
DIGEST

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HB 471 Engrossed

2017 Regular Session

Foil

Abstract: Modifies law applicable to manufactured and modular homes.

Present law (Parts XIV, XIV-A, and XIV-B of Chapter 2 of Title 51 of the La. Revised Statutes of 1950, cited as R.S. 51:911.21 et seq.) provides for law applicable to manufactured and modular housing.

Proposed law retains present law and generally expands present law with respect to greater inclusion of and applicability to modular housing.

Present law provides for certain definitions.

Proposed law retains present law and modifies the following definitions: "manufactured home" and "manufactured housing", "manufacturer", "retailer", "salesman", "seal" or "label", "frame tie" or "tie down", "ground anchor", "installer", "setup" or "installation", and "transporter". Adds the definition of "modular home".

Proposed law requires all retailers and developers to have at least one licensed salesman.

Present law permits the La. Manufactured Housing Commission (hereinafter "commission") to require retailers, developers, and installers to show proof of continued and ongoing general liability insurance coverage of at least \$100,000. Requires manufacturers to show proof of continued and ongoing liability insurance coverage of at least \$1,000,000.

Proposed law retains present law and adds transporters as persons required to show proof of \$100,000 in continued and ongoing general liability coverage.

Present law requires the commission to be comprised of seven members with at least one member appointed from each Public Service Commission district and all appointed by the governor with the consent of the Senate. Requires three of the seven members to be appointed by the governor from a list of six individuals submitted by the La. Manufactured Housing Association or its successor. Proposed law retains present law.

Proposed law repeals the present law provision (R.S. 911.26(A)(3)) requiring the remaining four members of the commission to be members at large, appointed by the governor, further requiring at least one of the four to be an individual residing during the term of his appointment in a manufactured home.

Proposed law requires two of the seven members to be members at large.

Present law requires the commission to hire a qualified person with certain credentials to serve as executive director as prescribed by the commission.

Proposed law modifies present law to make the commission's hiring of an executive director permissive.

Present law requires the executive director to take and subscribe to the oath of office prior to engaging in duties. Proposed law repeals present law.

Present law establishes the commission's right to exercise certain powers and duties with respect to manufacturers, retailers, developers, salesmen, and installers.

Proposed law retains present law and adds transporters as persons under the commission's authority with respect to powers and duties exercised by the commission, including requirements for licensure, payment of associated fees, and the commission's assessments of penalties.

Present law requires a transporter and installer to provide his respective customer with a copy of the uniform written transportation and installation contract as prescribed by the commission. Requires the contract to be provided to a customer prior to the transporter's or installer's work on the customer's home.

Proposed law retains present law and requires presentation of the contract to a customer prior to moving a customer's home. Further provides that present law does not apply to transporters who are only passing through the state or delivering a home from a manufacturer to a licensee of the commission.

Proposed law authorizes the commission to adopt rules governing the repairs or renovations of manufactured homes.

Present law requires a serial number to be stamped by the manufacturer on the front cross member of the frame of a manufactured home. Proposed law modifies present law to require the serial number to be stamped on the Header Plate or front cross member of the frame of a manufactured or modular home.

Present law authorizes the commission to hold hearings to investigate and determine violations.

Proposed law retains present law and further provides that all costs incurred by the commission, including reasonable attorney fees, may be borne by the person or licensee found in violation of the provisions of present law and proposed law.

Present law provides that persons found guilty of violations of present law are liable for a civil penalty not to exceed \$1,000 for each violation. Proposed law modifies present law to provide for a civil penalty not to exceed \$2,500 for each violation of a provision applicable to manufactured and

modular housing as provided in present law and proposed law.

Proposed law authorizes the commission to double the civil penalty up to \$5,000 for each violation, if the commission determines a violation was intentional or the violator is a habitual offender.

Present law prohibits a retailer from setting forth a down payment in any retail installment sales contract, chattel mortgage, or security agreement unless all of the down payment has actually been received by the retailer at the time of execution of such document. Prohibits cash down payment amounts made to a retailer from any rebate or other consideration received by or to be given to the consumer from the retailer or his agent.

Proposed law retains present law and makes present law applicable to a developer and his agent.

Present law requires homeowners to provide the commission with written notice of defects to homes by registered or certified mail within one year after knowledge of defect, prior to the homeowner making reparative or civil action.

Proposed law modifies present law to require the written notice to be provided on the consumer complaint form provided by the board. Otherwise retains present law.

Proposed law requires installation for the setup of new or used modular homes to be in compliance with the International Residential Code enforced by the local authority having jurisdiction.

Proposed law deletes mobile homes from certain installation standards as provided in present law and proposed law.

Present law requires diagonal ties only at each end of each manufactured home unit. Proposed law replaces diagonal ties in favor of longitudinal ties and otherwise retains present law.

Present law requires vertical and diagonal ties with stabilizer devices on the perimeter side walls of manufactured homes and requires spacing between ties to be a minimum of 12 feet for Zone I homes. Proposed law removes the requirement for vertical ties on perimeter side walls and shortens the distance requirement from 12 feet to 10 feet.

Proposed law authorizes a licensed installer to perform the functions of a transporter without obtaining a transporter license.

Present law provides certain authority of the fire marshal with respect to the state's administration of manufactured housing. Proposed law retains present law.

Present law authorizes the fire marshal to provide oversight as prescribed by law of remedial actions carried out by manufacturers and a manufacturer's handling of consumer complaints as to plants located within this state.

Proposed law modifies present law by removing the portion of present law applicable to plants

located in the state. Proposed law otherwise retains present law

Present law (R.S. 51:911.24(K)) prohibits a person from acting as a manufactured home broker without first obtaining a license from the commission. Proposed law repeals present law.

Present law (R.S. 51:911.28(A)(10)) provides for a manufactured home broker license and an associated \$150 licensure fee. Proposed law repeals present law.

Proposed law repeals the obsolete present law provision (R.S. 51:911.26(J)) requiring the office of state fire marshal to transfer all records, assets, and equipment in use by the manufactured housing division to the commission upon establishment of the commission.

Proposed law makes technical changes.

(Amends R.S. 51:911.21, 911.22(5), (7), (8.1), (10)(intro. para.), (11), and (12), 911.24(A)(1)-(3) and (6), (B)(intro. para.) and (L), 911.26(A)(1), (D)(1)-(3), (F)(1)-(4) and (10), 911.29, 911.30, 911.32(E), 911.36, 911.38, 911.39, 911.41, 911.43, 911.46, 912.3(intro. para.) and (7), 912.5(A), 912.21(intro. para.), (1), (2), (4), (6), and (9)-(12), 912.22(intro. para.), (1), and (7), 912.25(2) and (3), 912.26, 912.27(A)(1) and (B)-(D), 912.28(A), and 912.52(B)(5); Adds R.S. 51:911.22(13), 911.24(C)(3), 911.26(F)(11), and 912.21(13); Repeals R.S. 51:911.24(K), 911.26(A)(3), 911.26(J), and 911.28(A)(10))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Modify present law and proposed law (R.S. 51:912.22(1)) to require installation for the setup of new or used modular homes to be in compliance with the International Residential Code enforced by the local authority having jurisdiction.
2. Make technical changes.