

**HB**

**436**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 1996

FURTHER REFERRALS:

Date of Committee Action: 4/12/96

The FINANCE Committee considered:

HB 436

HOUSE BILL NO. 436

MOBILE HOME DEALERS & TITLES

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

recommends it be replaced with the following committee substitute CS HB 436 (TRA)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) DCED, 4/2/96

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) DPS 4-2-96

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard Foster</i>	Foster	X			
<i>Mark Hanley</i>	Hanley			X	
<i>Melvin Mulder</i>	Mulder	X			
<i>Terry Martin</i>	Martin	X			
<i>Karl Parnell</i>	Parnell			X	
<i>Vic Kohring</i>	Kohring		X		
<i>Ben Grossendorf</i>	Grossendorf	X			
<i>Mike Navarre</i>	Navarre			X	
<i>Tam Brown</i>	Brown			X	
<i>Kelly Kelly</i>	Kelly	X			
<i>Tom Therriault</i>	Therriault			X	

CHAIR'S SIGNATURE *Mark Hanley* *Richard Foster*  
 Hanley Foster

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

No. 2  
Bill Version: CSHB 436(TRA)  
(H) Publish Date: 4/2/96

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
Title: An Act relating to purchase and sale of mobile homes BRU: Occupational Licensing  
by mobile home dealers;.... Component: Operations  
Sponsor: Representative Martin  
Requestor: House Transportation COMPONENT SERIAL NC 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	20.2	20.2	20.2	20.2	20.2	20.2
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	3.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>	<b>48.4</b>	<b>0.0</b>	<b>48.4</b>	<b>0.0</b>	<b>48.4</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR	24.2	24.2	24.2	24.2	24.2	24.2
<b>TOTAL</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>	<b>24.2</b>

Estimate of any current year (FY 96) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)  
CSHB 436(TRA) creates registration for mobile home dealers. Information obtained from the business license database indicates there may be as many as 124 individuals who may seek registration under this bill. The costs identified above assume that a part-time position would be needed to administer this registration program resulting primarily from the work involved with tracking and maintaining the bonding requirements. The costs are explained further on the attached page.

Prepared by: Jennifer Strickler, Administrative Officer  
Division: Occupational Licensing  
Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Phone: 465-2144  
Date: March 28, 1996  
Date: 3-23-96

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO.: CSHB 436(TRA)

ANALYSIS: (Continued)

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS

### PERSONAL SERVICES \$20.2

This funding will provide a part-time Occupational Licensing Examiner I position, Range 12.

The position will be responsible to support the registration program by responding to inquiries, processing applications, track and maintain bonding information, evaluate surety bonds and investigate the actual financial responsibility of individual sureties. Tracking canceled bonds and activity placed against the bond prior to its cancellation.

### CONTRACTUAL SERVICES \$3.0

This funding will cover communication costs, printing of applications and statute/regulation booklets, public notice costs, and costs involved with regulation projects.

### SUPPLIES \$1.0

This funding will provide for daily operating desk top supplies.

**TOTAL:** **\$24.2**

### REVENUE

All programs within centralized licensing are required to pay its regulatory costs through fees generated. Like other regulated programs, the registration of mobile home dealers and agents will be responsible to pay Direct program costs in the first year of operation, and pay Direct program costs and Administrative Indirect costs starting in the second year forward.

Continuation of CSHB 436(TRA) Fiscal Note

The expenses identified in this fiscal note represent the Direct program costs. However, to estimate the amount of the registration fee, we have assumed there are 124 individuals who would seek registration under this bill. To calculate the Administrative Indirect costs, 124 mobile home dealers are added to the division's 32,355 total licensees for a total of 32,479 licensees. The 124 is then divided by the 32,479 licensees to determine the percentage of administrative indirect costs mobile home dealers can be held responsible for. ( $124 \div 32,479 = 0.01$ ). Based on FY 95's Administrative Indirect costs of \$1,291,316.69, the mobile home dealers can expect to be pay \$12,913.17.

Again, this fiscal note assumes that mobile home dealers will cover only the direct regulatory costs for the start-up year, FY 97; and both direct and indirect costs for FY 98 and beyond. Administrative indirect costs charged to other programs will be reduced to offset the mobile home dealers and agents contribution.

