

2		L.D. 1453	
	DATE: 3/25/94	(Filing No. $s_{-}$ 530)	
4 · .			
б	LEGAL AFFAIRS		
8	Reported by: Senator Hall of	Piscataquis	
10	Reproduced and distributed under of the Senate.	the direction of the Secretary	
12	STATE OI	MAINE .	
14	SENATE 116TH LEGISLATURE		
16	SECOND REGU		
18	Λ		
20	COMMITTEE AMENDMENT " $\mathcal{H}$ " to Act to Make Changes in the Manufac	S.P. 461, L.D. 1453, Bill, "An tured Housing Laws"	
22		out everything after the title	
24	and before the statement of fact following:	and inserting in its place the	
26 28	'Emergency preamble. Whereas become effective until 90 days a .as emergencies; and	,Acts of the Legislature do not fter adjournment unless enacted	
30 . 32	Whereas, the Manufactured Housing Board lacks the authority to enforce warranties that protect consumers, and many consumers are not receiving relief from improper manufacturing or		
. 52	installation of manufactured homes		
34	Whereas, in the judgment of	t the Legislature, these facts	
36	create an emergency within the	meaning of the Constitution of	
38	Maine and require the followin necessary for the preservation of		
40	safety; now, therefore,		
	Be it enacted by the People of the State	of Maine as follows:	
42	Sec. 1. 10 MRSA c. 213, first	<b>2 lines</b> are repealed and the	
44	following enacted in their place:	<del>.</del>	

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## CHAPTER 213

## MANUFACTURED HOUSING WARRANTIES

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б	Sec. 2. 10 MRSA §1401, as repealed and replaced by PL 1989, c. 805, §1, is amended to read:
8	§1401. Scope
10	All new mebile <u>manufactured</u> homes sold by a dealer are covered by the warranties established by this chapter.
12	Sec. 3. 10 MRSA §1402, sub-§1, as amended by PL 1989, c. 878,
14	Pt. H, §1 and affected by §2, is further amended to read:
16 18	<b>1. Dealer.</b> "Dealer" includes a person who customarily sells amobile-home <u>manufactured housing</u> to consumers and is
	subject to the jurisdiction of this State under Title 14, section 704-A.
20	Sec. 4. 10 MRSA §1402, sub-§2, as repealed and replaced by PL
22	1975, c. 252, §1, is repealed.
24	Sec. 5. 10 MRSA §1402, sub-§§3 and 4 are enacted to read:
26	3. Installer. "Installer" means any person, including but not limited to a dealer or mechanic, who installs or sets up
28	manufactured housing for a buyer.
30	<b>4. Manufactured housing.</b> "Manufactured housing" has the same meaning as set forth in section 9002, subsection 7,
32	paragraphs A and B.
34	Sec. 6. 10 MRSA \$1403, as repealed and replaced by PL 1989, c. 805, §3, is repealed and the following enacted in its place:
36	<u>§1403. Application</u>
38	1. Warranty on housing. The warranty established in
40	section 1404 applies to:
42	A. The manufacturer of manufactured housing;
44	B. The dealer who sells manufactured housing to the buyer; and
46	C. A person who, in the ordinary course of business and
48	under contract with or as an employee or agent of a dealer located in another state, transports manufactured housing
50 <sub>.</sub>	into the State or installs manufactured housing transported into the State.

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2. Warranty on installation. The warranty established in section 1404-A applies to the installer of manufactured housing. When the dealer subcontracts with an installer for the installation of manufactured housing in the State, the dealer and the installer are jointly and severally liable for the warranty established in section 1404-A.

Sec. 7. 10 MRSA §1404-A is enacted to read:

### <u>§1404-A. Installation warranty</u>

The installer or the installer and the dealer, when the dealer is responsible for the installation, shall provide a written warranty with each new manufactured housing unit installed for a buyer. The installer shall deliver the written warranty to the buyer at the time of the installation. The 18 warranty must contain the following:

 Materials and workmanship. That the installation is free from any substantial defects in materials or workmanship;

2. Corrective action. That the installer or the installer 24 the dealer, when the dealer is responsible for the and installation, shall take appropriate corrective action at the 26 site of the manufactured housing in instances of substantial defects in materials or workmanship that become evident within 28 one year from the date of the installation of the manufactured housing if the buyer or the buyer's transferee gives written 30 notice of the defects to the installer or the installer and the dealer, when the dealer is responsible for installation, at the 32 installer's or the installer's and the dealer's business addresses no later than one year and 10 days after the date of installation; 34

36 <u>3. Liability. That the installer or the installer and the dealer, when the dealer is responsible for the installation, are liable to the buyer for the fulfillment of the terms of the warranty; and</u>

 4. Name, address and phone number of installer. The name,
 42 address and phone number of the installer or the installer and the dealer, when the dealer is responsible for the installation,
 44 to whom written notice of defects must be mailed or delivered by the buyer.

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Sec. 8. 10 MRSA §9001, as amended by PL 1981, c. 152, §1, is further amended to read:

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### §9001. Declaration of purpose

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1. Declaration. It is found and declared that:

A. The production and utilization of manufactured housing and the use of new and improving technologies, techniques, methods and materials has <u>have</u> and will increase the available supply of housing at prices which <u>that</u> residents of this State can afford;

B. It is in the interest of the people of this State that such <u>that</u> housing be safe from hazardous defects and that its construction and installation should include adequate regulation to establish minimum safety standards which <u>that</u> can reduce defects and-alse, provide uniformity of standards to reduce costs and provide confidence in such <u>that</u> housing; and

C. That-the The production and use of manufactured housing
 utilizing production technologies, techniques, methods and
 materials requires require the application and enforcement
 of uniform building codes and installation standards within
 this Stater; and

D. Manufactured housing may present hazards to the health, life and safety of persons and to the safety of property unless properly manufactured because vital parts such as heating, plumbing and electrical systems are concealed and defects may not be readily ascertainable when inspected by a purchaser. Accordingly, it is the policy and purpose of this State to provide protection to the public against those possible hazards.

