer fee.

1. The owner of a park model trailer, as defined in subsection 2 of section 57-55-10, shall pay the department a fee of twenty dollars per calendar year to qualify for the exemption under section 57-55-10. The department shall issue a receipt for payment of the fee but payment of the fee does not confer any rights to the owner of a park model trailer which are not otherwise provided by law.
2. In lieu of subsection 1, upon the request of an owner of a park model trailer, as defined in subsection 2 of section 57-55-10, the department shall register the trailer as a travel

trailer for a registration fee of twenty dollars per calendar year. The payment of the fee qualifies the trailer for an exemption under section 57-55-10. The department shall issue a number plate upon payment of the registration fee.

- 3. Fees collected under this section must be deposited in the highway tax distribution fund.

39-18-04. Safety devices and requirements.

Any new mobile home sold in the state of North Dakota and licensed under the provisions of this chapter must be equipped with combination taillight and stoplight controlled and operated from the driver's seat of the propelling vehicle; such mobile home must further be equipped with brakes approved by the department, designed and capable of bringing to a stop such vehicle and mobile home within a distance of fifty feet [15.24 meters] when operated at a speed of twenty miles [32.19 kilometers] per hour. No person may drive any mobile home on the highways of this state unless the propelling vehicle is able to stop within the distance and in the manner prescribed herein.

Any new mobile home sold in the state of North Dakota and licensed under the provisions of this chapter must be equipped with a hitch or coupler which will comply with the regulations as established by the interstate commerce commission.

39-18-05. Width, length, and height of mobile home operated in the state of North Dakota - Oversize permits.

Repealed by S.L. 1985, ch. 440, § 5.

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

The department may suspend or revoke any dealer's license for failure of the licensee to comply with any of the laws of the state of North Dakota governing mobile home dealers, or for failure to comply with the reasonable rules and regulations of the department set up under chapter 28-32, but no order suspending or revoking a dealer's license may be made before a hearing at which the licensee must be given an opportunity to be heard.

39-18-07. Penalty.

Any person violating a provision of this chapter for which a penalty is not specifically provided is guilty of a class B misdemeanor.

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

Notwithstanding any other provision of law, a person licensed as a real estate broker or salesperson may sell or offer to sell, buy or offer to buy, solicit prospective purchasers of, solicit or obtain listings of, or negotiate the purchase, sale, or exchange of any used mobile home. For the purposes of this section, a used mobile home is a mobile home which has been previously sold by a mobile home dealer. Any person, including a person licensed as a real estate broker or salesperson, who obtains a listing for the sale or exchange of a used mobile home which is located in a mobile home park, as defined in section 23-10-01, shall provide notice of such listing within seven days after the listing is obtained, in writing, to the owner or operator of the mobile home park.

No real estate broker who engages in the activities authorized by this section may maintain any place of business where two or more mobile homes are displayed and offered for sale by the broker, unless the broker is also licensed as a mobile home dealer pursuant to this chapter. A person who violates this section is guilty of an infraction.

*Insert
Manufactured
Home
(SB2317)
§ 5*

*Insert
Manufactured
Home
(SB2317)
§ 6*

February 11, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2317

Page 1, line 1, remove "act"

Page 1, line 1, remove "and a new"

Page 1, line 2, remove "section to chapter 39-18"

Page 1, line 2, remove "and to"

Page 1, line 3, remove "manufactured home dealer licenses and fees"

Page 1, line 3, after "sections" insert "39-18-01,"

Page 1, line 4, after "home" insert "and manufactured home"

Page 2, replace lines 3 through 18 with:

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

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

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

by the dealer, and the dealer's agents and servants, during the year of the registration. A dealer's license plates expire on December thirty-first of each year.