Total Program Costs are estimated at:

\$ 48.4 Direct Costs for FY 97 & FY 98  
\$ 12.9 Administrative Indirect Costs for FY 98  
\$ 61.3 Total Program Costs to be covered by 124 registrants

Therefore, the mobile home dealers fee in FY 97 is projected to be:

\$494.36 biennial registration fee (\$61,300 Biennial Program Costs divided by 124 licensees)

**1996 LEGISLATIVE SESSION**

BILL NO: 1  
 Bill Version: CSHB 436(TRA)  
 (H) Publish Date: 4/2/96

Revision Date: \_\_\_\_\_  
 Title: Mobile Home Dealers and Titles  
 Sponsor: Representative Martin  
 Requestor: H.TRA

Dept. Affected: Public Safety  
 Component: DPS Statewide Support  
Commissioner's Office  
 COMPONENT SERIAL NO. 0523

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

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL EXPENDITURES</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CHANGE IN REVENUES ( )</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Code Revenue						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

Estimate of current year (FY 96) impact: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)  
 No fiscal impact is anticipated to the Department of Public Safety

Prepared By: Sandy Perry-Provost, Special Assistant to the Commissioner Phone: 465-4322  
 Division: Commissioner's Office Date: 3/28/96  
 Approved by Commissioner: *Dee Smith* Date: 3/28/96  
 Agency: Ronald L. Otte, Dept. of Public Safety

MEMORANDUM

March 19, 1996

TO: Representative Terry Martin  
Alaska House of Representatives

FROM: John Bitney, Legislative Liaison  
Alaska Housing Finance Corporation

SUBJECT: HB 436, an Act relating to mobile homes

Per your request, the following is information from the Alaska Housing Finance Corporation (AHFC) regarding HB 436, an Act relating to purchase of mobile homes by mobile home dealers or agents; to mobile home titles; and providing for an effective date:

Regarding the registration and bonding requirements for mobile home agents, AHFC acknowledges the consumer protection aspects of Section 1. Under HB 436, "a person who is engaged in the business of buying, selling, or dealing in new or used mobile homes and maintains an inventory of mobile homes for sale" must register with the Department of Commerce and Economic Development. The registration and bonding requirements will provide a better guarantee for mobile home purchasers of the integrity of the unit and the sale.

The state title requirement in Section 2 will provide for the availability of a deed of ownership on mobile homes. With AHFC's mobile home financing program (see below), a deed of ownership will offer better security for the corporation. Under current practice, a bill of sale is usually the only proof of ownership for a mobile home.

Under AHFC's current mobile home program, eligible properties are mobile home units located on rented or leased land or older mobile home units situated on fee simple properties. Certain mobile homes permanently affixed to real estate are financiable under any of the standard loan programs offered through AHFC, such as taxable, tax-exempt, or veterans.

REPRESENTATIVE  
**TERRY MARTIN**  
CHAIRMAN  
BUDGET & AUDIT COMMITTEE  
MEMBER  
HOUSE FINANCE COMMITTEE

# Alaska State Legislature



MAY 15 - JAN 15 258-8169  
716 W. 4TH, SUITE 650  
ANCHORAGE, AK 99504  
JAN 15 - MAY 15 465-3783  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
HOME 333-6990  
355 DONNA DRIVE, #11  
ANCHORAGE, AK 99504

## SECTIONAL ANALYSIS CSHB436 (TRA)

### Licensed purchases and sales of mobile homes by dealers; Mandatory DMV titling of mobile homes

#### Section 1.

Adds mobile home dealers to the list of licensed and regulated entities under Occupational Licensing at the beginning of Title 8 (Business/Professional Licensing).

#### Section 2.

Adds a new chapter (67) under Title 8 relating to mobile home dealers. Requires registration and an application to be submitted with accompanying fees to the Division of Occupational Licensing and defines what specific information must be recorded by the dealer. Requires department approval of the application, a two year renewal policy and instructs applicant to maintain a \$50,000 bond in favor of the State and executed by an authorized corporate surety. Describes how action on the bond is taken; the penalties imposed if fraud occurs; and defines "dealer", "department" and "mobile home" in reference to the statute.

#### Section 2.

Requires the Division of Motor Vehicles to issue a certificate of title to the owner of a mobile home upon application. Requires the display of the title as evidence of ownership satisfactory to the department.

#### Section 3.

Establishes an effective date of July 1, 1997.



# CAREY HOMES, INC.

SERVES ALASKA

3317 Mt. View Drive — Anchorage, Alaska 99501

272-5414

3-19-96

Representative Terry Martin

Dear Representative Martin, I'm writing to you today in favor of the Alaska Manufactured Housing Associations proposed changes to House Bill No. 436. We would like to be among the first to take proper steps to increase the protection for our customers and others which believe in the inherent benefits that our industry provides.

