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# 114th MAINE LEGISLATURE

## **FIRST REGULAR SESSION - 1989**

Legislative Document

No. 829

H.P. 605

House of Representatives, March 17, 1989

Reference to the Committee on Business Legislation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MITCHELL of Freeport. Cosponsored by Senator CLARK of Cumberland, Representative KILKELLY of Wiscasset and Representative HOGLUND of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-NINE

An Act Concerning Warranties for Manufactured Housing.

1	Be it enacted by the People of the State of Maine as follows:
3 ·	Sec. 1. 10 MRSA c. 213, first 2 lines, as amended, is further amended to read:
5	CHAPTER 213
7	MOBILE-HOME MANUFACTURED HOUSING WARRANTIES
9	WARTPR-WAWE WANDLYCIDKED HOOSING WAKUWUITES
11	Sec. 2. 10 MIRSA §1401, as amended by PL 1973, c. 788, §42, is further amended to read:
13	§1401. Necessity of warranty
15 17	After October 3, 1973, all new mobile- <u>homes</u> <u>manufactured</u> <u>housing</u> sold by amobile-homedealer <u>dealers</u> situated in the State of Maine shall be covered by the warranty set forth in this chapter.
19	chapter.
21	Sec. 3. 10 MRSA §1402, as enacted by PL 1973, c. 435, is amended to read:
23	§1402. Definitions
25	As used in this chapter, unless the context otherwise
27	indicates, the following words <u>terms</u> shall have the following meanings.
29	1. Dealer. "Dealer" shall-include-any-person,-corporation,-
31	associationoranyotherlegal-entitywhocustomarilysells mobile-homes-to-consumers means any person engaged in the retail selling or offering for sale, brokering or distribution of
33	manufactured homes, primarily to a person who, in good faith,
35	purchases these homes for purposes other than resale.
	<b>2Mobilehome"Mobilehome"shallmeana-structure</b> ,-
37	transportable-in-one-or-more-sections,-which-is-8-body-feet-or more-in-width-and-is-32-body-feet-or-more-in-length,-and-which-is
39	builtona-permanentchassisanddesignedtobeusedasa
4 7	dwelling-with-or-without-a-permanent-foundation-when-connected-to
41	therequiredutilities,andincludestheplumbing,heating, air-conditioning-and-clectrical-systems-contained-therein,
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45	3. Manufactured housing. "Manufactured housing" means a
40	structural unit or units designed for occupancy, and constructed in a manufacturing facility and then transported by the use of
47	its own chassis or placement on an independent chassis to a
4.0	building site. The term includes any type of building that is
49	<u>constructed at a manufacturing facility and then transported to a</u> <u>building site where it is utilized for housing and may be</u>
51	purchased or sold by a dealer in the interim. For purposes of this chapter, 3 types of manufactured housing are included. They
53	are:

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A. Those units constructed after June 15, 1976, that the manufacturer certifies are constructed in compliance with the United States Department of Housing and Urban Development standard, meaning structures, transportable in one or more sections, which, in the traveling mode, are 8 body feet or more in width and 40 body feet or more in length or, when erected on site, are 320 or more square feet, and which are built on a permanent chassis and designed to be used as dwellings, with or without permanent foundations, when connected to the required utilities, including the plumbing, heating, air-conditioning and electrical systems contained therein; except that such term shall include any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of the United States Department of Housing and Urban Development and complies with the standards established under the National Manufactured Housing Construction and Safety Standards Act of 1974, United States Code, Title 42, Sections 5401 et seq.;

B. Those units that the manufacturer certifies are constructed in compliance with the State's manufactured housing laws and regulations, meaning structures, transportable in one or more sections, which are not constructed on a permanent chassis and are designed to be used as dwellings on foundations when connected to required utilities, including the plumbing, heating, air-conditioning or electrical systems contained therein; and

C. Those units constructed prior to June 15, 1976, meaning structures, transportable in one or more sections, which are 8 body feet or more in width and are 32 body feet or more in length, and which are built on a permanent chassis and designed to be used as dwellings, with or without permanent foundations, when connected to the required utilities, including the plumbing, heating, air-conditioning or electrical systems contained therein.

Sec. 4. 10 MRSA §1403, as enacted by PL 1973, c. 435, is 41 amended to read:

43 §1403. Application

The warranty provided for in this chapter shall apply to the manufacturer of the mebile-home manufactured housing, as well as
 to the dealer who sells the mebile-home manufactured housing to the buyer.

Sec. 5. 10 MRSA §1404, as repealed and replaced by PL 1973, 51 c. 754, §1, is amended to read:

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§1404. Written warranty; contents

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The manufacturer shall provide a written warranty with each new mobile <u>manufactured</u> home. The dealer shall countersign the warranty and certify that: To the best of <u>his</u> <u>the dealer's</u> knowledge, the home is free from any--substantial-<u>defects-in</u> faulty materials and-<u>workmanship</u>, <u>constructed in a skillful</u> manner and fit for habitation, and meets all applicable federal manufactured housing construction and safety standards. The dealer shall deliver the written warranty to the buyer at the time of sale and the warranty shall contain the following terms:

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 Defects. That the mobile-home manufactured housing is
 free from any substantial--defects---in faulty materials or workmanship unskillful construction, is fit for habitation and
 meets all applicable federal manufactured housing construction and safety standards;

That the manufacturer or dealer or 2. Corrective action. 19 both shall take appropriate corrective action at the site of the mobile-home manufactured housing or reimburse the homeowner or 21 lessee for the cost of correction in instances of substantial defects-in faulty materials or, unskilled workmanship, failure to 23 be fit for habitation or failure to meet federal manufactured housing construction and safety standards, which become evident 25 within one year from the date of the delivery of the mebile-home manufactured housing to the consumer, provided the consumer or 27 his the consumer's transferee gives written notice of such defects to the manufacturer or dealer at their business address 29 not later than one year and 10 days after date of delivery. :

31 3. Liability. That the manufacturer and dealer shall be jointly and severally liable to the consumer for the fulfillment of the terms of warranty, and the consumer may notify either one or both of the need for appropriate corrective action in instances of substantial--defects--in faulty materials or , unskilled workmanship, failure to be fit for habitation or failure to meet federal manufactured housing construction and safety standards;

4. Name, address and phone number of manufacturer. That
41 the name, address and phone number of the manufacturer and the dealer where the consumer must mail or deliver written notice of
43 defects to either the dealer or the manufacturer, or both, shall be set forth in the document; and

5. Responsibility. That while the manufacturers of any or
 all appliances may also issue their own warranties, the primary responsibility for appropriate corrective action under the
 warranty rests with the dealer and manufacturer, and the consumer should report all complaints to the dealer and manufacturer
 51 initially.

#### STATEMENT OF FACT

This bill deals with warranties for manufactured housing, including mobile and modular homes.

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Mobile homes, but not all manufactured housing, are currently covered by a law requiring that for a one year period the manufacturer must correct substantial defects in materials or workmanship on site.

This bill eliminates the term "substantial defects" and substitutes "faulty materials, unskillful construction and failure to be fit for habitation" and adds a provision that the home must meet all standards for that type of housing. It extends the requirement for a warranty to all manufactured housing.

Homes constructed on site are currently covered by a warranty which requires them to be free from faulty materials and constructed according to the local building code. An approved party has access to the remedies of the Uniform Commercial Code.