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2. Intent. It is therefore declared that the State of Maine, with the passage of this Act <u>chapter</u>, intends:

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A. To provide protection to the public against hazards from poorly constructed or installed manufactured housing;

 B. To provide <u>and enforce</u> uniform performance standards for construction and installation of manufactured housing which
 encourage--the--use--of--new--and--improved--technologies, techniques,-methods-and-materials-throughout-the-State <u>that</u>
 ensure durability and safety of manufactured housing;

46 C. To eliminate all costly, duplicative regulations and to premulgate-regulations which adopt rules that provide for
48 minimum the performance necessary to provide decent, safe and sanitary housing at prices that people of this State can
50 afford and to establish regulations which-shall that govern such those matters within this State;

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D. To establish an administrative board for the purpose of administering and enforcing this Aet <u>chapter and applicable</u> warranties;

To require this board to assume such responsibilities as Ε. consistent with this a≆e Aet chapter, including administration and enforcement of regulations rules, investigations of complaints and any other acts which that are consistent with the purposes of this Aet,-ineluding-all responsibilities-of--the-Maine-State-Housing-Authority-under the--Industrialised--Housing--Law,--Title--30, chapter 239, subehapter-II,-article-7,-as-heretofore-enacted-and-modified;

F. To have this board, in the administration of this Aet <u>chapter</u>, give consideration to economic factors which <u>that</u> may result in additional costs to home buyers and eliminate any unnecessary costs which <u>that</u> may occur from the enforcement of this <u>chapter</u> or any other Act; and

G. To grant to such this board the investigative and regulatory powers it may reasonably require to accomplish the foregoing purposes and intent and to carry out the provisions of this chapter, including making decisions, in accordance with the Maine Administrative Procedure Act.

Sec. 9. 10 MRSA §9002, sub-§6-A is enacted to read:

**<u>6-A.</u>** Installer. "Installer" means any person, including but not limited to a dealer or mechanic, who installs or sets up manufactured housing for a buyer.

Sec. 10. 10 MRSA §9003, as amended by PL 1991, c. 391, §1, is further amended to read:

36 §9003. Manufactured Housing Board

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 1. Established. The Manufactured Housing Board, established by Title 5, section 12004-A, subsection 22 and located in within the Department of Professional and Financial Regulation shall--have, has the responsibility of administering and enforcing this chapter. The board shall-censist consists of 9 members appointed by the Governor.

2. Composition of board; terms of members. The members of the board shall <u>must</u> include:

A. A--representative <u>One member</u> who is a manufactured housing owner, and whose home <u>manufactured housing unit</u> is
 not located in a mobile home park or similar rental community;

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Two representatives members who are manufactured housing в. owners, and the manufactured housing units in which the owners live are located on lots, within mobile home parks or similar rental communities which, that the manufactured housing owners do not own;

- 8 C. --A--representative One member who is a professional engineer with demonstrated experience in construction and 10 building technology;
- D. -A-representative One member who is a dealer; 12
  - E. -A-fepfesentative One member who is an owner or operator of a mobile home park with 15 or fewer lots;
- F. -A-representative One member who is an owner or operator 18 of a mobile home park with more than 15 lots;
- 20 G. --A--representative One member who is a builder of manufactured housing; and

H. -A-representative One member with a minimum of 2 years of practical experience in building code administration and 24 enforcement and who is currently employed . as a code 26 enforcement officer.

The term of office of the members is 4 years. Members may be 28 appointed to successive terms. Members shall serve for their appointed terms and until their successors are appointed and duly 30 qualified, except that any member of the board may be removed for cause by the Governor. No  $\underline{A}$  board member may <u>not</u> serve more than 32 2 consecutive terms.

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3. Vacancies. If, by virtue of death, removal, resignation 36 or otherwise, a vacancy occurs prior to the expiration of a term or appointment, the Governor shall appoint a successor to serve the balance of the unexpired term. The Governor may appoint a 38 temporary member to fill any vacancy occurring on the board; such <u>a</u> temporary member may serve for a period of not exceeding 120 40 days from the date of such that appointment.

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4. Duties. The board shall administer and enforce this Aet 44 chapter.

Compensation. The appointed members of the board shall 46 5. be-compensated are entitled to compensation as provided in Title 48 5, chapter 379.

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COMMITTEE AMENDMENT " $\mathcal{A}$ " to S.P. 461, L.D. 1453

6. Organization. The members-of-the board shall annually, in the month of January, elect one of its members as a-chairman <u>chair</u> and one of its members as a-vice-chairman <u>vice-chair</u>. The ehairman <u>chair</u>, or in his <u>the chair's</u> absence the vice-chairman <u>vice-chair</u>, shall call and preside at all meetings and hearings.

7. Meetings. Five members of the board constitute a quorum. The board shall meet at the written request of the director or of a majority of the members of the board. The board shall determine the time and place of meetings. At least 6 meetings per calendar year must be held.

8. Administration. Not later than August 1st of each year,
14 the board shall submit to the Commissioner of Professional and Financial Regulation for the preceding fiscal year ending June
16 30th an annual report of its operations and financial position, together with such comments and recommendations as the board
18 deems considers essential.