In reading HB 436 two positive issues come to mind. First, is a stronger bond which better reflects today's factory built housing. When my father first started in the early 50's, a home would sell off our lot for approximately \$3,500. As our industry has evolved since the 50's so has the prices. Today, our Factory Built Homes compete more and more with the more traditional sick built house. What makes us competitive is our Quality Controlled Construction and of course our price. With this in mind, our office would support the bond increase to \$50,000.. The increase would provide better protection for those who purchase either a new home our a used home from any party who conducts business in our industry.

The second issue of importance is that of titling. Public record of liens and ownership via Department of Motor Vehicles is our only true way to convey clear title to a new owner.

Again I would like to reaffirm our support of the Alaska Manufactured Housing Association revised editions to the House Bill No. 436.

Sincerely,



Mac A. Carey



**GLENCAREN**  
Fine Mobile Home Living  
Location: 2221 Muldoon Road  
ANCHORAGE, ALASKA 99504

20 March: 1996

FAX: 1-907 337-2515

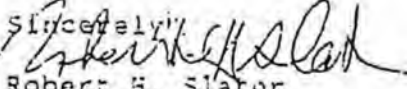
Phone: 1-907-337-9464

TO: REPRESENTATIVE TERRY MARTIN

RE: HOUSE BILL NO. 436

We fully support and urge passage of above referenced bill in its entirety. This <sup>is</sup> in the best interests of the Alaska public and the manufactured housing industry.

Sincerely,

  
Robert H. Slater

THUNDER MOUNTAIN MOBILE PARK AND SALES  
8479 THUNDER MOUNTAIN ROAD  
JUNEAU, AK 99801  
(907)789-7555

3/26/96

Representative Gary Davis  
Transportation Commissioner Chairman  
State Capitol Building  
Juneau, Ak 99801

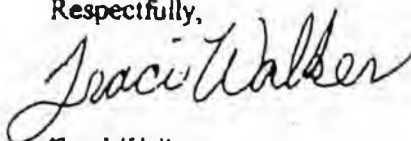
Re: House Bill No. 436

Dear Chairman

As an active Licensed Mobile Home Dealership in Alaska, I would like to express my support for House Bill No. 436. I urge you to pass this bill. Not only does this bill clarify licensing and bonding requirements for Home Dealers, it will protect the consumers of Manufactured and Mobile Homes. There are currently homes being shipped to Alaska that do not meet H.U.D.'s "Alaska Package" requirements and homes that are not being warranted because of this.

It is with regrets, I will not be in town to attend the committee meeting in person, but would be happy to speak with you and/or the committee upon my return, the first of April. Again, I request that you pass House Bill No. 436, it is in the public's best interest. Thank you for your time.

Respectfully,



Traci Walker

TW/lm

cc: Representative Terry Martin

# SOUTHWOOD MANOR

9499 BRAYTON DR. #68  
ANCHORAGE, ALASKA 99507  
(907) 344-0111

March 20, 1996

The Honorable Terry Martin  
Alaska State Representative  
Juneau, Alaska

Dear Representative Martin,

As a dealer in new and used manufactured homes (Mobile Homes), I am in concurrence with House Bill #436 as relates to having dealers and or agents bonded and that the titling of homes should be mandatory.

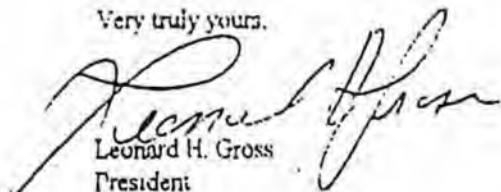
The bonding should apply to the dealers or persons who act in an agency sphere with either the buyer or seller or for his or her own account, but not to the employees (Sales Persons), who are employed by the individual or entity.

My personal feelings are that the bond should be somewhere between the \$10,000.00 require by the D.M.V. as was prior to July 1994 or \$25,000.00 based on present values.

Without titling the homes, there is no central registration on which a buyer can feel 100% safe as to ownership. The present system opens the door to fraud upon the uninformed public.

Thank you for your time and energy in trying to improve and correct the present situation.

