

Original sponsor: Cotten

Offered: 5/21/80
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 294

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND 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 by registered or
25 certified mail addressed to the business address of the manufacturer or
26 dealer on a date which is not more than one year and ten days after date
27 of delivery of the mobile home;

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

1 of warranty, and the buyer may notify the manufacturer or the dealer, or
2 both, in the event action is required to correct substantial defects in
3 materials or workmanship;

4 (4) the warranty is applicable to the mobile home structure,
5 its plumbing, heating and electrical systems, and all appliances and
6 equipment installed or included in the mobile home unit by the manu-
7 facturer or dealer; and

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

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

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

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

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

1 this subsection is void as against public policy.

2 (f) In this section, a defect is "substantial" if it materially
3 affects the fitness of the mobile home for occupancy or use by the buyer
4 or his transferee.

5 Sec. 45.30.015. BONDS. (a) A manufacturer constructing mobile
6 homes for sale in the state shall deposit a performance bond in the
7 amount of \$35,000 with the department to assure compliance with the
8 provisions of AS 45.30.011.

9 (b) A manufacturer who discontinues construction of mobile homes
10 for sale in the state shall maintain a performance bond in the required
11 amount for a period of 24 months after the date the last mobile home was
12 delivered to a buyer in the state.

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

14 (a) A department inspector shall give written notice to the owner,
15 dealer or manufacturer of a mobile home of each violation of AS 45.30.-
16 011 [THE REGULATIONS ADOPTED UNDER AS 45.30.010]. The notice of viola-
17 tion shall accurately describe the violation and give specific reference
18 to the section and paragraph of the statutes [REGULATIONS].

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

20 (c) Whenever it determines that there may be a violation of the
21 provisions of AS 45.30 by a manufacturer or dealer of mobile homes, the
22 department may give notice of hearing and, within 30 days after giving
23 notice, hold a hearing to determine whether there has been a violation.
24 After notice and hearing,

25 (1) if the department finds that there has been a violation
26 of the provisions of AS 45.30, the department may issue an order direct-
27 ing that the person who is violating the provision cure the violation in
28 a reasonable time and in a reasonable manner;

29 (2) if the department determines that violations of the

1 provisions of AS 45.30 are regular and recurring, it may require for-
2 feiture of the bond to the benefit of the state and arrange for distri-
3 bution of the proceeds of the bond to the mobile home owners injured by
4 the activities of the dealer or manufacturer, or to mobile home dealers
5 injured by the activities of the manufacturer.

6 (d) The provisions of AS 44.62.330 - 44.62.630 apply to a hearing
7 held under (c) of this section.

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

9 Sec. 45.30.061. DEFINITIONS. In AS 45.30,

10 (1) "buyer" means a person who purchases a mobile home for
11 his personal use and not for purposes of resale;

12 (2) "department" means the Department of Commerce and Economic
13 Development;

14 (3) "mobile home" means a vehicle designed and equipped for
15 human habitation, and which may be drawn by a motor vehicle only when
16 authorized by permit.

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

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