

By: Senator(s) Kirby

To: Insurance; Business and
Financial Institutions

SENATE BILL NO. 2577

1 AN ACT TO AMEND SECTION 75-49-3, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "MODULAR HOME" AND TO DEFINE THE
3 TERM "MODULAR HOME CONTRACTOR" AS THEY RELATE TO THE UNIFORM
4 STANDARDS CODE FOR FACTORY-BUILT HOMES LAW; TO AMEND SECTION
5 75-49-9, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR A LICENSE FEE
6 PER MODULAR HOME CONTRACTOR; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 75-49-3, Mississippi Code of 1972, is
9 amended as follows:

10 75-49-3. Unless clearly indicated otherwise by the context,
11 the following words when used in this chapter, for the purpose of
12 this chapter, shall have the meanings respectively ascribed to
13 them in this section:

14 (a) "Manufactured home" means a structure defined by,
15 and constructed in accordance with, the National Manufactured
16 Housing Construction and Safety Standards Act of 1974, as amended
17 (42 USCS 5401 et seq.), and manufactured after June 14, 1976.

18 (b) "Mobile home" means a structure manufactured before
19 June 15, 1976, that is not constructed in accordance with the
20 National Manufactured Housing Construction and Safety Standards
21 Act of 1974, as amended (42 USCS 5401 et seq.). It is a structure
22 that is transportable in one or more sections, that, in the
23 traveling mode, is eight (8) body feet or more in width and
24 thirty-two (32) body feet or more in length, or, when erected on
25 site, is two hundred fifty-six (256) or more square feet, and that
26 is built on a permanent chassis and designed to be used as a
27 dwelling with or without a permanent foundation when connected to
28 the required utilities, and includes any plumbing, heating, air
29 conditioning and electrical systems contained therein; except that

30 such term shall include any structure which meets all the
31 requirements and with respect to which the manufacturer
32 voluntarily files a certification required by the commissioner and
33 complies with the standards established under this chapter.

34 (c) "Modular home" means a structure which is: (i)
35 transportable in one or more sections; (ii) designed to be used as
36 a dwelling when connected to the required utilities, and includes
37 plumbing, heating, air conditioning and electrical systems with
38 the home; and (iii) certified by its manufacturers as being
39 constructed in accordance with a nationally recognized building
40 code; and designed to be permanently installed at its final
41 destination on an approved foundation constructed in compliance
42 with a nationally recognized building code. The term "Modular
43 home" does not include manufactured housing as defined by the
44 National Manufactured Housing Construction and Safety Standards
45 Act of 1974.

46 (d) "Modular home contractor" means a licensed
47 residential building contractor or a licensed retailer who buys
48 factory-built modular homes for resale to the general public,
49 whether to be located on the consumer's home site or land home
50 package on property owned by the modular home contractor. A
51 Mississippi licensed modular home contractor is authorized to sell
52 new modular homes for installation on consumer's home site or as
53 part of a land home package without the necessity or maintaining a
54 separate sales center. A modular home contractor shall be
55 responsible for the installation requirements for modular housing
56 as provided in Section IV of the rules and regulations for Uniform
57 Standards Code for the Factory-Built Homes as related to Modular
58 Homes.

59 (e) "Factory-built home" means a mobile home, a
60 manufactured home, and a modular home as those terms are defined
61 herein.

62 (f) "Commissioner" means the Commissioner of Insurance
63 of the State of Mississippi.

64 (g) "Chief Deputy State Fire Marshal" means the
65 individual appointed by the Commissioner of Insurance, who, along
66 with his employees, is designated by the commissioner to implement
67 and enforce this chapter and to maintain, among other duties, the
68 Factory Built Division of the Insurance Department.

69 (h) "Division" means the Factory Built Division of the
70 State Fire Marshal's Office.

71 (i) "Person" means any individual, firm, corporation,
72 partnership, association or other type of business entity.

73 (j) "Retailer" means any person engaged in the retail
74 sale of new or used manufactured mobile or modular homes to the
75 general public.

76 (k) "Developer" means any person who buys factory-built
77 homes and real estate and then offers to sell or lease to the
78 general public land-home "package deals" consisting of a home with
79 real estate. Upon renewal of a license, a developer must provide
80 documentation to the Department of Insurance that he or she has at
81 least five (5) available manufactured or modular home sites. A
82 developer shall be responsible for installation requirements for
83 manufactured or modular housing as set forth in Section IV of the
84 rules and regulations for the Uniform Standards Code for
85 Factory-Built Homes Law.

86 (l) "Independent contractor installer or transporter"
87 means any person who is engaged for hire in the movement or
88 transportation, or both, or the installation, blocking, anchoring
89 and tie-down of a factory-built home. An "independent contractor
90 installer or transporter" shall not include persons who do not
91 hold themselves out for hire to the general public for the
92 purposes described in this definition.

93 (m) "Manufacturer" means any person engaged in the
94 production (construction) of manufactured homes or modular homes.

95 **SECTION 2.** Section 75-49-9, Mississippi Code of 1972, is
96 amended as follows:

97 75-49-9. (1) After July 1, 1992, every manufacturer, every
98 transporter or installer, developer and every retailer who sells,
99 manufactures, transports or installs new or used factory-built
100 homes within the State of Mississippi shall apply for and obtain a
101 license from the commissioner.