9. Federal funds and other funding sources. The board shall have-authority-to may seek and receive funds from the Federal Government and other public or private funds-from-the-Federal Government-and-other-public-or-private sources to further its activities under this chapter, subject to the approval of the commissioner.

10. Manufactured Housing Fund. All--fees Fees collected under this chapter shall <u>must</u> be paid by the board to the Treasurer of State with a detailed statement thereef and shall constitute a fund te--be known as the "Manufactured Housing Fund." The fund shall <u>must</u> be kept as a separate account by the Treasurer of State, who shall pay therefrom from that account all costs and expenditures incurred by the board in carrying out its responsibilities under this chapter. Any meneys <u>money</u> remaining in the Manufactured Housing Fund at the end of the fiscal year shall <u>must</u> be carried forward to the credit of that fund for the succeeding year.

Sec. 11. 10 MRSA §9004, as amended by PL 1987, c. 395, Pt. A,  $\S37$ , is further amended to read:

42 §9004. Employees

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44 1. Executive director. The commissioner may appoint or remove, for cause, with the advice of the board, an executive director who shall--be is the principal administrative and supervisory employee of the board. He <u>The executive director</u>
48 shall attend meetings of the board, keep records of the proceedings of the board and direct and supervise the personnel
50 employed to carry out the purposes of this chapter.

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2. Employees. The executive director, with the advice of the board and the commissioner, may employ, subject to the Civil Service Law, persons necessary to carry out this chapter. Any person so employed shall-be is an employee of the Department of Professional and Financial Regulation, except that they-shall-be that employee is under the direction and supervision of the executive director of the board.

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Sec. 12. 10 MRSA §9005, sub-§1, as enacted by PL 1977, c. 550, §1, is amended to read:

Rulemaking. The board shall propose, revise, adopt and
 enforce rules and--regulations necessary to carry out this chapter. The board may delegate the enforcement authority to
 employees.

Sec. 13. 10 MRSA §9006, sub-§1, as repealed and replaced by PL 1981, c. 152, §8, is amended to read:

1. Standards. The board may <u>shall</u>, by regulation <u>rule</u>, adopt-a-nationally-recognized-standard,--where-available-and-not incompatible-with-local-needs, <u>set uniform reasonable standards</u> for the installation of manufactured housing <u>homes</u>, <u>including</u>, <u>but not limited to</u>, <u>standards for foundations</u>, <u>supports</u>, <u>anchoring and underpinning of manufactured homes installed in</u> <u>this State</u>.

Sec. 14. 10 MRSA 9006-A, sub-1, as enacted by PL 1989, c. 271, 3, is amended to read:

32 1. Notice of installation. All-dealers-and-mechanies An installer shall notify the Manufactured Housing Board every month of the installations completed by that dealer--er--mechanie 34 The notice must include the location of installer that month. each unit of manufactured housing, the owner of each unit at the 36 time of installation, the type or model of unit and the manufacturer of that unit, written certification that the 38 installation meets standards that conform to those required by the board and the name and address of the dealer-or-mechanic-who 40 installed-the-unit installer. The information must be submitted 42 within 10 days after the end of each month in the form and manner prescribed by the board by rule.

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### Sec. 15. 10 MRSA §9006-C is enacted to read:

<u>§9006-C. Warranty seals</u>

The board shall issue warranty seals to be attached on 50 manufactured housing sold in this State. The following

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provisions govern the attachment of warranty seals on manufactured housing.

1. Manufacturer's warranty seal. Before manufactured housing may be installed in this State, the manufacturer shall first obtain from the board a Maine manufacturer's warranty seal and attach the seal to the manufactured housing. The fee to the manufacturer for the warranty seal may not exceed \$50.

2. Installer's warranty seal. Before manufactured housing may be installed in this State, the installer shall obtain from the board a Maine installer's warranty seal and attach the seal to the manufactured housing. The fee to the installer for the warranty seal may not exceed \$25.

Sec. 16. 10 MRSA §9009, sub-§2, as repealed and replaced by PL 1977, c. 694, §196, is amended to read:

2. Investigation of complaints; revocation or suspension of 20 licenses. The board shall investigate or cause to be investigated complaints made to it the board and all cases of 22 noncompliance with or violation of this chapter or of a warranty applicable to the manufacture or installation of manufactured housing. If Notwithstanding Title 5, section 10051, if the board after notice and a hearing finds reason-to-believe that the manufacturer, dealer, installer or mechanic has violated this 26 chapter, θ£ the rules and -- regulations -- promulgated adopted 28 pursuant to this chapter or an applicable warranty, it the board may file a complaint with the Administrative Court to revoke or suspend the license or approval of the manufacturer, dealer, installer or mechanic. If the board does not find reasonable grounds to believe that a violation of this chapter or breach of an applicable warranty has occurred, the board shall enter an order so finding and dismiss the proceeding. The board, for reasons it may-deem considers sufficient, may reissue a license to any person whose license has been revoked,-providing if 3 or more members of the board vote in favor of this reissuance.

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Sec. 17. 10 MRSA §9009, sub-§2-A is enacted to read:

2-A. Notice of violation. When the board staff finds a violation of this chapter or any rule adopted pursuant to this 42 chapter, the board shall issue a notice of violation to the person alleged to have violated the provision. The notice of 44 violation must set forth the alleged violation and specify the corrective action that must be taken and the time within which 46 the action must be taken.

