

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 4

As Amended by House Committee on
Commerce and Labor

Brief*

SB 4, as amended, would make changes to the Kansas Manufactured Housing Act as a result of the 2000 federal Manufactured Housing Act, which required states to have provisions in place regarding the administration of the Act. Provisions of the bill include the following:

Installation

- ! The state will exercise exclusive power to regulate the installation of manufactured homes.
- ! The Kansas Housing Resources Corporation referred to as corporation throughout the bill, a not-for-profit subsidiary of the Kansas Development Finance Authority, will adopt rules and regulations governing proper installation and siting of manufactured homes.
- ! Installers will be required to be licensed for a term of three years, which can be renewed. Fees for licensure will be \$300.
- ! Municipalities may adopt standards for the installation of manufactured homes provided that they are consistent with the state installation standards.
- ! The installation requirements would not apply to a person who installs a manufactured home on property owned and occupied by the person. In addition, none of the rights, remedies, or causes of action would be available to that person.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

! An applicant for an installer's license shall:

- " be at least 18 years old;
- " complete a training course;
- " submit an application on a form prepared by the Kansas Housing Resources Corporation;
- " submit the examination fee fixed by the Corporation in an amount necessary to cover the cost of the examination;
- " pass the examination;
- " not be found in violation of the Act or appropriate rules and regulations;
- " submit proof of at least two years' experience as an installer; and
- " carry a minimum of \$100,000 liability insurance.

! An applicant for an apprentice installer's license shall:

- " be at least 18 years of age;
- " complete an installation training course approved by the Corporation;
- " submit an application for a license on a form prescribed and furnished by the Corporation;
- " submit with the license application a license application fee in the amount of \$75; and
- " not be found in any violation of the Act or appropriate rules or regulations.

An apprentice installer's license shall be valid for two years but may be renewed upon application to the corporation on a form prescribed by the Corporation and payment of a renewal license fee of \$75.

! The Kansas Housing Resources Corporation may establish examination standards or, in lieu of this, certify recognized and developed examinations.

! Prohibited acts are outlined in the bill and violations of prohibited acts are punishable by any of the following actions:

- " license revocation;
- " license suspension;

- " civil penalty of up to \$1,000 per violation, which will go to the State Housing Trust Fund;
 - " requirement to take and pass or retake and pass the examination;
 - " a notice of non-compliance; or
 - " refusal of license application.
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- ! The owner of a manufactured home must file a complaint and an application for an inspection of the home within the one year period of completion of installation.
 - ! Violation hearings may be held in accordance with the Kansas Administrative Procedure Act.
 - ! Disputes may be resolved by negotiation, mediation, or court action.
 - ! The effective date of the Act is upon publication in the *Kansas Register*.
 - ! The implementation date of the Act is July 1, 2006.

Background

The bill was first presented during the 2003 Legislative Session at the request of the Kansas Manufactured Housing Association. Support for the bill was stated by the conferees from the Kansas Manufactured Housing Association, Kansas League of Municipalities, and the Kansas Association of Counties. The President of the Kansas Housing Resources Corporation testified in opposition to the bill.

The Senate Committee of the Whole made a technical change to the bill to accurately reflect the Committee's intent.

The House Committee inserted the provisions that:

- ! substituted the word "corporation" in place of "president";
- ! changed the installer's license fee amount from \$300 to an amount fixed by the Corporation;
- ! changed the apprentice installer's license fee from \$50 to \$75 and the renewal fee from \$50 to \$75;

- ! extended the time for an apprentice installer's license to be valid before renewal from one year to two years; and
- ! limited the time for a home owner to file a complaint to within the one year period following completion of installation.

Other amendments are clarifying and technical in nature.

The fiscal note indicates the bill if enacted would provide an additional \$55,000 in revenue for the State Housing Trust Fund and would require \$9,535 in one-time expenses and \$37,999 for ongoing administrative support, including 1.0 new FTE position to administer the bill. Finally, the fiscal effect resulting from enactment of SB 4 is not accounted for in *The FY 2006 Governor's Budget Report*.