6. The term "mobile home" as used in this chapter includes and has the same meaning as "housetrailer", and both terms have the meaning prescribed in section 39-01-01. The ~~term~~ terms "travel trailer" and "manufactured home" as used in this chapter ~~has~~ have the meaning as prescribed in section 39-01-01.
7. Any mobile home or manufactured home dealer licensed under ~~the provisions of~~ this chapter may sell house cars without being licensed under ~~the provisions of~~ chapter 39-22. A mobile home or manufactured home dealer plate displayed on a house car must be displayed on the rear of the vehicle.
8. Any dealer violating this chapter must be assessed a one hundred dollar fee by the department for a first violation and a two hundred dollar fee by the department for a second violation within two years of the first violation. The department shall suspend the license of a mobile home or manufactured home dealer licensed under this chapter if a third or subsequent violation of this chapter occurs within five years of the first violation."

Page 2, line 22, overstrike "as provided"

Page 2, line 23, overstrike "by law,"

Page 2, line 23, overstrike "such" and insert immediately thereafter "the"

Page 2, line 25, overstrike "the state of North Dakota, which" and insert immediately thereafter "this state. The bond"

Page 2, line 25, overstrike "ten" and insert immediately thereafter "fifty"

Page 2, line 26, overstrike "said" and insert immediately thereafter "the"

Page 2, line 26, overstrike "such" and insert immediately thereafter "the"

Page 2, line 26, overstrike "be" and insert immediately thereafter "is"

Page 2, line 27, overstrike "such" and insert immediately thereafter "the"

Page 2, line 27, overstrike "the state of North Dakota" and insert immediately thereafter "this state"

Page 2, line 28, overstrike "such" and insert immediately thereafter "the"

Page 2, line 28, overstrike "said" and insert immediately thereafter "the"

Page 2, line 30, overstrike "such" and insert immediately thereafter "the"

Page 2, line 31, overstrike "such" and insert immediately thereafter "the"

Page 3, line 1, overstrike "the state of North Dakota, including" and insert immediately thereafter "this state. This includes"

Page 3, line 2, remove "or manufactured home"

Page 3, line 3, overstrike "such" and insert immediately thereafter "a"

Page 3, line 3, remove "or manufactured home"

Page 3, line 4, overstrike the first "such" and insert immediately thereafter "a"

Page 3, line 4, overstrike ", and that such" and insert immediately thereafter ". In addition, this includes furnishing to the vendee of a manufactured home within fifteen days of the sale of a manufactured home an affidavit of affixation that is obtained from the county recorder in the county where the real property is affixed, a letter of confirmation, and a bill of sale that includes a statement as to whether there are any liens or encumbrances on the manufactured home. The"

Page 3, line 5, overstrike "prior to" and insert immediately thereafter "before"

Page 3, line 5, overstrike "herein"

Page 3, line 5, after "for" insert "under this chapter"

Page 3, line 6, overstrike "Provided, however, that the" and insert immediately thereafter "The"

Page 3, line 6, overstrike the first "such"

Page 3, line 6, overstrike the second "such"

Page 3, line 7, overstrike ", in no event," and insert immediately thereafter "not"

Page 3, line 7, overstrike "such" and insert immediately thereafter "the"

Page 3, line 9, overstrike "such proceedings" and insert immediately thereafter "proceeding"

Page 3, line 19, overstrike "the state of North Dakota" and insert immediately thereafter "this state"

Page 3, line 21, overstrike "no" and insert immediately thereafter "an"

Page 3, line 22, after "may" insert "not"

Page 4, line 2, replace "which" with "that"

Page 4, line 4, remove "or manufactured home"

Page 4, line 4, overstrike "which" and insert immediately thereafter "or manufactured home that"

Page 4, line 5, overstrike "such" and insert immediately thereafter "the"

Page 4, line 8, overstrike "No" and insert immediately thereafter "A"

Page 4, line 8, after "may" insert "not"

Page 4, line 11, overstrike "pursuant to" and insert immediately thereafter "under"

Renumber accordingly

SB 2317
① 3-18-2013

**TESTIMONY IN SUPPORT OF
ENGROSSED SENATE BILL NO. 2317**

**HOUSE INDUSTRY BUSINESS & LABOR COMMITTEE
MARCH 18, 2013**

Good morning Chairman Keiser and members of the House Industry Business & Labor Committee, for the record my name is Todd D. Kranda. I am an attorney at the Kelsch Law Firm in Mandan and I am representing the North Dakota Manufactured Housing Association in support of Engrossed SB 2317.

