

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

1999-2000

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Housing
(AC-Ho)

File Naming Example:

Record of Comm. Proceedings ... RCP
> 05hr_AC-Ed_RCP_pt01a
> 05hr_AC-Ed_RCP_pt01b
> 05hr_AC-Ed_RCP_pt02

Published Documents

> Committee Hearings ... CH (Public Hearing Announcements)

> **

> Committee Reports ... CR

> **

> Executive Sessions ... ES

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> Record of Comm. Proceedings ... RCP

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*Information Collected For Or
Against Proposal*

> Appointments ... Appt

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> Clearinghouse Rules ... CRule

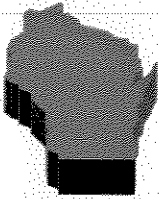
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> Hearing Records ... HR (bills and resolutions)

> **99hr_ab0807_AC-Ho_pt04**

> Miscellaneous ... Misc

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c/o Department of Commerce
Division of Safety & Buildings
201 West Washington Ave. 4th Floor
Madison, WI 53703

Governor's Blue Ribbon Task Force on Manufactured Housing

Richard J. Rand, Chairman

November 8, 2001

Representative Tom Sykora
Room 3 North
P O Box 8953
Madison, WI 53708-8953

*Tom -
Michael Bught
would like your input
on this before
Thanksgiving.
martha*

Dear Representative Sykora:

I am enclosing for your review the first draft of the report of the Governor's Blue Ribbon Task Force on Manufactured Housing. The Task Force met on twelve separate occasions since January of this year, hearing over 80 hours of testimony from 24 individuals representing 16 state agencies along with additional public comment. Forty-nine motions were adopted by the Task Force which are the basis for the recommendations in this report that protect consumers, strengthen the industry, and streamline state government.

The Task Force will meet once more by conference call on December 13th. Prior to that meeting we will be editing the report in preparation for the final draft and distribution. If you note any factual inaccuracies or have any comments or suggestions we could incorporate into that final report, please contact me before the Thanksgiving weekend so that I can present them to the Task Force during our conference call.

I want to express my gratitude to all of the individuals who have contributed to the success of the Task Force. When Governor Thompson appointed me as Chairman, it was clear that enormous amounts of information and data needed to be gathered from all of the parties who have an impact on the manufactured housing industry in the state. The Task Force had a short period of time in which to accomplish it's mission. During this process it has become evident to me that this report is only the beginning of the review we need to make of the industry and it's regulation. The report calls for ongoing study and use of advisory groups to improve the manufactured housing industry in Wisconsin. This is an opportunity to shape our future that few other industries have been afforded. Thank you for your time.

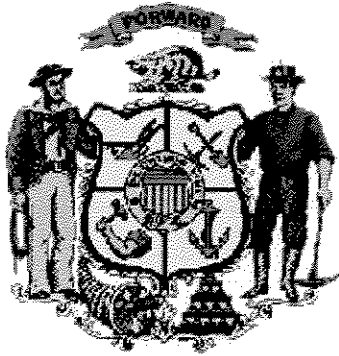
Very truly yours,


Richard J. Rand, Chairman

RJR/svv
Enclosure

Governor's Blue Ribbon Task Force on Manufactured Housing

Final Report



Draft 1 – October 23, 2001

Governor's Blue Ribbon Task Force on Manufactured Housing

Final Report

The Charge to the Task Force

Governor Tommy G. Thompson signed Executive Order 384 on November 10, 1999 creating an 11-member task force on manufactured housing. The order provided the following mission:

1. Report on the state of the Wisconsin manufactured housing industry.
2. Analyze and evaluate the regulatory oversight and efficiency of current state programs related to manufactured housing for Wisconsin.
3. Identify barriers for manufactured housing products and placement of products and make recommendations.
4. Review statutory provisions, administrative rules, and other state policy issues to ensure adequate measures are in place to ensure the future viability of the manufactured housing industry.

