

HB

358

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/94

FURTHER:

DATE TURNED INTO OFFICE: 4-27-94

The Finance Committee considered CS FOR HOUSE BILL NO. 358(STA)

"An Act allowing a mobile home owner to obtain a certificate of title from the Department of Public Safety."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous 3 CS CS HB 358 (L & C)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DPS	3/2/94		140.0 opt.
			250.0 rev.

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS: Tim Kelly
James Bin
Bob King

OTHER RECOMMENDATIONS:

1. Do not do pass
 Co-Chair: Signature/Recommendation

2. 1 rule change - 10 pass
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1
Bill Version: CSHB 358(STA)
(H) Publish Date: 3/25/94

Revision Date: 03/02/94 Dept. Affected: Public Safety
Title: An Act relating to a certificate of title BRU: Motor Vehicles
for a mobile home. Component: Field Services
Sponsor: Representative Porter
Requestor: H.STA COMPONENT SERIAL NO. 502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	110.0	110.0	110.0	110.0	110.0	110.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	30.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	140.0	110.0	110.0	110.0	110.0	110.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1006) <small>Revenue Code</small>	250.0	250.0	250.0	250.0	250.0	250.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	140.0	110.0	110.0	110.0	110.0	110.0
1006 GF/MHTIA						
Other						
TOTAL	140.0	110.0	110.0	110.0	110.0	110.0

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
2,500 titles per year @ \$100.00 250.0 in Revenue Please see attached

Changes in CSHB 358 (L.C.) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
4/14/94 Jane L. Ford
date Comite Aide (initial)

Prepared By: Juanita M. Hensley Date: 03/02/94
Division: Motor Vehicles
Approved by Commissioner: [Signature] Date: 03/02/94
Agency: Richard L. Burton, Dept. of Public Safety

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COMMITTEE COPY

This bill requires the Division of Motor Vehicles to issue titles to all mobile home owners. For the purposes of this fiscal note analysis, the mobile home industry in Alaska has advised they sell approximately 1,500 mobile homes a year and another 1,000 homes are sold by individual owners. This would require the division to title approximately 2,500 mobile homes yearly.

Based on this information, three full-time Motor Vehicle Representative II's would be required. Since this bill requires owners to title the mobile homes, one of the positions would be used to do the research on all of the older mobile homes. Research is very labor intensive since the titles will not stay on the computer system if there has been no activity for several years. The periodic purging of records is done to reduce computer storage costs. Since mobile homes were not required to be registered there is usually no activity on the record after the initial title issuance. The other two positions would be used to issue mobile home titles. It is anticipated these positions would be located in Anchorage since the majority of the mobile home sales occur in that area of the state.

COST SUMMARY

Personnel

3 PFT Motor Vehicle Representative II's (range 9)	110.0
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Equipment

3 Computer workstations @10.0 each	30.0
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TOTAL	140.0
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Back-up

Alaska State Legislature

Representative Brian S. Porter

CHAIRMAN
HOUSE JUDICIARY COMMITTEE

MEMBER
HOUSE LABOR & COMMERCE COMMITTEE
SELECT COMMITTEE ON LEGISLATIVE ETHICS

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF PUBLIC SAFETY
COURTS



DISTRICT 20

SESSION:
STATE CAPITOL ROOM 118
JUNEAU, ALASKA 99801-1182
PHONE: (907) 485-4930
FAX: (907) 465-3834

INTERIM:
716 W. 4TH AVE., SUITE 640
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8197
FAX: (907) 258-5510

SPONSOR STATEMENT

When the legislature passed the final version of SB 99, the Governor's Omnibus Fee and Cost Reduction bill, the Department of Motor Vehicles' authority to issue titles to mobile homes was repealed. This change has significantly lengthened the time involved in selling or purchasing mobile homes.

Previously, financing could be arranged when the lender was presented with the title, which was easily accessible through the DMV. As it is now, when a potential buyer approaches a financial institution about mobile home financing, a UCC search will need to be made on all prior owners, both with the State and with the district in which the mobile home is located.