Sec. 18. 10 MRSA §9009, sub-§3, as enacted by PL 1989, c. 690, \$1, is amended to read:

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2 з. Remedies for manufacturing defects. The board staff shall investigate all complaints made to it the board of noncompliance with or violation of chapter 213 or a warranty 4 applicable to the sale of manufactured housing. If the board 6 finds, after hearing, that a manufacturer or dealer has sold, or is making available for sale, mobile-homes manufactured housing 8 that pose poses a threat to public health or safety or has intentionally failed to comply with chapter 213 or an applicable 10 warranty, express or implied, the board may petitien-the-Atterney General-to-initiate-legal order the manufacturer or dealer or 12 both to take appropriate corrective action in-Superior--Court-te enjoin-the--cale-of-mobile-homes-by-that-manufacturer-or-dealer. 14 If-the-court-finds-that-the-manufacturer-or-dealer-sold,-or-is making--available--for--cale,--mobile-homes--that-pose--a-threat--to 16 public-health-or-safety-or-has-intentionally-failed-to-comply with-chapter-213,-the-court-may-enjoin-the-sale-of-mobile-homes by-that-manufacturer-or-dealer. Corrective action may include, 18 but is not limited to, reimbursing consumers for repairs that are 20 covered by warranty and made by the consumer if the consumer notifies the dealer or manufacturer in writing of the defect 22 within a reasonable time prior to undertaking the repairs and the board finds that the repairs are or were necessary to correct or 24 prevent an imminent threat to health or safety or to the structure of the manufactured housing. Notwithstanding Title 5, 26 section 10051, the board may also revoke or suspend the license of the manufacturer or dealer or both to prevent any future 28 threat to public health or safety. This subsection applies to any new manufactured housing that is sold to a consumer after January 1, 1993. 30

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## Sec. 19. 10 MRSA §9009, sub-§4 is enacted to read:

34 4. Remedies for installation defects. The board staff shall investigate all complaints made to the board of 36 noncompliance with or violation of chapter 213 or a warranty applicable to the installation of manufactured housing. If the 38 board finds, after hearing, that the installation of manufactured housing poses a threat to public health or safety or does not 40 comply with the board's installation standards, chapter 213 or any applicable warranty, the board may order the installer to take appropriate corrective action. Corrective action may 42 include, but is not limited to, reimbursing consumers for repairs that are covered by warranty and made by the consumer if the 44 consumer notifies the installer in writing of the defect within a reasonable time prior to undertaking the repairs and the board 46 finds that the repairs are or were necessary to correct or prevent an imminent threat to health or safety or to the 48 structure of manufactured housing. Notwithstanding Title 5, section 10051, the board may also revoke or suspend the 50

installer's license to install manufactured housing to prevent any future threat to the public health or safety. This subsection applies to any new manufactured housing that is sold to a consumer after January 1, 1993.

Sec. 20. 10 MRSA §9010, as repealed and replaced by PL 1977, c. 694, §197, is amended to read:

§9010. Hearings and appeals

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Judieial-review <u>All board hearings and appeals</u> of any final action of the board shall <u>must</u> be in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, subshapter 14 <u>subchapters IV and VII, respectively, unless indicated otherwise</u>.

Sec. 21. 10 MRSA §9011, sub-§§2, 4 and 5, as enacted by PL 1977, c. 550, §1, are amended to read:

 Petition to initiate legal action. The board may
 petition the Attorney General to initiate legal action in the Superior--Court any court of competent jurisdiction for
 appropriate monetary or injunctive relief to enforce this chapter.

4. Private actions. Any person damaged as a result of a violation of this chapter shall also have has a cause of action
in the-Superior-Geurt court against the person responsible for the manufacture, sale, lease, installation or service, and the court may award appropriate damages and cost for litigation in its judgment. The board shall notify all claimants of their 30 right to seek remedy.

5. Crime designated. An individual or a director, officer or agent of a corporation who knowingly and willfully violates
 section 9008 in a manner which that threatens the health or safety of any purchaser shall-be-guilty-of commits a Class E
 crime.

Sec. 22. 10 MRSA §9021, as amended by PL 1991, c. 391, §§2 to 4, is further amended by adding a first paragraph to read:

The board shall adopt rules governing qualifications for 42 each category of license under its jurisdiction.

44 Sec. 23. 10 MRSA §9021, sub-§1, as repealed and replaced by PL 1981, c. 152, §13, is amended to read:

Licenses required. Any person who engages in the
 business of manufacturing, selling, installing or servicing
 manufactured housing shall first obtain a license issued by the
 board. The board shall, within a reasonable time, issue a license

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COMMITTEE AMENDMENT " $\mathcal{N}$ " to S.P. 461, L.D. 1453

to any person who intends to manufacture, sell, install or service manufactured housing in this State subject to filing and approval of an application provided by the board. Any person who is licensed to conduct these activities by other state or federal law is exempt from this requirement when the law provides for specific authority to provide a particular service or preempts the requirement for such a license. Active licensees of the Real Estate Commission shall--be are exempt from the licensing requirement for selling or brokering used manufactured housing but not from the requirements of this chapter.

Sec. 24. 10 MRSA §9021, sub-§2, as amended by PL 1991, c. 391, 12  $S^2$  and 3, is further amended to read:

License fees. The board may establish and collect the 2. 16 following fees. All fees collected shall must be paid to the Treasurer of State for deposit in the Manufactured Housing Fund.

The license fee for manufacturers of manufactured Α.΄ 20 housing who deliver or sell manufactured housing may not exceed \$200 annually. Each manufacturing plant that delivers or sells manufactured housing in the State must 22 obtain a separate license.

в. The license fee for dealers who are engaged in the 26 retail selling, offering for sale, brokering, or distribution of any manufactured homes housing may not 28 exceed \$200 annually.

30 The license fee for mechanics who service or install с. manufactured housing, as defined in section 9002, subsection 32 7, paragraphs A and C, may not exceed \$200 annually.