Acknowledgements

The Governor's Blue Ribbon Task Force on Manufactured Housing gratefully acknowledges the assistance of the Department of Commerce for hosting all task force meetings and providing key staff support. The following individuals served as staff resources for the task force:

Robert DuPont, Director, Bureau of Program Development
Larry Swaziek, Program Manager, Manufactured Housing
Ronald Acker, Code Consultant

Task Force Members

The Task Force consists of the following members appointed by Governor Thompson:

- Richard J. Rand – Chairman, President, Asset Development Group, Milwaukee
- Clifford L. Bader, Vice President, Mauston Home Sales, Mauston
- William M. Baudhuin, President, Baudhuin Inc., Sturgeon Bay
- Harris “Butch” Berg, Vice President & General Manager, Wick Building Systems, Marshfield
- Ray C. Feldman, Owner, Mauston Mobile Manor, Mauston
- Lynn M. Lamke, Manufactured Housing Manager, Pinewood Court, Trempealau
- Daryll J. Lund, President & CEO, Community Bankers of Wisconsin, Madison
- Dale M. Pedretti, Owner, Majestic Homes and Senior Vice President, Fortress Bank, Westby
- Brent A. Schmaling, Vice President/Sales Manager, Rollmann Homes, Shawano
- Charlotte L. Thompson, Executive Director, Foundation for Rural Housing, Madison
- James P. Voight, Chairman & CEO, Hometown Bank, Fond du Lac

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Status of the Industry

Changing Products Changed the Industry

The modern manufactured housing industry is the outgrowth of post-World War I interest in travel and recreation that was spurred by a drop in automobile prices. Americans began to take to the road for weekend getaways. First, they packed traditional tents, then tents attached in various ways to their cars. Finally, a tent camper, a fold out tent on its own wheels, was developed. The tent camper was convenient, but desires for other amenities lead to a solid body camper. Many of these were homemade and ranged up to seven and one-half feet wide by 35 feet long.



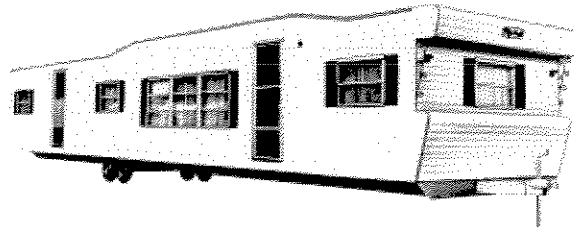
• 1940's

World War II, however, brought a need for year-around temporary housing. Trailers provided a convenient option. The federal government bought 35,000 trailers to house workers particularly near government or key war production facilities. Because previous trailers had been used for vacationing, they lacked bathroom and other facilities needed for year-around living. This soon changed.



• 1950's

Following the war, the need continued for housing as men returned home to a more normal life. In 1953, an industry leader and innovator, Elmer Frey of Marshfield, Wisconsin coined the term "mobile home." It was at this time that the recreational trailer industry and the mobile home industry separated. The mobile home industry focused on producing year-around housing.



• 1960's

By 1960, the average trailer household was younger, less educated, and less affluent than the general population. These consumers were not interested in mobility so much as having an option that offered homeownership at a lower cost than site-built housing. They wanted units suitable for year-around living that looked like conventional homes. House-type features began to replace the features of cars, boats and planes.

Among the many design innovations developed to meet the demands of the new, less mobile market, was the design of a ten-foot-wide unit. The added two feet of width in the ten-wide allowed for floor plans that were more like conventional housing. But the wider unit was less mobile. It had to be moved by a truck and it required special towing permits.

Consumer demand for more living space soon had manufacturers offering 12-foot-wide units which displaced ten-wides as the market standard by the late 1960's. It was during this period that sectional homes, in the form of double-wide units, were introduced and rapidly gained popularity. Double-wides had the advantage of offering floor plans virtually identical to those of site-built homes.



• 1970's

By the 1970's, mobile homes had now stretched to 14 feet wide and 70 feet long as a single unit. In the 1980's, another size leap occurred when single section homes stretched again to 16 feet wide and 80 feet long. By the end of the 1980's, the industry was producing roughly 3,000 homes per year in Wisconsin.