As mobile homes are sold and titles cease to be issued, it will be increasingly difficult for consumers, lenders and dealers alike to determine whether or not a mobile home is encumbered or who a lien or mortgage holder might be. Without DMV titles, there is no public notice of a person's ownership interest in a mobile home.

If mobile home sales become more difficult to finance, then the value of everyone's home is reduced.

Dealers, financial institutions and consumers are in agreement that they themselves should pay an appropriate fee to cover the costs of maintaining a title system. The costs of UCC searches, both in time and money, far outway the potential cost of titling/registration.

Resumption of the DMV titling process would certainly eliminate a lot of time and confusion for both the public and financial institutions with the transfer and documentation of mobile homes.



First National Bank
of Anchorage

September 16, 1993

Received

OCT 05 1993

F. P. CRIPPS & P. O. BILLY

Alaska State Legislature
3111 C Street
Anchorage, Alaska 99503

Honorable Members of the Legislature:

First National Bank of Anchorage respectfully requests that the State reconsider its 1993 legislation regarding the Division of Motor Vehicles no longer issuing titles to mobile homes. As mobile homes are sold and titles cease to be issued, it will become increasingly difficult for consumers, lenders and dealers alike to determine whether or not a mobile home is encumbered or who a lien or mortgage holder might be.

When lending against a mobile home for which no current title exists, financial institutions will have to use extreme caution. When a potential buyer approaches a financial institution about mobile home financing, it will be imperative that they have a clear record of all previous owners of the mobile home that they wish to purchase. A UCC search will need to be requested on all prior owners, both with the State and with the district in which the mobile home is located. A search, with copies of any lien documents that may be in existence, currently costs \$15.00 per name per district in which the information is requested. Even after a thorough search of both the state and local district's records, it is possible that a lien may exist in another district (where a prior owner may have had the mobile home at one time). Aside from searching the State's records and each of the individual 34 district's records for liens against all prior owners, it is impossible to verify that a mobile home is unencumbered. It is also important to note here that the State does not guaranty the validity of it's own search.

An entirely different set of problems will be created when individual sellers elect to "carry" the financing themselves. It is my opinion that this method of financing will cease.

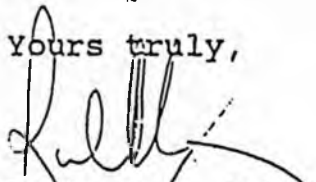
Consumers will have the same problems when purchasing a used mobile home with their own funds. Not only are they likely to be hesitant to purchase a mobile home, at a cost of anywhere from between \$5,000 to \$50,000, and not be given a Title but, because the general public has little knowledge of the Uniform Commercial Code, they will be ill-prepared when it comes to protecting themselves against purchasing a mobile home which may be subject to existing liens, or worse yet, purchasing it from someone who doesn't have the right to sell it. Anyone can draft a bill of sale, claiming to own a mobile home, and then sell it to an unwitting buyer. As the economy picks up, the sale of both new and used mobile homes is picking up as well. The potential for fraudulent transfer of ownership looms much larger with the current legislation in place.

*X*If State budget constraints are to blame for the elimination of DMV processing of mobile home titles, then dealers, financial institutions or the consumers themselves should pay an appropriate fee to cover the costs of maintaining a title system. The cost of the UCC searches, both in time and money, far exceeds the potential cost of titling/registration.

Once again, we ask that you take time to reconsider this legislation, in the interest of both the Alaskan consumer and the financial institutions to whom they turn for financing.

Thank you in advance for your consideration.

Yours truly,



Richard C. Enberg
Sr. Vice President
Corporate Lending Division
(907) 265-3563

cc: Leonard H. Gross, Vice President
Southwood Manor, Inc.

CRA ASSESSMENT FACTOR V-K

ALASKA MANUFACTURED HOUSING ASSOCIATION

September 21, 1993

Senator Tim Kelly
716 W 4th Ave., Suite 400
Anchorage, AK 99501-2133

Dear Senator Tim:

Enclosed please find a letter of support for amending SB 99 from Dick Enberg. You may already have received it directly.