34 The additional license fee for dealers or mechanics who D. have more than one business location may not exceed \$50 annually per additional location. 36

Sec. 25. 10 MRSA §9021, sub-§§6 to 8 are enacted to read: 38

6. Financial responsibility. The board may require bonding 40 or other reasonable methods to ensure that manufacturers, dealers and others licensed under this chapter are financially 42 responsible to fully comply with this chapter.

7. Service of process. In order to obtain a license under this chapter, a person who is not a resident of this State shall 46 designate the executive director of the board as the person's agent for service of process in this State. The following 48 provisions govern this requirement.

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A. A person who applies for a license shall file with the executive director, in a form prescribed by rule, an irrevocable consent appointing the executive director to be that person's agent to receive service of any lawful process in any civil proceeding against that person, a successor or a personal representative that arises under this chapter or any rule or order of the board after consent has been filed, and that service of process has the same force and validity as if served on the person who filed the consent.

B. If a person engages in conduct prohibited by this chapter or any rule or order of the board and that person has not filed a consent to service of process under paragraph A, the executive director is automatically appointed as the person's agent to receive service of any lawful process in a civil proceeding against that person, a successor or a personal representative that results because of the person's conduct under this chapter or any rule or order of the board, and that service of process has the same force and validity as if served on the person.

C. Service under paragraphs A and B may be made by leaving a copy of the process in the office of the executive director but is not effective unless:

(1) The plaintiff, who may be the executive director or the board, immediately sends notice of the service and a copy of the process by registered or certified mail, return receipt requested, to the defendant or the respondent at the address last known to the executive director; and

(2) The plaintiff files an affidavit of compliance with this paragraph in the proceeding on or before the return date of the process, if any, or within any further time the court, or the board in a proceeding before the board, allows.

D. Service as provided in paragraph C may be used in any proceeding before the board or by the executive director in any proceeding in which the executive director is the moving party.

 44 E. When the process is served under paragraph C, the court or the board shall order continuances as necessary to afford
 46 the defendant or the respondent reasonable opportunity to defend.

8. Licensing penalties. The board may suspend, revoke or refuse to renew the license under this chapter of any person who is found to have:

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2 Committed fraud, misrepresentation or deception in <u>A.</u> obtaining a license; 4 B. Accepted manufactured housing, directly or indirectly, from a manufacturer not licensed by the State pursuant to 6 this chapter; 8 C. Sold or delivered, directly or indirectly, manufactured housing to a dealer not licensed by the State pursuant to 10 this chapter; or 12 D. Violated any provision of or rules adopted under this chapter or any other applicable warranties. 14 16 Sec. 26. 10 MRSA §9041, as amended by PL 1991, c. 714, §4, is further amended to read: 18 §9041. General rules 20 The board shall adopt rules and establish standards as 22 provided by section 9005 to administer and enforce this subchapter. 24 For purposes of this subchapter, manufactured housing 26 includes only housing defined in section 9002, subsection 7, <u>paragraph B</u>. 28 Sec. 27. 10 MRSA §9042, as repealed and replaced by PL 1981, c. 152, §14, is amended to read: 30 32 §9042. Standards 34 1. Standards. The board shall, by regulation rule, adopt a standards in conformance with nationally recognized standard, where-available-and-not-incompatible-with-local-needs, standards 36 for the construction and the installation of new manufactured housing. 38 40 Approval. The board shall approve for 2. sale or installation all new manufactured housing which that complies 42 with the regulations rules and standards authorized by this chapter or shall delegate the authority to inspect and approve the manufactured housing by inspection agencies authorized by the 44 board. 46 Exemption. New manufactured housing which that is 3. manufactured, sold, installed or serviced in compliance with this 48 chapter shall--be is exempt from all state or other political subdivision codes, standards, rules or regulations which that 50 regulate the same matters.

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Sec. 28. 10 MRSA §9047, sub-§§1 and 2, as enacted by PL 1981, c. 152, §14, are amended to read:

Manufacturer. Every manufacturer er of manufactured 1. housing in this State and any manufacturer who offers manufactured housing for sale, lease, delivery, introduction or importation into this State shall furnish notification of any defect in manufactured housing produced by the manufacturer which that the manufacturer or the board determines, -- in-good--faith, relates to a standard of the board which that is applicable to the housing or which that constitutes a safety hazard to an occupant of the housing. The notification shall <u>must</u> be accomplished in such a manner and within such a time as the board may by regulation--preseribe rule prescribes, except that the regulations-shall rules must at least provide the following:

A. Notification by mail to the first purchaser of the manufactured housing, other than a dealer of the manufacturer, and to any subsequent purchaser the whose identity of-whom the manufacturer is-aware knows;

B. Notification by mail or some expeditious means to the dealer or dealers of the manufacturer to whom the manufactured housing was delivered; and

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C. Notification by mail to the board.

Dealers. Any person who sells, leases, delivers or 2. 30 transports manufactured housing which that has been certified under this chapter shall notify the board and any present or 32 prospective purchase purchaser of the housing in writing of any defect resulting from damage or modification to the housing which that the person determines, -in--good-faith, relates to a standard 34 of the board which that is applicable to the housing or which that constitutes a safety hazard to an occupant of the housing. 36 This requirement shall does not apply to sales or leases of manufactured housing after the first purchase of the housing by a 38 person for purposes other than resale and shall does not apply to deliveries or transportations of the manufactured housing which 40 that occur after the first installation of the housing on a 42 permanent foundation.