Very truly yours,

  
Leonard H. Gross  
President

*ALASKA MANUFACTURED HOUSING ASSOCIATION*

November 1, 1995

Rep. Terry Martin  
355 Donna Drive  
Anchorage, AK 99504

Dear Rep. Martin:

I have been asked by the Board of Directors of Alaska Manufactured Housing Association to write to you about the need for a consumer protection bill regulating the sale of mobile homes.

Even though mobile homes may be valued up to \$100,000.00, they are personal property and do not fall under the protection of real estate laws unless located on a private lot. Mobile home dealers are unlicensed, unbonded and unregulated. Real estate agents, of course, are strictly regulated and the public is protected by a surety fund, licensing requirements, the Real Estate Commission, etc.

In addition, the state does not require DMV to issue title certificates for mobile homes. DMV is authorized, but not required, to title mobile homes. Banks and other lending institutions normally insist on a certificate of title, but seller-financed sales and cash sales offer no protection for buyers or sellers. Long after a sale is completed a buyer's unit and seller's collateral can be claimed by an unknown title holder or lien holder.

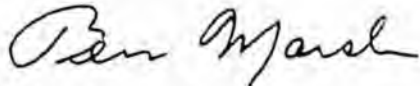
There is a need for some degree of professionalism in agents who broker sales of units, so that unknowledgable buyers and sellers may be protected from risk.

We recommend that you sponsor and introduce a bill that would:

1. Make it mandatory for DMV to issue certificates of title for mobile homes. There is already a \$100 fee for title certification.
2. That *dealers* in new or used mobile homes be required to be licensed by the Division of Occupational Licensing as a separate category.
3. That *agents* handling transfers of ownership also be licensed by the Division.
4. That licensees be required to furnish a bond in the amount of \$50,000 in order to do business in mobile home sales.

We hope you can arrange to have such a bill drafted, if you think it should be, also introduced in the Senate. We will cooperate with you fully in this effort.

Sincerely,



Bernard L. Marsh  
Executive Secretary

BLM:ckf

cc: Dave Carey, President  
Leonard Gross, V.P.  
Ira Walker, B.O.D.

# HOUSE COMMITTEE REPORT

11714

Date Referred to Committee: April 2, 1996

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-3-96

The LABOR AND COMMERCE Committee considered:

HB 436

HOUSE BILL NO. 436

MOBILE HOME DEALERS & TITLES

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

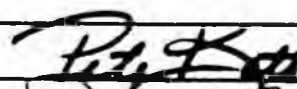
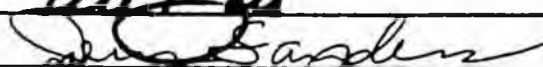
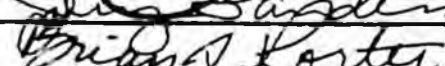
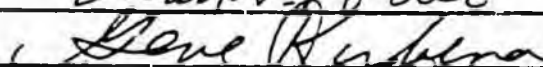
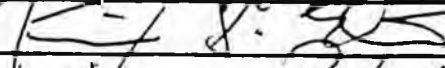
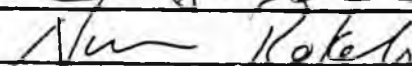
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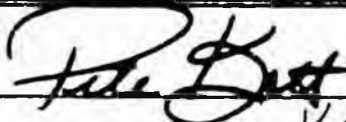
additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Comm) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) CIED 4-2-96

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) P.S. 4-2-96

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Kott	✓			
	Sanders	✓			
	Porter	✓			
	Kubina			✓	
	Eton			✓	
	Rokeberg			✓	
		(3)		(3)	

CHAIR'S SIGNATURE   
Kott

7/21/94

HOUSE COMMITTEE REPORT

(7) Date Referred to Committee: January 19, 1996

FURTHER REFERRALS: Labor and Commerce Finance

Date of Committee Action: 3/27/94

The TRANSPORTATION Committee considered:

HB 436

HOUSE BILL NO. 436

MOBILE HOME DEALERS & TITLES

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

recommends it be replaced with the following committee substitute CS HB 436 (TRA) [ ] the same title [X] a new title

[ ] additional referral to \_\_\_\_\_ Committee [ ] attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) Commerce [X] fiscal note(s) APPROVES PREVIOUS: (Dept/Date) [ ] fiscal note(s)

[X] zero fiscal note(s) Public Safety [ ] zero fiscal note(s)

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names: Beverly Masek, Cong Brice, Jim Sanders, W.W. Williams, G. Davis. Includes counts (1) and (5) in DP and NR columns.

CHAIR'S SIGNATURE [Signature] G. DAVIS