102 (2) If a factory-built home is new, the applicant shall
103 certify in the application to the commissioner that the applicant
104 will comply with the construction standards set forth under rules
105 and regulations provided in Section 75-49-5 herein, and that the
106 applicant has obtained a current and valid tax identification
107 number.

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

110 (4) The original license fee and all annual renewals thereof
111 shall be Two Hundred Fifty Dollars (\$250.00) for manufacturing
112 plants that build manufactured homes and Two Hundred Fifty Dollars
113 (\$250.00) for manufacturing plants that manufacture modular homes
114 located within or without the State of Mississippi manufacturing
115 or delivering homes for sale within the State of Mississippi and
116 One Hundred Fifty Dollars (\$150.00) per manufactured home and/or
117 modular home retailer location, developer location within the
118 State of Mississippi, and modular home contractor. The licensing
119 fee for a manufactured home and/or modular home independent
120 contractor transporter or installer is One Hundred Dollars
121 (\$100.00) for each company. The fee for modular home plan review
122 shall be Four Hundred Dollars (\$400.00) per floor plan; however,
123 this fee shall not apply to any modular home plan reviews
124 completed before July 1, 1998. Except as otherwise provided in
125 subsection (10) of this section, the license shall be valid for a
126 period of one (1) year from the date of issuance, or until revoked
127 as provided herein.

128 (5) After the effective date of this chapter, every
129 manufacturer, transporter or installer or seller who first sells,
130 manufactures, transports or installs a new or used factory-built
131 home in this state, before such first construction, sale,
132 transportation or installation shall apply for and obtain a
133 license from the commissioner. The fee shall be paid to the
134 commissioner in such manner as the commissioner may by rule
135 require. All funds received by the commissioner shall be
136 deposited in a special fund account in the State Treasury to the
137 credit of the Department of Insurance.

138 (6) Every manufacturer of manufactured homes in the state
139 shall pay a monitoring inspection fee to the Secretary of Housing
140 and Urban Development, or the secretary's agent, for each
141 manufactured home produced in the state by the manufacturer. The
142 fee shall be in an amount established by the secretary pursuant to
143 the National Manufactured Home Construction and Safety Standards
144 Act of 1974, 42 USCS 5401 et seq. and as amended by the
145 Manufactured Housing Improvement Act of 2000. The portion of the
146 fee which is returned to the state shall be deposited by the
147 commissioner in a special fund account in the State Treasury to
148 the credit of the Department of Insurance.

149 (7) The commissioner shall investigate and examine all
150 applicants for all licenses by holding such hearings as he shall
151 deem necessary or conducting investigations or examinations, or
152 any combination thereof, as to the fitness or expertise of the
153 applicant for the type of license for which the applicant applied.
154 A license shall be granted only to a person who bears a good
155 reputation for honesty, trustworthiness, integrity and competency
156 to transact the business in such a manner as to safeguard the
157 interest of the public and only after satisfactory proof of such
158 qualifications has been presented to the commissioner.

159 (8) The commissioner shall take all applicants under
160 consideration after having examined them through oral or written

161 examinations, or both, before granting any license. If the
162 applicant is an individual, examination may be taken by his
163 personal appearance for examination or by the appearance for
164 examination of one or more of his responsible, full-time managing
165 employees; and if a partnership or corporation or any other type
166 of business or organization, by the examination of one or more of
167 the responsible, full-time managing officers or members of the
168 executive staff of the applicant's firm. Every application by an
169 individual for a license to sell, transport or install new or used
170 mobile, manufactured and modular homes shall be verified by the
171 oath or affirmation of the applicant, and every such application
172 by a partnership or corporation shall be verified by the oath or
173 affirmation of a partner or an officer thereof. The applications
174 for licenses shall be in such form and detail as the commissioner
175 shall prescribe.

176 (9) The holder of any valid license issued by the
177 commissioner at the time this section becomes effective shall be
178 automatically issued an equivalent license in the same category
179 for which his previous license was issued if the licensee is in
180 compliance with this chapter.

181 (10) Beginning July 1, 1988, every license issued under this
182 chapter shall be issued annually and shall expire on June 30
183 following the date upon which it was issued. License fees shall
184 not be prorated for the remainder of the year in which the
185 application was made but shall be paid for the entire year
186 regardless of the date of the application. The commissioner
187 shall, on or before April 30, 1989, and on or before April 30 of
188 each succeeding year thereafter, forward a "Notice of Renewal," by
189 regular United States mail, to each licensee at his or its last
190 known post office address. After depositing the "Notice of
191 Renewal" in the United States mail, the commissioner shall have no
192 other duty or obligation to notify the licensee of the expiration
193 of his or its annual license. The failure of the licensee to

194 obtain a renewal license on or before June 30 of the ensuing
195 license period shall act as an automatic suspension of the license
196 unless the commissioner, for good cause shown in writing and the
197 payment of an amount equal to double the renewal fee for said
198 delinquency, lifts the suspension and issues the renewal license.
199 During the period of suspension any practice by the licensee under
200 the color of such license shall be deemed a violation of this
201 chapter. Annual renewals of a retailer's license shall require,
202 as a condition precedent, that the retailer verify by oath or
203 affirmation that he maintains a retail sales lot in accordance
204 with all rules and regulations promulgated by the commissioner and
205 that the lot has three (3) or more new or used factory-built homes
206 located thereon for retail sale as a residential dwelling or for
207 any other use at the time of application.

208 **SECTION 3.** This act shall take effect and be in force from
209 and after its passage.