

By: Senator(s) Kirby, Little, Dearing

To: Insurance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2405

1 AN ACT TO AMEND SECTION 75-49-9, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE COMMISSIONER OF INSURANCE TO ESTABLISH CONTINUING
3 EDUCATION REQUIREMENTS FOR LICENSING OF A MANUFACTURER,
4 TRANSPORTER, INSTALLER OR DEALER OF NEW OR USED FACTORY-BUILT
5 HOMES; TO REQUIRE WRITTEN EXAMINATION OF APPLICANTS FOR CERTAIN
6 LICENSES; TO REQUIRE MANUFACTURERS OF FACTORY-BUILT HOMES TO SELL
7 ONLY TO LICENSED DEALERS; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 75-49-9, Mississippi Code of 1972, is
10 amended as follows:

11 75-49-9. (1) After July 1, 1992, every manufacturer, every
12 transporter or installer and every dealer who sells, manufactures,
13 transports or installs new or used factory-built homes within the
14 State of Mississippi shall apply for and obtain a license from the
15 commissioner.

16 (2) If a factory-built home is new, the applicant shall
17 certify in the application to the commissioner that the applicant
18 will comply with the construction standards set forth under rules
19 and regulations provided in Section 75-49-5 * * *, and that the
20 applicant has obtained a current and valid tax identification
21 number.

22 (3) Applications shall be obtained from and submitted to the
23 commissioner on forms prescribed by the commissioner.

24 (4) The original license fee and all annual renewals thereof
25 shall be Two Hundred Fifty Dollars (\$250.00) for manufacturing
26 plants that build manufactured homes and Two Hundred Fifty Dollars
27 (\$250.00) for manufacturing plants that manufacture relocatable
28 (modular) homes located within or without the State of Mississippi
29 manufacturing or delivering homes for sale within the State of

30 Mississippi and One Hundred Fifty Dollars (\$150.00) per
31 manufactured home and/or relocatable (modular) home dealer
32 location within the State of Mississippi. The licensing fee for a
33 manufactured home and/or relocatable (modular) home independent
34 contractor transporter or installer is One Hundred Dollars
35 (\$100.00) for each company. The fee for relocatable (modular)
36 home plan review shall be Four Hundred Dollars (\$400.00) per floor
37 plan; however, this fee shall not apply to any relocatable
38 (modular) home plan reviews completed before July 1, 1998. Except
39 as otherwise provided in subsection (10) of this section, the
40 license shall be valid for a period of one (1) year from the date
41 of issuance, or until revoked as provided herein.

42 (5) After the effective date of this chapter, every
43 manufacturer, transporter or installer or seller who first sells,
44 manufactures, transports or installs a new or used factory-built
45 home in this state, before such first construction, sale,
46 transportation or installation shall apply for and obtain a
47 license from the commissioner. The fee shall be paid to the
48 commissioner in such manner as the commissioner may by rule
49 require. All funds received by the commissioner shall be
50 deposited in a special fund account in the State Treasury to the
51 credit of the Department of Insurance.

52 (6) Every manufacturer of manufactured homes in the state
53 shall pay a monitoring inspection fee to the Secretary of Housing
54 and Urban Development, or the secretary's agent, for each
55 manufactured home produced in the state by the manufacturer. The
56 fee shall be in an amount established by the secretary pursuant to
57 the National Manufactured Home Construction and Safety Standards
58 Act of 1974, 42 USCS 5401 et seq. The portion of the fee which is
59 returned to the state shall be deposited by the commissioner in a
60 special fund account in the State Treasury to the credit of the
61 Department of Insurance. To ensure public safety, licensed
62 manufacturers of factory-built homes shall sell only to licensed

63 dealers; however, a licensed manufacturer may sell factory-built
64 homes to persons other than licensed dealers if the homes are to
65 be used for commercial or nonresidential purposes.

66 (7) Any individual applying for a license issued under this
67 chapter shall satisfactorily pass a written examination before
68 receiving the license; however, manufacturers of factory-built
69 homes shall be exempt from this written examination requirement.

70 A license shall be granted only to a person who bears a good
71 reputation for honesty, trustworthiness, integrity and competency
72 to transact the business in such a manner as to safeguard the
73 interest of the public and only after satisfactory proof of such
74 qualifications has been presented to the commissioner. The
75 commissioner may investigate and hold a hearing, as he deems
76 necessary, as to the fitness or expertise of the applicant for the
77 type of license for which the applicant applied.

78 (8) The commissioner shall take all applicants under
79 consideration after having examined them through oral or written
80 examinations, or both, before granting any license. If the
81 applicant is an individual, examination may be taken by his
82 personal appearance for examination or by the appearance for
83 examination of one or more of his responsible, full-time managing
84 employees; and if a partnership or corporation or any other type
85 of business or organization, by the examination of one or more of
86 the responsible, full-time managing officers or members of the
87 executive staff of the applicant's firm. Every application by an
88 individual for a license to sell, transport or install new or used
89 mobile, manufactured and relocatable homes shall be verified by
90 the oath or affirmation of the applicant, and every such
91 application by a partnership or corporation shall be verified by
92 the oath or affirmation of a partner or an officer thereof. The
93 applications for licenses shall be in such form and detail as the
94 commissioner shall prescribe.

95 (9) The holder of any valid license issued by the
96 commissioner at the time this section becomes effective shall be
97 automatically issued an equivalent license in the same category
98 for which his previous license was issued if the licensee has
99 satisfied any continued education requirements established by the
100 Commissioner of Insurance in accordance with this section.

101 (10) Beginning July 1, 1988, every license issued under this
102 chapter shall be issued annually and shall expire on June 30
103 following the date upon which it was issued. License fees shall
104 not be prorated for the remainder of the year in which the
105 application was made but shall be paid for the entire year
106 regardless of the date of the application. The commissioner
107 shall, on or before April 30, 1989, and on or before April 30 of
108 each succeeding year thereafter, forward a "Notice of Renewal," by
109 regular United States mail, to each licensee at his or its last
110 known post office address. After depositing the "Notice of
111 Renewal" in the United States mail, the commissioner shall have no
112 other duty or obligation to notify the licensee of the expiration
113 of his or its annual license. The failure of the licensee to
114 obtain a renewal license on or before June 30 of the ensuing
115 license period shall act as an automatic suspension of the license
116 unless the commissioner, for good cause shown in writing and the
117 payment of an amount equal to double the renewal fee for said
118 delinquency, lifts the suspension and issues the renewal license.
119 During the period of suspension any practice by the licensee under
120 the color of such license shall be deemed a violation of this
121 chapter. Annual renewals of a dealer's license shall require, as
122 a condition precedent, that the dealer verify by oath or
123 affirmation that he maintains a retail sales lot in accordance
124 with all rules and regulations promulgated by the commissioner and
125 that the lot has three (3) or more new or used factory-built homes
126 located thereon for retail sale as a residential dwelling or for
127 any other use at the time of application.

128 (11) The Commissioner of Insurance is authorized and
129 directed to promulgate rules and regulations necessary to
130 establish continuing education requirements for licensees under
131 this chapter.

132 **SECTION 2.** This act shall take effect and be in force from
133 and after July 1, 2004.