As you know, the Alaska Manufactured Housing Association is acutely aware of the problems being experienced by the lending institutions, which also create problems for the mobile home industry. If mobile home sales become more difficult to finance, then the value of everyone's home is reduced. We hope the Legislature recognizes the hardship caused by the elimination of title registration by D.M.V.

AMHA has no objection to the setting of a reasonable fee for title registration or transfer. We would expect the program to be expense neutral.

We wish to express our appreciation to you for attending our meeting of September 16 and your willingness to sponsor the amendatory bill.

Sincerely,



Bernard L. Marsh
Executive Secretary

BLM:ckf

cc: Ira Walker
Leonard Gross



5535 OLD DAIRY RD, SUITE 103, JUNEAU, AK 99901
Off. (907) 790-4848 FAX (907) 790-4800

DATE: MARCH 2, 1994

TO: REPRESENTATIVE AL VESZY
STATE AFFAIRS COMMITTEE

TAW
FROM: TERRY A. WHITBECK, BROKER
ALL STAR, REALTORS
JUNEAU, ALASKA

RE: HOUSE BILL NO. 358

This is testimony in support of House Bill 358 allowing owners of mobile homes to secure a certificate of title from the Department of Public Safety.

I am the Broker/Owner of All Star, Realtors in Juneau, Alaska. Our company is the market leader of the Juneau Multiple Listing Service (JMLS) in the mobile homes in parks market. Of the 61 mobile homes in parks listed with JMLS since 1/1/93 we have listed 52%. All Star, Realtors also sold 61% of the mobile homes sold through JMLS since January 1, 1993.

Of the 897 mobile homes in 10 parks in Juneau, approximately 6% to 10% will be for sale during the year. Approximately 7% of this 897 belong to out of town owners.

The situation of treating mobile homes in parks as personal property without any sort of registration or recording of liens leaves the owner and potential buyer without any protection of ownership of their home or asset.

Without a title there is no way of knowing for certain that the person selling the mobile home is the legal owner. Another related question is whether the owner has the right to sell without paying off a lienholder.

Currently the only way we have to transfer ownership is through a Bill of Sale. This Bill of Sale can be purchased by anyone at any office supply store and can be completed by anyone. There typically is no provision for a lienholder on the Bill of Sale. Since a Bill of Sale is for personal property it cannot be recorded at the State Recorder's Office.

There is nothing to prevent a dishonest owner from selling a mobile home without clear title to an unsuspecting buyer who later finds out he/she has paid \$35,000 cash for their home only to find out that Alaska Housing Finance is foreclosing due to nonpayment of the mortgage.

HB 358 TESTIMONY PAGE 2

Without a title, how can an honest owner prove that he or she does indeed own the mobile home offered for sale.

Further, what is to prevent a tenant, whose landlord lives out of town, from creating a Bill of Sale and selling the mobile home to an unsuspecting buyer.

For many young couples a mobile home is their first home due both to cost of housing and availability. These couples have not purchased a home before and have no way of knowing that a Bill of Sale may not be genuine or whether the person they are dealing with is honest.

Common cash buyers of mobile homes are the retirees. These folks are typically on a fixed income and prefer to pay cash in order to keep their monthly expenses at a minimum. It could be devastating to their health and financial well-being to buy a mobile home and face eviction by the rightful owner or to be told that Alaska Housing Finance Corporation has a mortgage on their home.

Finally, there is nothing to protect the real estate agent from fraud in a mobile home sale. To date, we have required that sellers produce a title and have sellers sign the title over to the new buyers, however, these buyers are likely to be sellers some day. How can they prove ownership to us in the future? How can the real estate agent assure a buyer their ownership is genuine?

Those who own and live in mobile homes consider them real property. By issuing a certificate of title, their ownership interests can be assured and protected.

I respectfully urge you to pass HB 358.