Sec. 29. 10 MRSA §9048, sub-§§1 and 2, as enacted by PL 1981, c. 152, §14, are amended to read:

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1. Standards. If the board finds that the standards for the manufacture and inspection of manufactured housing prescribed by statute or regulation of another state, or ether governmental agency, meet the objectives of this chapter and the regulations

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promulgated rules adopted pursuant hereto, to this chapter and are enforced satisfactorily by that other state, or other governmental agency, or by their agents, the board may accept manufactured housing which that has been certified by that other state or governmental agency as being in compliance with this chapter. The standards of another state shall are not be-deemed considered to be satisfactorily enforced, unless that other state provides for notification to the board of suspensions or revocations of approvals issued by that other state in a manner satisfactory to the board and so notifies the board. Acceptance of this notification does not remove the board's right to pursue remedies outlined in sections 9009 and 9011.

Suspension or revocation. The Notwithstanding Title 5, 14 2. section 10051, the board may file--a--complaint--with--the Administrative-Gourt-to suspend or revoke the board's acceptance 16 or certification, or both, of manufactured housing certified 18 under the reciprocal provisions of this section, for the following causes:

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Α. If the board determines that the standards for the manufacture and inspection of the manufactured housing of another state or governmental agency do not meet the objectives of this chapter and the rules and -- requlations promulgated adopted pursuant hereto to this chapter;

The board determines that the standards for manufacture в. and inspection are not being enforced to the satisfaction of the board; or

C. The other state or governmental agency suspends or 32 revokes its approval or certification.

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Sec. 30. 10 MRSA §9051, sub-§3 is enacted to read:

36 3. Notice for purposes of limitation of actions. If a consumer files a written complaint with the manufacturer, dealer, installer or board within one year and 10 days after installation 38 of new manufactured housing, receipt of the written complaint by the manufacturer, dealer, installer or board tolls the statute of 40 limitations for purposes of bringing an action to enforce any 42 applicable warranty.

Sec. 31. 10 MRSA §9061, sub-§9, as enacted by PL 1981, c. 152, 44 §16, is amended to read:

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9. State administrative agency. "State Administrative Ageney administrative agency" means this the department which 48 that has been approved or conditionally approved to carry out the state plan for enforcement of the standards pursuant to section 50

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623 of the Housing and Community Development Act of 1974, PL <u>Public Law</u> 93-383, 42 United States Code, Section 5422 and 24 Code of Federal Regulations, Part 3282, Subpart G.

Sec. 32. 10 MRSA §9063, as enacted by PL 1981, c. 152, §16, 6 is amended to read:

8 §9063. Rules

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10 The commissioner board is authorized to issue, amend and revoke such-regulations rules as is-deemed necessary to implement 12 all procedures required of a state administrative agency pursuant to 24 Code of Federal Regulations, Paragraph 3282 and 42 United 14 States Code, Section 5401 et seq., including the implementation of a consumer complaint handling process and the holding of 16 hearings. In the event of a conflict between the-Manufactured Heusing-Act this chapter and the National Manufactured Housing 18 Construction and Safety Standards Act of 1974, involving the state administrative agency program, the National Manufactured 20 Housing Construction and Safety Standards Act of 1974 shall prevail prevails. 22

Sec. 33. 10 MRSA §9064, as amended by PL 1987, c. 395, Pt. A, 24 §40, is further amended to read:

26 **§9064.** Standards

28 1. Adoption, administration and enforcement of standards. The Department-of-Professional-and-Financial-Regulation board is 30 charged with the adoption, administration and enforcement of manufactured heme housing construction and safety standards. The 32 standards adopted shall-be-identical-to must meet the standards promulgated adopted pursuant to the National Manufactured Housing 34 Construction and Safety Standards Act of 1974, 42 United States Code\_ Section 5401 et seq. The-Department-of-Professional-and 36 Financial-Regulation-shall-discharge-this-duty-consistent-with rules-and-regulations-promulgated by the United -States-Department of-Housing-and-Urban-Development. 38

 2. Rules. The Department-of-Professional-and-Financial Regulation board may adopt such rules as-are necessary to enforce
 the standards promulgated <u>adopted</u> under subsection 1.

44 Sec. 34. 10 MRSA §9065, as enacted by PL 1981, c. 152, §16, is amended to read:

§9065. Inspections

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The department <u>board</u>, by its authorized representatives, may enter, at reasonable times, any factory, warehouse or

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establishment, in which manufactured hemes--are housing is manufactured, stored or held for sale, for the purpose of ascertaining whether the requirements of the federal manufactured housing construction and safety standards and the regulations rules of this-department the board have been and are being met.

Sec. 35. 10 MRSA §9066, sub-§1, as corrected by RR 1993, c. 1,  $\S28$ , is amended to read:

10 1. Violations. Any A person who violates any of the following provisions relating to manufactured homes housing or 12 regulations-promulgated rules adopted by the department--shall-be liable-for board is subject to a civil penalty not to exceed \$1,000 for each violation. Each violation shall--constitute 14 constitutes а separate violation with respect to each manufactured heme housing unit, except that the maximum penalty 16 shall may not exceed \$1,000,000 for any related series of violations occurring within one year from the date of the first 18 violation. No-person-may It is a violation of this chapter for a 20 person:

A. Manufacture To manufacture for sale, lease, sell, offer for sale or lease, or introduce of, deliver, or import into the State any manufactured home--which housing that is manufactured on or after the effective date of any applicable federal manufactured housing construction and safety standard which that does not comply with that standard;

B. Fail To fail or refuse to permit access to or copying of records, effail to make reports or provide information; or fail or refuse to permit entry or inspection as required by section 9065;

C. Fail <u>To fail</u> to furnish notification of any defect as required by 42 United States Code, Section 5414;

D. Fail To fail to issue a certification required by 42 United States Code, Section 5415 or to issue a certification to the effect that a manufactured home conforms to all applicable federal manufactured housing construction and safety standards, if that person in the exercise of due care has reason to know that the certification is false or misleading in a material respect;