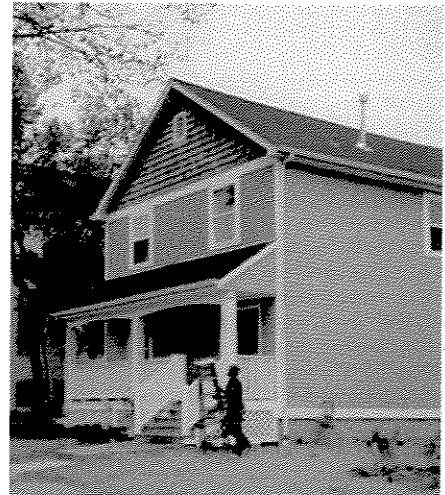
The watershed event for the industry occurred in 1976, when Congress enacted the National Mobile Home Construction and Safety Standards Act, which federalized the building code. The Act effectively created a national market for mobile homes. A home built in Wisconsin could now be sold and used in another state without interference. In 1980, the Housing Act changed the name of the industry's products to "manufactured homes" to reflect the now permanent, year-around nature of the homes produced. The so-called "HUD-Code" now was the construction code for all manufactured homes.

The evolution in the product continued through the 1980's. In the mid-80's, Wisconsin consumers of manufactured homes almost universally purchased single-section homes that resembled in many ways their mobile home ancestors. In fact, in 1987, 88% of homes sold in the state were single section models.

Multiple section homes consisting of 2 or more home sections in 1987 totaled only about 250 units. Things dramatically changed, however, in the 1990's. In 1991, multiple section home sales totaled 500 units but only three years later the total was 1,500, and by 1998, the total number of multiple section homes reached nearly 2,500. By the year 2000, the predominant manufactured home type was a multiple section, ranch style, single story home reminiscent of site built homes in suburban neighborhoods all across the state.



• 1980's



2000 Model - Two Story Home
Milwaukee, Wisconsin

A birthplace of the Industry, Wisconsin Remains Strong

The industry may never have moved away from its vacation getaway roots without a strong push from Wisconsin's Elmer Frey who challenged highway regulations that limited movement of mobile homes to no more than 8 feet wide. His innovative 10-wide home made possible the start of floor plans that began to resemble the modest homes of the day.

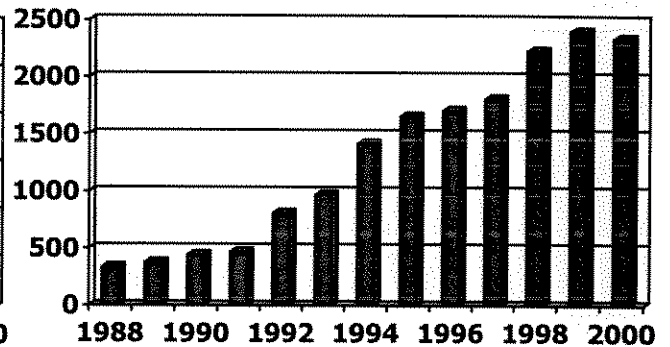
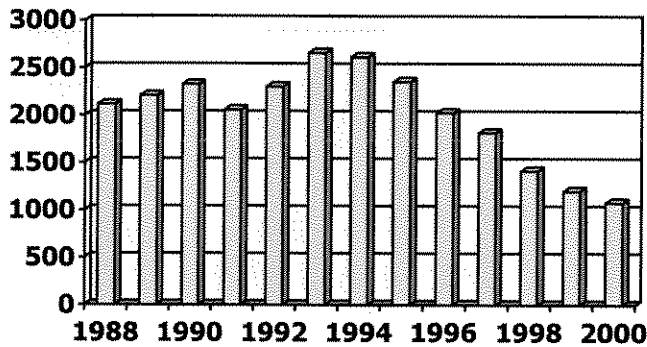
In 2001, Wisconsin has three producers of manufactured homes constructed to the HUD Code – Liberty Homes (Dorchester), Skyline (Lancaster) and Wick Building Systems (Marshfield). Those three manufacturers produce approximately 3,000 homes. An additional 30 manufacturers in the Midwest also produce homes consumed here. Wisconsin manufacturers export roughly half of their homes to surrounding states proving the value of the interstate-preemptive nature of the building code.