Alaska State Legislature

Bruce Porter
Rep Eldon Muddew

Please enter into the record my testimony to the Senator) Timi Kelly
committee name

committee on House Bill # 358, dated 1-23-94
bill/subject

I am a citizen of Alaska and a resident of Juneau. My husband and I live in the Churchill Trailer Park in Lemon Creek.

We just recently made our final payment on our Trailer and have learned that the handling of trailer titles is confused.

We have visited D.M.V. here in Juneau and have discovered, this agency no longer issues titles.

At present, we would like a tangible document that records title transfer for trailers/mobilehomes.

I am in communication with the previous title holder(?) The only piece of paper we have is a "Bill of Sale" (she created) without any verification that it is now legally ours

Signed: Kathleen E Campbell Don Campbell
Testifier

Representing (Optional)

5905 Churchill way # 54 Juneau AK 99801
Address

(907) 780-4298 (Please call me)
Phone No.

We are supporting House Bill # 358

T. Lamb, J...

DEPARTMENT OF NATURAL RESOURCES

SUPPORT SERVICES DIVISION

State Recorder's Office
3601 C Street, Suite 1180
Anchorage, AK 99503
(907) 762-2437

October 6, 1993

The Honorable Tim Kelly, Chair
Senate Labor & Commerce Committee
Alaska State Legislature
716 W. 4th, Suite 400
Anchorage, AK 99501-2133

Re: Recorder's/UCC Component, Department of Natural Resources

Dear Senator Kelly:

Your correspondence to the Legislative Budget and Audit Committee dated September 14, 1993, in support of the Recorder's Office RPL 10-4-4013 was sincerely appreciated. LB&A did approve our request to receive and expend program receipts in the amount of \$89.6 to fund two vacant positions and additional expenses associated with unusually high recording volumes occurring in the first quarter of FY94. The increased workload is directly attributable to the large numbers of refinances occurring in all component locations, and generally increasing economic activity statewide.


Recording volumes are typically cyclical and are of course entirely determined by external forces over which we have no control. The user community willingly pays for recording services, and the component generates approximately \$1 million in excess of its requisite operating funds annually. The Revised Program funding approved by LB&A comes at a very critical time for the component, which has been facing increasing numbers of operational backlogs.

Your letter expressed particular concern about the time frames associated with UCC searches in the component's district offices and in UCC Central. While all component locations strive to complete all searches within 24 to 48 hours of receipt, occasional document processing backlogs extend this turnaround time to five days or more. One of the recording offices operated by the Alaska Court System (Seward) has been experiencing about a two week turnaround. Of course, the mail time is also a factor over which we have no control. Conceivably, two weeks or more could elapse between the time a lender sends a search request by mail and the time the certified response is received by return mail after processing, but the actual processing time is almost always less than five days, and usually less than two. In the past year, the

Senator Kelly
October 6, 1993
Page Two

Anchorage Recorder's Office has occasionally had a maximum turnaround time of up to seven days, but is ordinarily well within the 48 hour processing time frame. Two factors should actually help to lessen the turnaround time on UCC searches statewide. The RPL funding approved by LB&A last month will provide additional staffing in Anchorage, the state's largest volume office, and a portion of the daily workload of these recorders is the processing of UCC searches in the order in which they are received.

Additionally, we are in the process of completing an automated UCC search program for the district offices, similar to that already implemented at UCC Central. A pilot of this program should be in place during the second quarter of FY94. While this automated program won't reduce turnaround times significantly on copy searches (since the copying process is entirely manual), it will speed up the process substantially on information only searches, which comprise approximately one-third of the search volume generated statewide.

 Your letter also addressed DMV's titling of mobile homes and the elimination of that authority by legislation last session. From feedback we have received, this has been particularly troublesome for the public to accept. We continue to get numerous calls from the public who are seeking advice on how to document their ownership of mobile homes. We are unable to offer legal advice of this nature. These people are uncomfortable with not having a physical document of title to evidence their ownership, such as the title documents formerly issued by DMV. Many times they are seeking to record a mobile home bill of sale or similar document which we are unable to accept due to statutory and regulatory restrictions. Real property owners can record their deeds to place the entire world on notice of their interest. Without DMV titles, there is no public notice of a person's ownership interest in a mobile home.