 E. Fail To fail to establish and maintain such records, make such reports and provide such information as the
 Bepartment-of-Professional-and-Financial-Regulation board may reasonably require, to enable it the board to determine
 whether there is compliance with the National Manufactured

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Housing Construction and Safety Standards Act of 1974; or fail to permit, upon request of a person duly authorized by the commissioner board, inspection of appropriate books, papers, records and documents relative to determining whether a manufacturer, distributor or dealer has acted or is acting in compliance with this Act <u>chapter</u> or with the National Manufactured Housing Construction and Safety Standards Act of 1974; or

F. IFFURE <u>To issue</u> a certification pursuant to 42 United States Code, Section 5403, Paragraph (a), if the person in the exercise of due care has reason to know that the certification is false or misleading in a material respect.

Sec. 36. 10 MRSA §9068, first ¶, as enacted by PL 1981, c. 152, 16 §16, is amended to read:

18 The department <u>board</u> shall establish a monitoring inspection fee in an amount established by the Secretary of the United 20 States Department of Housing and Urban Development. This monitoring inspection fee shall--be is an amount paid by the 22 manufacturer for each home produced in Maine <u>this State</u>.

Sec. 37. 10 MRSA §9071, as enacted by PL 1981, c. 152, §16, is amended to read:

#### §9071. Revenue

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The fees received by the commissioner <u>board</u> under the State Administrative Agency Program shall <u>must</u> be paid by the Treasurer of State to be used for carrying out the duties of the program. Any balance of these fees shall <u>may</u> not lapse but shall <u>must</u> be carried forward as a continuing account to be expended for the same purpose in the following fiscal years.

Sec. 38. 10 MRSA §9084, 2nd and 5th ¶¶, as enacted by PL 1983, c. 553, §17, are amended to read:

When any applicant is found, based upon an inspection by the 40 board or by municipal inspection made according to section 9088, not in compliance with the requirements of this subchapter or rules adopted and approved pursuant to section 9085 or section 42 9088, subsection 1, the board may refuse issuance of the initial license, but shall issue a conditional license, except when 44 conditions are found which that present a serieus danger to the health and safety of the public. A conditional license shall may 46 not exceed 90 days. Failure by the conditional licensee to meet the conditions specified shall-permit permits the board to void 48 the conditional license.

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COMMITTEE AMENDMENT "A" to S.P. 461, L.D. 1453

All mobile home park licenses shall expire annually on a date established by the commissioner board. Licenses may be renewed upon application therefor and upon payment of the prescribed fee, subject to compliance with regulations rules of the board and with this subchapter. The board shall provide licensees with notice of the renewal date and necessary forms no less than 30 days prior to the expiration of the license.

### Sec. 39. 10 MRSA §9094, sub-§2, ¶B-2 is enacted to read:

B-2. At the time of sale or change in the principal occupant of a mobile home, the mobile home park owner or operator may require the owner of the home, if built before June 15, 1976, to provide evidence that the home meets the Manufactured Housing Board's standard for used manufactured housing. The mobile home owner may demonstrate compliance with the standard by providing the park owner or operator with a report signed by the following persons and indicating that the home complies with the standard's specifications regarding those aspects of the home inspected:

> (1) A licensed electrician who inspected the home's electrical system;

- (2) A person licensed to repair the home's heating system who inspected the home's heating system; and
- (3) A certified professional engineer who inspected the home for safety and structural soundness.

Signature of the report may not be construed for any purpose as an endorsement that the home meets provisions of the standard other than those for which the inspection was conducted. A park owner who receives a signed report indicating that the home complies may not require removal of a home under this section on the basis of fire safety or the safety of the home.

Sec. 40. 11 MRSA §9-402, sub-§(1), as amended by PL 1977, c. 696, §144, is further amended to read:

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A financing statement is sufficient, if it gives the 42 (1) names of the debtors and the secured party, is signed by the debtor, gives an address of the secured party from which 44 information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement 46 indicating the types, or describing the items, of collateral; 48 provided except that, for purposes of this section, if the collateral is a mobile home as-defined-in-Title-10,-section-1402, 50 subsection--2, the description of collateral shall must include the location designated by the debtor in the security agreement

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as the place at which the mobile home is, or is to be, located. A financing statement may be filed before a security interest otherwise attaches. When the financing statement covers timber to be cut er-eevers; minerals or the like, including oil and gas, or accounts subject to section 9-103, subsection  $(5)_{r:}$  or eevers crops growing or to be grown, or when the financing statement is filed as a fixture filing, section 9-313, and the collateral is goods which that are or are to become fixtures, the statement must comply with subsection (5). A copy of the security agreement is sufficient as a financing statement, if it contains the above information and is signed by the debtor. A legible photographic or other reproduction of a security carbon, agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this State.

Sec. 41. **Review board composition and functions.** The 18 Manufactured Housing Board shall review the educational and professional qualifications necessary to be a board member, the 20 size and structure of the board and the effectiveness of the board in carrying out its duties. The board shall report its findings and any recommendations for change in board composition 22 or function to the joint standing committee of the Legislature 24 having jurisdiction over legal affairs and the joint standing committee of the Legislature having jurisdiction over housing and 26 economic development matters no later than March 1, 1995.

28 Sec. 42. Review consumer protection issues. The Manufactured Housing Board shall review the recommendations from the Report of 30 the National Manufactured Housing Commission and shall review and evaluate all federally proposed, pending legislation and current 32 laws for national consumer protection, including the establishment of a national recovery fund. The board shall also 34 investigate whether the current state plan approved by the Department of Housing and Urban Development could be amended to better serve this State's consumers. The board shall report its findings and any recommendations for change to the joint standing 38 committee of the Legislature having jurisdiction over legal affairs and the joint standing committee of the Legislature 40 having jurisdiction over housing and economic development matters no later than January 1, 1996.

