

Original sponsor: Cotten

Offered: 3/12/79  
Referred: Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 294 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mobile homes."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 45.30 is amended by adding new sections to read:

9 Sec. 45.30.011. MOBILE HOME WARRANTIES. (a) After the effective  
10 date of this Act, new mobile homes sold by a mobile home dealer to a  
11 buyer are subject to a mobile home warranty. A mobile home warranty  
12 shall be set out in a separate written document entitled "Mobile Home  
13 Warranty" which shall be delivered to the buyer by the mobile home  
14 dealer at the time a contract of sale is signed. The warranty shall  
15 contain the name, address and telephone number of the mobile home manu-  
16 facturer and the mobile home dealer and shall include at least the  
17 following provisions:

18 (1) the mobile home is free from any substantial defects in  
19 materials and workmanship;

20 (2) the manufacturer or dealer, or both, shall take appro-  
21 priate action at the site of the mobile home to correct substantial  
22 defects in materials or workmanship which become evident within one year  
23 of the date of delivery of the mobile home to the buyer if the buyer, or  
24 his transferee, gives written notice of the defect at the business  
25 address of the manufacturer or dealer on a date which is not more than  
26 one year and ten days after date of delivery of the mobile home;

27 (3) the manufacturer and the dealer are jointly and severally  
28 liable to the buyer, or his transferee, for the fulfillment of the terms  
29 of warranty, and the buyer may notify the manufacturer or the dealer, or

1 both, in the event action is required to correct substantial defects in  
2 materials or workmanship;

3 (4) the warranty is applicable to the mobile home structure,  
4 its plumbing, heating and electrical systems, and all furniture, appli-  
5 ances, and equipment installed or included in the mobile home unit by  
6 the manufacturer or dealer; and

7 (5) notwithstanding separate warranties applicable to appli-  
8 ances contained within a mobile home unit issued by the manufacturers of  
9 the appliances, primary responsibility for appropriate corrective action  
10 under the warranty rests with the manufacturer and the dealer of the  
11 mobile home unit, and written notice of defects must be initially  
12 reported to them.

13 (b) The warranty provided under (a) of this section is in addition  
14 to and not in derogation of all other rights and remedies which a buyer  
15 may have under any other law or instrument.

16 (c) The manufacturer and the dealer may not require the buyer to  
17 waive his rights under (a) of this section. A waiver of rights required  
18 by a manufacturer or dealer is contrary to public policy and is unen-  
19 forceable.

20 (d) A mobile home dealer shall display a notice of reasonable size  
21 stating the applicability of the warranty required by this section, and  
22 shall, upon request, provide a sample copy of the warranty. The notice  
23 shall be posted in each area in which purchase orders and sales con-  
24 tracts for mobile homes are written.

25 (e) The manufacturer shall compensate a mobile home dealer who  
26 incurs expenses as a result of warranty obligations for which the  
27 manufacturer is legally responsible or for obligations which the manu-  
28 facturer imposes upon the dealer. A provision of contract which is  
29 contrary to this subsection is void as against public policy.

1           Sec. 45.30.015. BONDS. (a) A manufacturer constructing mobile  
2 homes for sale in the state shall deposit a performance bond with the  
3 department to assure compliance with the provisions of AS 45.30.011.  
4 Performance bonds required under this section shall be in the following  
5 amounts for:

6                   (1) one to 50 units shipped into the state.....\$20,000;

7                   (2) in excess of 50 units shipped into the state...\$50,000;

8 and

9                   (3) manufacturing of units in the state.....\$20,000.

10           (b) A manufacturer who discontinues construction of mobile homes  
11 for sale in the state shall maintain a performance bond in the required  
12 amount for a period of 24 months after the date the last mobile home  
13 was constructed in or brought into the state.

14 \* Sec. 2. AS 45.30.040(a) is amended to read:

15           (a) A department inspector shall give written notice to the  
16 owner, dealer or manufacturer of a mobile home of each violation of  
17 AS 45.30.011 [THE REGULATIONS ADOPTED UNDER SEC. 10 OF THIS CHAPTER].  
18 The notice of violation shall accurately describe the violation and give  
19 specific reference to the section and paragraph of the statutes  
20 [REGULATIONS].

21 \* Sec. 3. AS 45.30.040 is amended by adding new subsections to read:

22           (c) The owner of a mobile home or a mobile home dealer may file an  
23 action for forfeiture of the bond to secure recovery for damages caused  
24 by the failure of the manufacturer to comply with the provisions of  
25 AS 45.30.011.

26           (d) Whenever it finds a violation of the provisions of AS 45.30 by  
27 a manufacturer or dealer of mobile homes, the department may issue a  
28 cease and desist order. After notice and hearing, the department may  
29 continue, modify, or terminate the order. If, after hearing, the

1 department determines that violations of the provisions of AS 45.30 are  
2 regular and recurring, it may require forfeiture of the bond to the  
3 benefit of the state and arrange for distribution of the proceeds of the  
4 bond to the mobile home owners injured by the activities of the dealer  
5 or manufacturer, or to mobile home dealers injured by the activities of  
6 the manufacturer.

7 \* Sec. 4. AS 45.30 is amended by adding a new section to read:

8 Sec. 45.30.061. DEFINITIONS. In AS 45.30,

9 (1) "department" means the Department of Transportation and  
10 Public Facilities;

11 (2) "mobile home" means a vehicle designed and equipped for  
12 human habitation, and which may be drawn by a motor vehicle only when  
13 authorized by permit.

14 \* Sec. 5. The following are repealed: AS 45.30.010, 45.30.030(b) and (c),  
15 45.30.040(b) and 45.30.050.

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