While lenders can and do file UCC financing statements on mobile homes that they finance, there is currently no mechanism for a mobile home owner to document his ownership in the public record. You have indicated that your intent is to see that this problem is addressed legislatively in the next session. Resumption of the DMV titling process would certainly eliminate a lot of the confusion for the public and would significantly reduce the number of public inquiries in our office on this subject.

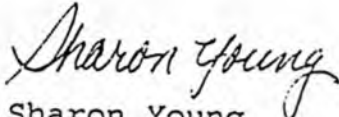
Once again, thank you for your support of our Revised Program request. We will endeavor to maximize this investment and will take steps to assure that your concerns about UCC searches are promptly and adequately addressed.

- LTR FROM STATE RECORDER -
ON U.C.C. FILES FOR MOBILE HOMES

Senator Kelly
October 6, 1993
Page Three

Please do not hesitate to contact me at any time if you have questions about our component or its activities.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Young".

Sharon Young
State Recorder

cc: Nico Bus, Acting Director
Support Services Division

MEMO

DATE: February 11, 1994
TO: Rep. Brian Porter
FAX: 465-3834
FROM: Ben Marsh, Executive Secretary
Alaska Manufactured Housing Association
FAX: 276-8801

In an attempt to estimate the number of sales or conveyances of mobile homes per year in Alaska, I have conducted a survey among our members. Our members are mobile home court owners and/or mobile home dealers. As a group, we represent about half of the 8000+ mobile homes in Alaska.

Attached hereto is my survey sheet, showing our member courts, with the number of sales or conveyances that occurred in 1993 in circles at each name. The numbers include units sold by the court, units bought by the court, and changes in ownership within the court. Such changes indicate sales between individuals.

The survey sheet shows that 34 members responded and 785 sales were reported. Assuming 1993 was a typical year, and our membership speaks for one-half the units in Alaska, you can estimate the total number of sales per year in Alaska at + 1500.

Another approach is to consider the 8000 units in Alaska. On the average, mobile homes are owned about eight years before re-sale. Thus each year will see about 1000 turn-overs.

Some sales may be duplications. For instance, a dealer's sale may also be shown as a park owner's purchase. However, I believe it safe to say that over 1000 mobile home conveyances occurred in Alaska in 1993.

I hope this will provide a basis for the fiscal note for HB 359. If there is further information I can provide, let me know. Incidentally, the Juneau parks that responded are Thunder Mountain, Glacier View, Kodzoff, Switzer Village, Lemon Creek, Churchill Park, and Sprucewood. Two of these are members of AMHA. The owner of Thunder Mountain and Switzer Village are eager to testify and there may be others.

We have no members in Fairbanks, therefore no Fairbanks sales were reported.

1993 SALES

AHFC (29)
 PO Box 101020
 Anchorage, AK 99510
 561-1900

AK Pacific Venture - Plaza 36 (26)
 405 W 27th Ave
 Anchorage, AK 99503
 563-3993

Alta Vista Traller Court (3)
 1100 W 32nd Ave
 Anchorage, AK 99503
 277-3037

Baxter Road Traller Court (0)
 4235 McLean Place #1B
 Anchorage, AK 99504
 337-2622

Beachcrest Mobile Home Court (16)
 11385 N T Highway
 Kelchikan, AK 99901

Churchill Park -Wright Service (10)
 3264 Pioneer Ave
 Juneau, AK 99801

Creekside Estates (0)
 951 E Creekside Dr. #9
 Wasilla, AK 99654
 373-3030

Diamond Estates (50)
 1200 W Diamond Blvd
 Anchorage, AK 99515
 344-6611

Forest Park Traller Park (6)
 4223 Westwood Drive
 Anchorage, AK 99517
 243-4969

Glencaren & Nanook Courts (49)
 2221 Muldoon Road
 Anchorage, AK 99504
 337-9464

Green Acres (1)
 8020 Chipper Tree Circle
 Anchorage, AK 99507
 344-2303

Hawkins Enterprises (47)
 PO Box 140330
 Anchorage, AK 99514
 333-5925

Kathy 'O Estates (7)
 909 Chugach Way #12
 Anchorage, AK 99503
 562-2148

C/O B. Packa Knowlton's Inlet View MHP (0)
 PO Box 770394
 Eagle River, AK 99577
 696-2446