Sec. 43. Allocation. The following funds are allocated from Other Special Revenue to carry out the purposes of this Act.

1994-95

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48 ATTORNEY GENERAL, **DEPARTMENT OF THE** 

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R. Q. G.

COMMITTEE AMENDMENT "H" to S.P. 461, L.D. 1453

2	Administration - Attorney General	
4	Positions	(0.5)
6	Personal Services All Other Copital Europeditures	\$29,926 1,250 500
8	Capital Expenditures	500
10	Provides for the allocation of funds for one additional 1/2-time Assistant Attorney General position and general operating	
12	expenses to meet the need of the Manufactured Housing Board for additional	
14	legal services.	
16	DEPARTMENT OF THE ATTORNEY GENERAL	
18	TOTAL	\$31,676
20	PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF	
22	Manufactured Housing Board	
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26	All Other	\$51,676
28 ·	Provides for the allocation of funds for increased legal services from the Department of the Attorney General and the cost of	
	certain additional public hearings.	
32	DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION	
34	TOTAL	\$51,676
36	TOTAL ALLOCATIONS	\$83,352
38	<b>Emergency clause.</b> In view of the emergency cited preamble, this Act takes effect when approved.'	in the
40	Further amend the bill by inserting at the end bef	ore the
42	statement of fact the following:	.ore the
44	'FISCAL NOTE	
46		1994-95
48	APPROPRIATIONS/ALLOCATIONS	
50	Other Funds	\$83,352

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## REVENUES

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### Other Funds

### \$81,676

б The Department of the Attorney General will require an additional Other Special Revenue allocation of \$31,676 in fiscal year 1994-95 for a part-time Assistant Attorney General position and general operating expenses to provide legal assistance with enforcement of manufactured housing warranties. the The department will realize additional dedicated revenue of the same amount from payments for legal services by the Manufactured Housing Board.

The Manufactured Housing Board will require an additional Other Special Revenue allocation of \$51,676 in fiscal year 16 1994-95 to pay for the additional services provided by the 18 Department of the Attorney General and to pay for increased hearing costs resulting from the strengthened enforcement of 20 manufactured housing warranties.

22 The installer's and manufacturer's warranty seal requirement will increase fee collections. The estimated increase of dedicated revenue to the Manufactured Housing Board is \$50,000 in 24 fiscal year 1994-95.

The Judicial Department may realize some minor savings from 28 reductions of workload and administrative costs associated with the minimal number of cases that will no longer be filed in the 30 court system.'

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### STATEMENT OF FACT

This amendment replaces the original bill and makes the following changes to the manufactured housing laws:

1. Amends the laws dealing with mobile home warranties by 40 defining manufactured homes to include mobile homes and all other types of manufactured housing;

Defines "installer" and creates a new warranty for the 2. 44 installation of manufactured homes;

Enables the Manufactured Housing Board to enforce 46 3. Maine's explicit manufactured housing warranty law and the implied warranty of merchantability; 48

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4. Requires the Manufactured Housing Board to set uniform reasonable standards for the proper installation of manufactured homes;

5. Requires the installer, who already notifies the State when a manufactured home is installed, to include notification of the type of home installed and indicate that installation standards have been met;

 6. Requires that manufacturers and installers obtain from the Manufactured Housing Board warranty seals that must first be
 attached to a manufactured home before it may be installed in the State;

 Clarifies the Manufactured Housing Board's procedures
 for investigation of complaints and revocation or suspension of licenses, including notices of violation;

8. Defines remedies for consumers for manufacturing defects
 and installation defects in manufactured homes;

22 9. Requires the Manufactured Housing Board to notify all claimants of a claimant's right to seek remedy through a court 24 proceeding;

Requires the Manufactured Housing Board to adopt rules
 governing qualifications for each category of license under its
 jurisdiction;

30 11. Allows the Manufactured Housing Board to require bonding or other reasonable methods to ensure that the 32 manufacturers, dealers and others licensed under the Maine Statutes, Title 10, Revised chapter 951 are financially 34 responsible to fully comply with the law;

36 12. Requires as a condition of licensure that an out-of-state company designate the executive director of the 38 Manufactured Housing Board as the out-of-state company's agent to receive service of process;

13. Clarifies when the Manufactured Housing Board may42 suspend, revoke or refuse to renew a license;

44 14. Specifies that if a consumer files a written complaint with the manufacturer, dealer, installer or Manufactured Housing
46 Board within one year and 10 days after the installation of a new manufactured home, receipt of the written complaint by the
48 manufacturer, dealer, installer or Manufactured Housing Board tolls the statute of limitations for purposes of bringing an
50 action to enforce an applicable warranty;

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15. Requires the Manufactured Housing Board to review the board's composition and function and to make recommendations for changes to the joint standing committee of the Legislature having jurisdiction over legal affairs and the joint standing committee of the Legislature having jurisdiction over housing and economic development matters no later than March 1, 1995; and

16. Requires the Manufactured Housing Board to review the Report of the National Manufactured Housing Commission and any federal legislation or law dealing with consumer protection, including but not limited to a national recovery fund. The board shall report its findings and any recommendations to the joint standing committee of the Legislature having jurisdiction over legal affairs and the joint standing committee of the Legislature having jurisdiction over housing and economic development matters no later than January 1, 1996.

The amendment also adds an allocation section and a fiscal note and conforms existing law to current drafting standards.

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