LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM February 6, 2012

SUBJECT: Sectional summary of CSSB 104(JUD) relating to manufactured homes (Work Order No. 27-LS0467\E)

TO: Senator Hollis French
Attn: Lisa Weissler

FROM: Terry Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. States the findings and purpose for the bill.

Section 2. Adds a new subsection to AS 06.05.207 of the banking code. Defines "real property" to include a manufactured home that has become real property under new sec. 34.85.010.

Section 3. Adds a new subsection to AS 06.15.250 of the mutual savings bank chapter. Defines "real property" to include a manufactured home that has become real property under new sec. 34.85.010.

Section 4. Amends AS 06.45.060(5)(A) of the credit union chapter to change "mobile home" to "manufactured home."

Section 5. Adds a new subsection to AS 06.45.060 of the credit union chapter to provide a definition of "manufactured home."

Section 6. Amends the definition of "residential mortgage loan" in AS 06.60.990(33) of the mortgage lending regulation chapter to include a manufactured home that has become real property under new sec. 34.85.010.

Section 7. Adds a new definition section to AS 09.45, the chapter relating to real property actions, to define "real property" to include a manufactured home that has become real property under new sec. 34.85.010 and to define "manufactured home."

Section 8. Amends AS 28.05.061(a), which relates to vehicle records, to list manufactured home documents as records that the Department of Administration is to file, maintain, and index.

Section 9. Adds new subsections to AS 28.05.061, which relates to vehicle records, to indicate what the department record must state for certain documents relating to manufactured homes. Defines "recording information" for AS 28.05.061.

Section 10. Amends AS 28.10.201(b) to reference a new subsection added by bill sec. 11 and to change "mobile home" to "manufactured home."

Section 11. Adds a new subsection to AS 28.10.201. Prohibits the department from issuing a certificate of title to a manufactured home if an application has been filed under secs. 28.10.262 - 28.10.264.

Section 12. Amends AS 28.10.211(c) to substitute "manufacturer's certificate of origin" for "manufacturer's statement of origin."

Section 13. Adds a new subsection to AS 28.10.211, relating to applications for vehicle titles. Allows the holder of a manufacturer's certificate of origin for a manufactured home to deliver the certificate to any person to facilitate the home's conveyance or encumbrance. The recipient holds it in trust.

Section 14. Adds a new subsection to AS 28.10.221, which relates to the refusal, suspension, or revocation of a vehicle title. Prohibits the department, with an exception for new sec. 28.10.263, from suspending or revoking a certificate of title to a manufactured home because the home is affixed in any manner to real property.

Section 15. Adds a new subsection to AS 28.10.261, which relates to evidence. Makes a manufactured home's certificate of title issued by the department prima facie evidence of what it says, even if the home is affixed in any manner to real property.

Section 16. Adds new sections to AS 28.10.

Sec. 28.10.262. Directs the department to cancel a manufacturer's certificate of origin for a manufactured home if an application is filed and if certain other conditions are met. States that when the department has cancelled the certificate of origin under this section, the manufactured home is not subject to AS 28.10.

Sec. 28.10.263. Directs the department to cancel the certificate of title to a manufactured home if an application is filed and certain other conditions are met. States that when the department has cancelled the certificate of title under this section, the manufactured home is not subject to AS 28.10.

Sec. 28.10.264. Directs the department to indicate on its records that a manufactured home is not subject to AS 28.10 if an application is filed, a bond or cash deposit is made, and certain other conditions are met. States that when the department has provided the written confirmation described under (d) of the section the manufactured home is not subject to AS 28.10.

Sec. 28.10.265. Directs the department to issue a certificate of title for a severed manufactured home if an application is filed and certain other conditions are met. States that when a person satisfies this section, the manufactured home is subject to AS 28.10.

Sec. 28.10.266. Lists what an application under secs. 28.10.262 - 28.10.265 must provide.

Sec. 28.10.267. Establishes the requirements for the declaration required by sec. 28.10.266(11) for an application under sec. 28.10.264 or 28.10.265.

Sec. 28.10.268. Indicates the time when the requirements of secs. 28.10.262 - 28.10.264 are considered to be satisfied if an application under one of those sections is delivered to the department within 30 days after an affixation affidavit is recorded.