Manufactured homes now account for one out of five new homes constructed in the state.

The industry employs approximately 4,500 people. Manufactured homes account for one out of five new homes constructed in the state. The average manufactured home is roughly 1,600 square feet in size. Up until the early-1990's, the manufactured housing industry in Wisconsin retained as its primary product a home that was constructed in a single section, like its mobile home predecessors.

Downward Slide of Single Sections

Multi-Sections Gain Market Share

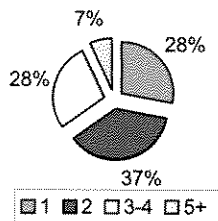


The 1990's, however, saw a new trend with homes now being constructed of two or more sections with design features similar to site constructed homes found across the Midwest. These charts show a dramatic upsurge in multiple section home construction and a concurrent decline in single section homes.

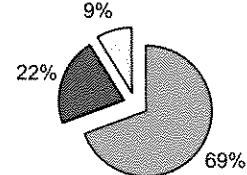
Who Lives In Manufactured Homes?

Manufactured homeowners are hard to characterize; they have incomes less than the general population as a whole, but otherwise, they are of every age, marital status, and household size.

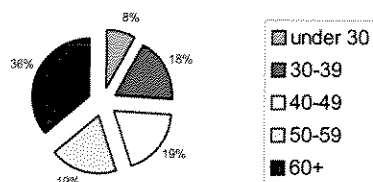
Household Size

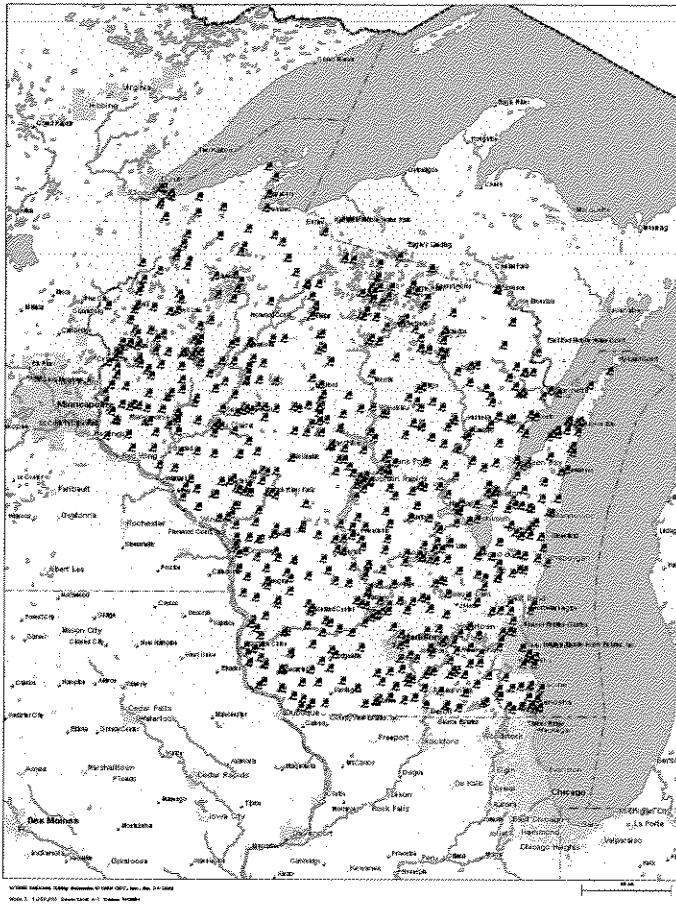


Marital Status



Age of Head of Household (%)

