

HOUSE BILL NO. 436

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE MARTIN

Introduced: 1/19/96

Referred: Transportation, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to purchase and sale of mobile homes by mobile home dealers**
2 **or agents; to mobile home titles; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 08 is amended by adding a new chapter to read:

5 CHAPTER 67. MOBILE HOME DEALERS AND AGENTS.

6 Sec. 08.67.010. REGISTRATION OF MOBILE HOME DEALERS AND
7 AGENTS. A mobile home dealer or agent may not do business in the state unless the
8 dealer or agent is registered with the department.

9 Sec. 08.67.020. APPLICATION, BOND, AND FEE. (a) In order to register
10 under AS 08.67.010, a person shall file with the department an application, a bond
11 required by AS 08.67.050, and an application fee established by the department by
12 regulation.

13 (b) The department shall prescribe and furnish the form of application for
14 dealer and agent registration. The application must contain

- 1 (1) the name under which the business is conducted;
- 2 (2) the location of business;
- 3 (3) the name and address of all persons having an interest in the
- 4 business and, in the case of a corporation, the application must contain the name and
- 5 address of the two principal officers;
- 6 (4) the name and make of all mobile homes handled;
- 7 (5) whether or not used mobile homes are handled;
- 8 (6) a statement that the applicant is a bona fide dealer or agent in
- 9 mobile home sales with a business at the location given;
- 10 (7) if the applicant sells a mobile home as a new or current model
- 11 mobile home having a manufacturer's warranty, the name of the manufacturer of the
- 12 mobile home and the date and duration of the applicant's sales and service agreement
- 13 with the manufacturer;
- 14 (8) other information the department requires to administer this chapter.

15 Sec. 08.67.030. DEPARTMENT APPROVAL. The department shall approve

16 an application for registration under AS 08.67.020 if the application contains the

17 information required by AS 08.67.020 and the bond complies with AS 08.67.050.

18 Sec. 08.67.040. RENEWAL OF REGISTRATION. A dealer or agent shall

19 renew the registration required by AS 08.67.010 every two years by filing with the

20 department a request for renewal, the bond required by AS 08.67.050, and a renewal

21 fee established by the department by regulation.

22 Sec. 08.67.050. BOND. (a) An applicant for registration under AS 08.67.020

23 or for renewal of a registration under AS 08.67.040 shall file with the application or

24 request for renewal, and shall maintain in force while registered, a \$50,000 bond that

25 is in favor of the state, that is executed by an authorized corporate surety approved by

26 the department, and that is conditioned upon the applicant's promise to pay all

27 (1) taxes and contributions due the state or a political subdivision of

28 the state; and

29 (2) judgments entered against the applicant for fraud, negligence, or

30 breach of contract when acting as a dealer or agent

31 (b) Instead of the corporate surety bond required by (a) of this section, the

1 department may, in the department's sole discretion, accept a bond in the same amount
2 with at least two individual sureties. A surety shall provide as security real property
3 that has a fair market value that is equal to two times the amount of the bond. The
4 department shall investigate as necessary the actual financial responsibility of the
5 individual sureties.

6 (c) The bond required by this section is conditioned on the applicant
7 complying with this chapter and not committing fraud or making fraudulent
8 representations in the course of doing business as a dealer or agent.

9 (d) A surety may cancel the bond after giving the department 30 days' advance
10 written notice. Cancellation does not relieve a surety of liability arising on the bond
11 from a purchase negotiated by the bonded dealer or agent before cancellation or a
12 liability that accrues against the bond before cancellation. The department shall retain
13 the canceled bond on file.

14 Sec. 08.67.060. ACTION ON BOND. If a person suffers loss or damage by
15 reason of a dealer or agent, or a person doing business as a dealer or agent, violating
16 this chapter or committing fraud or making fraudulent representations in the course of
17 doing business as a dealer or agent, the person may bring an action against the dealer
18 or agent and upon the bond.

19 Sec. 08.67.070. PENALTY. A person who knowingly violates this chapter is
20 guilty of a class A misdemeanor. In this section, "knowingly" has the meaning given
21 in AS 11.81.900.

22 Sec. 08.67.080. DEFINITIONS. In this chapter,

23 (1) "agent" means a person who does business in the state by
24 negotiating on behalf of a buyer or seller the purchase or sale of a mobile home;

25 (2) "dealer" means a person who is engaged in the business of buying,
26 selling, or dealing in new or used mobile homes and maintains an inventory of mobile
27 homes for sale;

28 (3) "department" means the Department of Commerce and Economic
29 Development.

30 * Sec. 2. AS 28.10.201(b) is amended to read:

31 (b) The owner of a vehicle described in AS 28.10.011 as being exempt from

1 registration and the owner of a snowmobile or off-highway vehicle may not apply for,
2 nor may the department issue, a certificate of title for the vehicle. However, the
3 department

4 (1) may issue a certificate of title to the owner of a vehicle exempt
5 from registration under AS 28.10.011(3), (6), (7), or (11) only upon application by that
6 owner; and

7 (2) shall [MAY] issue a certificate of title to the owner of a mobile
8 home upon application, display of evidence of ownership satisfactory to the
9 department, and payment of a fee of \$100 by the owner; a certificate of title issued
10 under this paragraph must comply with AS 28.10.231.

11 * **Sec. 3.** This Act takes effect July 1, 1996.