Malaspina Park/Glacier Terrace (46)
 4100 DoBarr
 Anchorage, AK 99504
 333-2012

Manoog's Isle MHP (31)
 PO Box 1563
 Anchorage, AK 99510
 563-3382

Mayflower Circle Park (28)
 6208 Stadem Drive
 Anchorage, AK 99504
 333-6025

McRae Court (0)
 2702 McRae Road #1
 Anchorage, AK 99517
 243-1975

Miller's MHP (2)
 PO Box 91464
 Anchorage, AK 99509
 562-7150

Penguin Traller Court (11)
 1918 Wellington Place
 Wenatchee, WA 98801
 561-5516 (509) 643-2851

Penland MHP *See Penland Sales*
 3620 Penland Pkwy
 Anchorage, AK 99508
 274-2222

Penland Sales, Inc. (147)
 3820 Penland Pkwy
 Anchorage, AK 99508
 277-7275

Range View MHP (5)
 905 Muldoon Road #A54
 Anchorage, AK 99504
 333-5887

Riviera Terrace MHP (19)
 3307 Boniface Pkwy Sp 9B
 Anchorage, AK 99504
 333-5380

Scenic View Mobile Home Ct (3)
 6747 Double Tree Ct
 Anchorage, AK 99516
 522-3754

Southwood Manor MHP (92)
 9499 Brayton Dr #68
 Anchorage, AK 99507
 344-0111

Thomas Properties (0)
 PO Box 90908
 Anchorage, AK 99509
 561-7578

Thunder Mountain MHP (36)
 8479 Thunder Mtn Road
 Juneau, AK 99801
 789-7555

Top Hand Traller Court (1)
 2409 McRae
 Anchorage, AK 99503
 243-2611

Twln Birch Traller Court (7)
 2920 Tudor Road
 Anchorage, AK 99507
 563-3006

5 additional Parks in Juneau - (114)

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 8, 1994

Received

MAR 10 1994

SUBJECT: Mobile home titles - (HB 358)

TO: Representative Brian Porter

FROM: Michael F. Ford *MF*
Legislative Counsel

You have asked a series of questions regarding titles for mobile homes. Generally the legislature is free to create any system it chooses for providing title to a mobile home purchaser. In the past, the Department of Public Safety issued titles to mobile home owners, in the same manner as the system for issuing title to a motor vehicle owner. Under HB 358, the Department of Public Safety would again be issuing titles to mobile home owners. The following are your questions, with our response:

1. Is a title issued through DMV the best way to do this?

This answer depends on the purpose for issuing the title. If the purpose for issuing title is to indicate ownership in the same manner as a motor vehicle title, then the DMV system would seem to have some advantages. The department already issues titles for motor vehicles and has issued mobile home titles in the past. It would seem a relatively minor change to require DMV to add mobile homes to the process. The fiscal impact could be negated by simply charging an appropriate amount for issuing the title.

2. What other means are currently available to establish reasonable assurance of ownership?

Ownership of a mobile home can be established by possession, by a bill of sale, or by any written or oral evidence that the person is the rightful owner.

3. Is there a better way to establish proof of ownership or a public record of ownership?

I don't know that another system would be better, but the legislature could create a different system than that contemplated by HB 358. The system could be similar to

- QUESTIONS ADDRESSED BY -
LEGISLATIVE LEGAL

Representative Brian Porter
March 8, 1994
Page 2

the title system used to reflect ownership of a motor vehicle, but could be administered by another department, such as Commerce and Economic Development. There will be administrative costs to any system. The only existing system I know of is the one in DMV.

