

HB

436

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

SFC 5/3/96

DATE: 4/24/96

DATE TURNED INTO OFFICE: 5-3-96

The Finance Committee considered CS FOR HOUSE BILL NO. 436(TRA)

Relating to purchase and sale of mobile homes by mobile home dealers;efd.

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|---------------------------|-------------------------------------|-----------------------|-------------------------------------|-----|----|
| <i>Col. Bob C. ...</i> | <input checked="" type="checkbox"/> | <i>Steve ...</i> | <input checked="" type="checkbox"/> | | |
| <i>Scott ...</i> | <input checked="" type="checkbox"/> | <i>Wanda ...</i> | <input checked="" type="checkbox"/> | | |
| | | <i>Paul ...</i> | <input checked="" type="checkbox"/> | | |
| Co-Chair: <i>...</i> | <input checked="" type="checkbox"/> | Co-Chair: | | | |
| Co-Chair: <i>Rick ...</i> | <input checked="" type="checkbox"/> | Co-Chair: | | | |

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
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PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

| Department | Date | Zero | Fiscal |
|---------------------|----------------|----------|-------------|
| #1 <i>DPS</i> | <i>3/28/96</i> | <i>0</i> | |
| #2 <i>DC&ED</i> | <i>3/29/96</i> | | <i>24.2</i> |
| | | | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED OUT OF
SFC 5/3/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSHB 436(TRA)

Revision Date: _____
 Title: An Act relating to purchase and sale of mobile homes
by mobile home dealers;....
 Sponsor: Representative Martin
 Requestor: House Transportation

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations

COMPONENT SERIAL NO. 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 | | | | | | |
| TOTAL OPERATING | 24.2 | 24.2 | 24.2 | 24.2 | 24.2 | 24.2 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|--------------------|------|-----|------|-----|------|-----|
| CHANGE IN REVENUES | 48.4 | 0.0 | 48.4 | 0.0 | 48.4 | 0.0 |
|--------------------|------|-----|------|-----|------|-----|

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 |
| TOTAL | 24.2 | 24.2 | 24.2 | 24.2 | 24.2 | 24.2 |

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: _____

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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 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)

STATE OF ALASKA

FISCAL NOTE

BILL

No. 1

REPORTED OUT NO: 5/3/96

Bill Version: CSHB 436(TRA)

1996 LEGISLATIVE SESSION

SFC

(H) Publish Date: 4/2/96

Revision Date: _____

Dept. Affected:

Public Safety

Title: Mobile Home Dealers and Titles

DPS Statewide Support

Component:

Commissioner's Office

Sponsor: Representative Martin

Requestor: H.TRA

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 | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |
| CAPITAL EXPENDITURES | -0- | -0- | -0- | -0- | -0- | -0- |
| CHANGE IN REVENUES () | -0- | -0- | -0- | -0- | -0- | -0- |
| Code Revenue | | | | | | |

FUNDING: (Thousands of Dollars)

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

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: Ronald L. Otte

Date: 3/28/96

Agency: Ronald L. Otte, Dept. of Public Safety

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COMMITTEE COPY

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

Alaska State Legislature



MAY 15 - JAN 15 358-4169
716 W. 4TH ST. SUITE 650
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

HOME 333-6990
353 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.





520 East 34th Avenue
Anchorage, AK 99503-4199
(907) 561-1900

P.O. Box 101020
Anchorage, AK 99510-1020

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.

"Housing For All Alaskans"

CAREY HOMES, INC.

SERVES ALASKA

3317 Mt. View Drive — Anchorage, Alaska 99501

272-5414

3-19-66

Representative Terry Martin

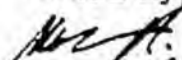
Dear Representative Martin, I'm writing to you today in favor of the Alaska Manufactured Housing Associations proposed changes to House Bill No. 436. We would like to be among the first to take proper steps to increase the protection for our customers and others which believe in the inherent benefits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

SOUTHWOOD MANOR

3489 BRAYTON DR. #68
ANCHORAGE, ALASKA 99507
907) 344-0111

March 29, 1994

The Honorable Ferry 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.

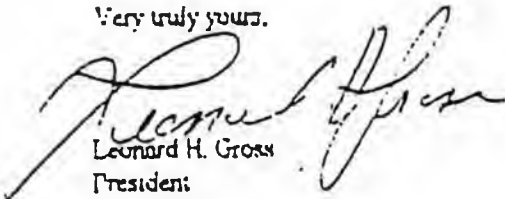
The bonding should apply to the dealers or persons who act in an agency sphere with either the buyer or seller or for his or her own account, but not to the employees (Sales Persons), who are employed by the individual or entity.

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.

THUNDER MOUNTAIN MOBILE PARK AND SALES
3479 THUNDER MOUNTAIN ROAD
JUNEAU, AK 99801
(907)789-7555

3/26/96

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

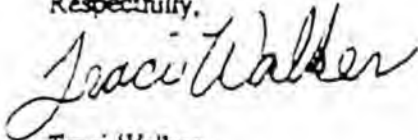
Re: House Bill No. 436

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 regret, 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

SENATE COMMITTEE REPORT

First Committee of Reference

DATE: 4/19/96

FURTHER: Finance

DATE TURNED INTO OFFICE: April 20, 1996

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 436(TRA)
 Relating to purchase and sale of mobile homes by mobile home dealers; efd.

PH 4/17/96

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

| SIGNING OFFICER | DATE | DEPARTMENT | INITIALS | AM |
|-------------------------|------|----------------|----------|----|
| <i>Mike Miller</i> | | | | |
| <i>John Ferguson</i> | | | → | ✓ |
| | | | | |
| | | <i>Duncan</i> | | ✓ |
| | | <i>E. Sald</i> | | ✓ |
| | | | | |
| CHAIR: <i>Tom Kelly</i> | ✓ | CHAIR: | | |

NEW FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
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PREVIOUS FISCAL NOTE(S):*

| Department | Date | Zero | Fiscal |
|-------------------|---------|------|--------|
| DCED | 3/25/96 | X | 24.2 |
| Dept. Pub. Safety | 3/25/96 | Y | |
| | | | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill