

1 SENATE BILL NO. 269

2 INTRODUCED BY E. BUTTREY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING COMMUNITY HOUSING DEVELOPMENT
5 ORGANIZATIONS FROM DISPLAY LOT PROVISIONS UNDER THE MANUFACTURED HOME DEALER
6 LICENSING REQUIREMENTS; ~~AND~~ AMENDING SECTION 61-12-901, MCA; AND PROVIDING AN IMMEDIATE
7 EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **Section 1.** Section 61-12-901, MCA, is amended to read:

12 **"61-12-901. Manufactured home dealers -- licensure -- bond requirements -- rulemaking.** (1) (a)
13 Except as provided in subsection (1)(b), a person may not engage in the business of buying, selling, exchanging,
14 accepting on consignment, or acting as a broker of a manufactured home that is not titled in the person's name
15 unless the person is the holder of a manufactured home dealer's license issued by the department.

16 (b) This section does not apply to a person buying, selling, exchanging, accepting on consignment, or
17 acting as a broker of a used manufactured home that is not titled in the person's name.

18 (2) (a) The department shall issue a manufactured home dealer's license to any person it determines
19 is qualified to hold the license under the provisions of this section. The department may adopt rules establishing
20 requirements for licensure.

21 (b) A manufactured home dealer's license authorizes the licensee to:

22 (i) sell any new manufactured home that is covered under a franchise agreement between the licensee
23 and the manufacturer, importer, or distributor of the manufactured home;

24 (ii) sell any used manufactured home;

25 (iii) negotiate the purchase, sale, or exchange of a manufactured home from another licensed dealer or
26 another person on behalf of a client when the licensee does not store, display, or take ownership of the
27 manufactured home purchased, sold, or exchanged.

28 (3) A license issued by the department is valid until:

29 (a) voluntarily returned to the department for surrender and cancellation upon the cessation of the
30 licensee's business operations; or

1 (b) suspended or revoked for a violation of this section or any other laws relating to the sale of a
2 manufactured home.

3 (4) (a) An applicant for a manufactured home dealer's license shall submit a written application to the
4 department. The application must be signed by the applicant and contain a verification by the applicant, under
5 penalty of law, that the information contained in the application is true and correct. Any information provided in
6 the license application process is subject to independent verification by the department or an authorized
7 representative of the department. The department shall by rule establish the requirements for the application.

8 (b) After examining a license application and conducting any investigation necessary to verify the
9 information contained in the application, if the department is satisfied that the applicant qualifies for the issuance
10 of a license under the provisions of this section and rules adopted pursuant to this section, the department shall
11 issue the license. The department may refuse, after examination and investigation, to issue a license to an
12 applicant who is not qualified for licensure or whose prior financial or other activities or criminal record, as
13 determined by the department:

14 (i) poses a threat to the effective regulation of manufactured home dealers;

15 (ii) poses a threat to the public interest of the state; or

16 (iii) creates a danger of illegal or deceptive practices being used in the conduct of the proposed
17 dealership.

18 (5) ~~The~~ Except as provided in subsection (6), the application provided to the department must contain
19 but is not limited to the following information:

20 (a) the name under which the applicant intends to conduct business and the applicant's name, street
21 address, and, if different, mailing address for the business;

22 (b) the name, date of birth, and social security number of any person who:

23 (i) possesses or will possess an ownership interest in the business for which the license is sought;

24 (ii) is a corporate officer or the managing member of a business entity applying for the license; or

25 (iii) is or will be designated by the applicant to manage or oversee the applicant's business;

26 (c) the geographic location of the physical lot or lots upon which manufactured homes will be displayed
27 for sale and of a permanent nonresidential building that will be maintained as an office to store the actual physical
28 or electronic records resulting from the purchase, sale, trade, or consignment of manufactured homes for which
29 licensure is sought. The office may be a manufactured home or a site-built structure. The lot must be large
30 enough to contain the office and have space to display a minimum of two double-wide units. An applicant may

1 use more than one location to display manufactured homes for sale if the maximum distance between each
2 display lot does not exceed 200 feet and if the distance between a display lot and the building in which sales
3 records are stored does not exceed 1,000 feet.

4 (d) for each geographic location specified in the application, evidence of the applicant's compliance with
5 applicable local land use planning, zoning, and business permitting requirements, if any. Evidence of compliance
6 may be documented by means of a written verification of compliance signed by the authorized representative of
7 the local land use planning or zoning board or the local business-permitting agency.

8 (e) a diagram or plat showing the geographic location, lot dimensions, and building and sign placement
9 for the applicant's proposed established place of business, along with two or more photographs of the geographic
10 location, building premises, and sign, as prescribed by the department. A dealer shall display at the dealer's
11 established place of business at least one sign stating the name of the business and indicating that manufactured
12 homes are offered for sale, trade, or consignment. The letters of the sign must be at least 6 inches in height and
13 clearly visible and readable to the major avenue of traffic at a minimum distance of 150 feet.

14 (6) Subsections (5)(c) through (5)(e) do not apply to a community housing development organization,
15 defined in 24 CFR 92.2, which shall designate a storage location for any physical or electronic records resulting
16 from the purchase, sale, trade, or consignment of manufactured homes.

17 ~~(6)(7)~~ If an applicant intends to maintain more than one established place of business, the applicant shall
18 file a separate license application for each proposed place of business and otherwise qualify for licensure at each
19 place separately.

20 ~~(7)(8)~~ Each application under this section must be accompanied by a \$50 fee.

21 ~~(8)(9)~~ (a) An applicant for a manufactured home dealer's license shall also file a bond of \$50,000 with
22 each application.

23 (b) All bonds must be conditioned upon the applicant conducting the business in accordance with the
24 requirements of the law. All bonds must be approved by the department, filed with the department, and renewed
25 annually.

26 ~~(9)(10)~~ (a) As used in this section, "manufactured home" means a residential dwelling built in a factory
27 in accordance with the United States department of housing and urban development code and the federal
28 Manufactured Home Housing Construction and Safety Standards.

29 (b) The term does not include a mobile home or housetrailer as defined in 15-24-201."
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