4. Is a U.C.C. filing an appropriate vehicle for mobile homes?

I don't believe that the U.C.C. is the appropriate place for handling mobile home titling. The U.C.C. filing system is a generic system primarily designed for establishing security interests in personal property, not for recording titles. It would be inconsistent with the uniform purpose of the U.C.C to set up some type of special mobile home ownership system within the U.C.C. itself. However, the physical recording system could also be used for recording titles under a separate statute.

5. Would a filing of a bill of sale, warranty deed, or quitclaim deed be an appropriate vehicle?

If the goal is to assure ownership, either a title from a state agency, or a bill of sale would likely be sufficient. A deed would not seem appropriate in that deeds usually are only provided for real property. While a mobile home may be covered in a deed as an improvement to real property, a deed would not normally be used when only the ownership of the mobile home is in question.

6. What would have to be done to get title insurance companies to issue policies on mobile homes?

I am not aware that title insurance is unavailable for mobile home owners. There is nothing in existing law that prohibits a title insurer from issuing title insurance on a mobile home. Under AS 21.66.480 "title insurance" is defined as insurance for the owner of real or personal property against liens, defects, or unmarketable titles. Therefore under existing law a title insurer could issue title insurance for a mobile home. Before issuing title insurance, a title insurer must first make a determination that the title is insurable in accordance with established underwriting practices (See AS 21.66.170). If title insurance is not available due to a lack of evidence of a title for a mobile home, perhaps a state system for issuing titles would alleviate this problem. I would suggest you also contact the division of insurance on this matter. They may have further information on title insurance underwriting requirements.

If you have further questions on these matters please contact me.

MFF:gc
94-179.glc

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

MAR 17 1994

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

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 17, 1994

SUBJECT: Registration of mobile homes - (HB 358)
TO: Representative Al Vezey
FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have asked several questions relating to registration and titling procedures of the Department of Public Safety. Each question will be addressed in turn.

1. Given that the department registers house trailers and not mobile homes, what is the difference between the two.

While neither term is defined, I believe that house trailer is intended to cover a vehicle that is designed to be towed behind a another vehicle on a frequent basis, while a mobile home is a vehicle that may be moved or towed on a highway, but is not designed to be moved or towed frequently.

2. What means can be established to provide clear title to a mobile home owner.

Probably the best system is some form of title issued by the state, similar to car titles. The Department of Public Safety used to issue titles for mobile homes and could be authorized to do so again. Also, there is already existing law that sets guidelines as to what the state would require in order to issue a title in situations where ownership is in question. See AS 28.10.216.

3. Can the state require a quiet title action or affidavit in order to establish clear title.

The state can impose any requirements necessary to prove ownership, including an affidavit, a judgment of a court, a bill of sale or some other method.

4. What legal restraints are there on title companies that would prevent issuance of title insurance on a mobile home or house trailer.

Representative Al Vezey

March 17, 1994

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The only impediment to title insurance is that the title must be "insurable." This means that under the established underwriting practices, that the insurer is confident that the person insured is the legal owner of the property. If there is doubt as to the ownership, then the title company could decline to issue the insurance. See AS 21.66.170.

5. How can the Department of Public Safety be authorized to issue titles for mobile homes without getting bogged down in title searches.

If the problem is avoiding extra administrative costs in providing clear title, the legislature could shift the burden of providing clear evidence of ownership to the applicant. In short, the department would only issue mobile home titles when adequate proof of ownership is provided. This should reduce the administrative cost to a minimum.

Please contact me if you have further questions.

MFF:pl

94-218.plm

Alaska State Legislature

Representative Brian S. Porter



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DISTRICT 20

M E M O R A N D U M

DATE: 4/20/94

TO: Senator Pearce, Co-Chair Senate Finance

FROM: Representative Brian Porter, Chair House Judiciary *Brian*

RE: Schedule Request 

Please schedule HB 358, Mobile Home Certificates of Title, at your earliest convenience. This legislation enables the DMV to resume issuing titles to mobile home owners. HB 358 has encountered no opposition throughout the entire legislative process, was waived by House Finance and should take very little of your time.

Your timely consideration with this matter is greatly appreciated.