SB 2317 is being presented in order to provide for and establish reasonable criteria and guidelines for licensing and bonding with manufactured home dealer transactions.

This bill provides a method of requiring those entities involved in the business of buying or selling manufactured homes to be licensed and bonded the same as is already required for those entities who buy and sell mobile homes. SB 2317 simply inserts the concept of manufactured home dealers within the regulations for mobile home dealers.

This is a consumer protection bill. The licensing and bonding requirements will hopefully prevent the sale of manufactured homes that do not have good title or some other defect. The bond assures consumers that they have some type of recourse and some fund to go after if the sale of a manufactured home is improper.

This is also a bill that will help the entire industry of manufactured home dealers, buyers, and sellers. Currently, there are mobile home dealers that are bonded and licensed to sell their mobile home products under Chapter 39-18 of the North Dakota Century Code. This bill aims to curb those situations in which an individual might sell a

manufactured home on the side of the road without proper licensing or bonding by simply adding manufactured home dealers to the existing mobile home dealers license and bonding provisions.

The licensing and bonding requirements for manufactured homes is something other states have already done. For instance, the laws and requirements in South Dakota, Minnesota, Montana, and Wisconsin were reviewed and similar language exists with the main difference being in which state office or department the licensing and enforcement is handled and the amount required for filing an application and for a bond.

We have included within the existing framework of Chapter 39-18 which deals with mobile home dealer regulations the concept of manufactured home dealers while retaining some of the unique characteristics in Chapter 39-18 that only apply to mobile homes. By way of review, the following are the different sections of Engrossed SB 2317.

SECTION 1: Provides a definition of “Manufactured Home”.

- The definition comes from section 41-09-02, Secured Transactions, of the NDCC.

SECTION 2: Provides a definition of “Mobile Home”.

- Currently, chapter 39-18 does not have a definition for “mobile home” and in fact tells you that the definition is in section 39-01-01. However, there is no definition of mobile home in section 39-01-01.
- After consulting with Linda Sitz, Director of the Motor Vehicle Division of the Department of Transportation, it was requested that we add the mobile home definition to this bill.
- The definition comes from section 57-55-01 of the NDCC.

SECTION 3: Amends section 39-18-01 to include manufactured home buyers and sellers within the mobile home dealer’s license requirement.

- States that anyone engaged in the business of buying, selling, or exchanging manufactured homes or one who holds oneself out to the public as being in the business of buying, selling, or exchanging manufactured home must have a license.
- The reference to department refers to the Department of Transportation Motor Vehicle Division.
- Provides that in order to get a license, the dealer must maintain a permanent office and place of business.

SECTION 4: Amends section 39-18-02 to include manufactured homes with mobile homes with the bond requirement.

- The bond amount was initially established at \$5,000 in 1955; increased to \$10,000 in 1971; and now is increased to \$50,000 which would cover today's home values and is estimated to cost about \$500 to obtain.

SECTION 5: Amends section 39-18-06 to include manufactured homes with mobile homes with the suspension or revocation of the dealer's license.

SECTION 6: Amends section 39-18-08 to include manufactured homes with mobile homes with the selling of manufactured homes by a real estate broker or salesperson.

This bill has no effect on the average person going out and buying or selling their own manufactured home. The license and bond requirements are for those engaged in the business of buying and selling manufactured homes.

Members of the North Dakota Manufactured Housing Association are here to testify in support of the license and bonding requirements in SB 2317. I will end my formal testimony at this point and stand for any questions and simply conclude with a request that you give a favorable **Do Pass** recommendation to SB 2317.