Sec. 28.10.269. Defines terms for AS 28.10.201 - 28.10.269.

Section 17. Adds new subsections to AS 28.10.371, which relates to liens and encumbrances on vehicles, to address certain situations involving liens on manufactured homes.

Section 18. Adds a new subsection to AS 28.10.381, which relates to liens and encumbrances on vehicles, to generally prohibit cancelling certain certificates for manufactured homes while a lien or encumbrance is outstanding, and to state that the validity and priority of the liens and encumbrances continue.

Section 19. Adds a new subsection to AS 28.10.391, which relates to liens and encumbrances on vehicles, to indicate that the liens and encumbrances of converted manufactured homes are governed by real property law.

Section 20. Amends AS 28.10.661(2) to define "mobile home" as a "manufactured home" for the chapter.

Section 21. Adds a new paragraph to AS 28.10.661 to define "manufactured home" for the chapter.

Section 22. Amends AS 29.45.070, which relates to municipal taxation, to reflect the conversion to real property allowed by the new chapter in AS 34.85.

Section 23. Amends AS 34.03.360 of the state's uniform residential landlord and tenant act to add a definition of "mobile home."

Section 24. Amends AS 34.70.200(3) of the chapter dealing with disclosures in residential real property transfers to include as residential real property manufactured homes that have become real property under AS 34.85.010.

Section 25. Amends AS 34.80.090(6) of the chapter that deals with escrow transactions for residential real property to include converted manufactured homes as residential real property.

Section 26. Adds a new chapter relating to converting manufactured homes to real property.

Sec. 34.85.010. Lists the criteria for a manufactured home to become real property.

Sec. 34.85.020. Describes the effects of converting a manufactured home to real property.

Sec. 34.85.040. Describes how the ownership interest requirement of sec. 34.85.010 can be satisfied when the manufactured home owner does not own the real property where the home is located.

Sec. 34.85.060. Establishes what an affixation affidavit must provide.

Sec. 34.85.070. Describes what an owner's statement required for an affixation affidavit must state.

Sec. 34.85.080. Indicates that permanently affixing a manufactured home to real property or recording an affixation affidavit does not affect liens and encumbrances on the manufactured home unless certain conditions are met.

Sec. 34.85.090. Directs a person to deliver the certified copy of an affixation affidavit to the department for filing under secs. 28.10.262 - 28.10.264, if the person receives the copy and is designated to file the copy.

Sec. 34.85.100. States that, except as provided by certain statutes, an affixation affidavit is not necessary or effective to convey or encumber a manufactured home or to change the character of a manufactured home to real property. Indicates what a conveyance of land on which a manufactured home is located must recite. Voids an agreement that waives this section.

Sec. 34.85.110. Directs each person having an interest in the real property from which a converted manufactured home is severed to record a severance affidavit.

Sec. 34.85.120. Establishes what a severance affidavit must contain and be accompanied by.

Sec. 34.85.130. Directs the recipient of a certified copy of a severance affidavit to deliver the copy to the department under secs. 28.10.262 - 28.10.264.

Sec. 34.85.140. Requires an affixation affidavit and a severance affidavit to be acknowledged like real property conveyances and be in a recordable form. Directs the department to establish the forms for the affidavits.

Sec. 34.85.150. Establishes when a manufactured home is considered to be permanently affixed to real property.

Sec. 34.85.190. Defines terms for the new chapter.

Sec. 34.85.195. Gives the chapter a short title.

Section 27. Adds a new section to the state's chapter on the recording of real property documents. Directs the recorder to record an affixation affidavit and a severance affidavit if they meet specified requirements. Indicates what the recording officer must place on the recorded affidavit.

Section 28. Amends the definition of "goods" in the Alaska Retail Installment Sales Act to include manufactured homes.

Section 29. Directs the Department of Administration to adopt regulations for this Act.

Section 30. Preserves rights and claims existing before January 1, 2013.

Section 31. Sets an immediate effective date for bill sec. 29, which authorizes the adoption of implementing regulations.

Section 32. Sets the effective date for all of the bill except bill sec. 29, which authorizes the adoption of implementing regulations.

If I may be of further assistance, please advise.

TLB:plm
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