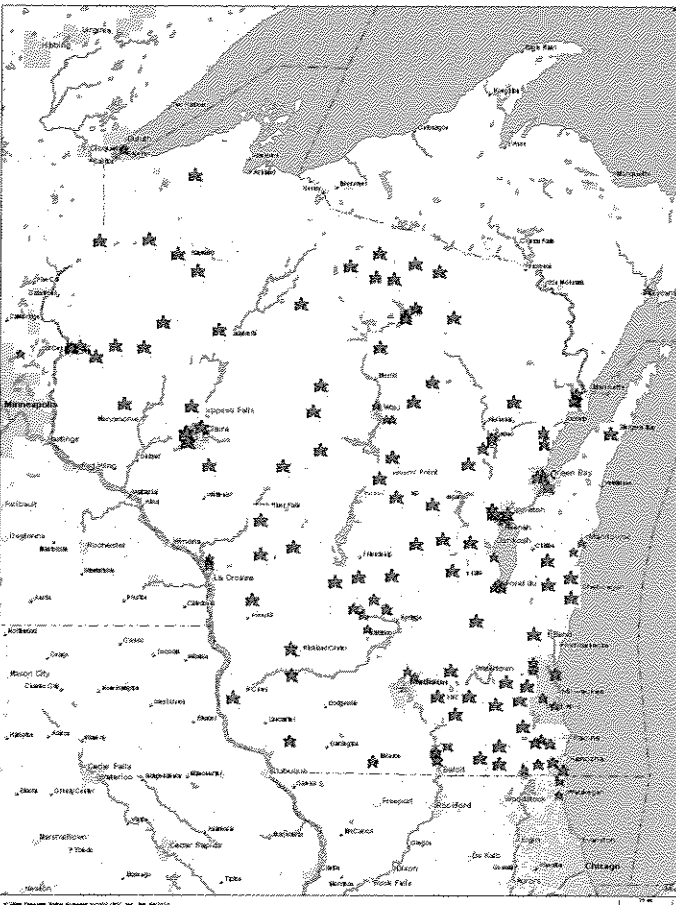




Manufactured Home Communities (MHC's) are located everywhere in Wisconsin

There are over 1,200 manufactured home communities in Wisconsin that are literally located in every corner of the state. Over 50,000 families call one of these communities "home." According to the Wisconsin Manufactured Housing Association, the break down of community size is as follows:

	<u>MHC's</u>
Less than 20 sites	419
21 to 75 sites	521
76 to 125 sites	106
126 to 175 sites	50
176 or more sites	44



Licensed manufactured home retailers are also located in all parts of the state. These retailers have sales territories that often reach 200 or more miles.

There are over 150 licensed manufactured home retailers in Wisconsin. Like manufactured home communities, they are located in virtually every corner of the state. Approximately 100 of the retailers sell new homes, while the remainder sells only pre-owned homes.



Manufactured Housing is a regional industry as evidenced by the location of manufacturing plants serving the Midwest.

Manufacturers of manufactured homes for the Wisconsin market are located across the Upper Midwest. Manufacturers with plants in Wisconsin include Liberty Homes (Dorchester), Skyline (Lancaster) and Wick Building Systems (Marshfield).

Courts Rule Against Zoning Discrimination

As manufactured homes developed into a suburban style home, buyers increasingly saw their new home as a choice for not just a rural setting but also for a suburban residential lot as well. However, most zoning ordinances adopted by Wisconsin communities limited "mobile homes" to licensed mobile home parks¹. The view of most cities was that if the home came to the lot on wheels and axles, it was a "mobile home" despite its finished appearance.

In 1990, the courts examined this matter closely in Collins v. City of Beloit. In this case, the Rock County Circuit Court ruled that a 3 bedroom, 2-bath home that Mr. Collins sought to place on a Beloit residential lot was not a prohibited "mobile home." The Court found the actions of the city to block the building permit to be unconstitutional. From this point forward, most municipalities were alert to the fact that they could not treat a manufactured home with the broad brush they applied to a mobile home. This didn't end zoning problems for the industry however.

In 1994, the Federal Court for the Eastern District of Wisconsin in WMHA v. Town of Suamico, ruled that the Town had interfered in the granting of a building permit to an industry consumer and awarded damages and attorney fees. Until the Suamico case, some municipalities had delayed permits they knew they would have to eventually issue in hopes that the applicant would simply go away.

On December 27, 2000, President Clinton signed the Manufactured Housing Improvement Act of 2000 that substantially strengthened the preemptive nature of the HUD Code and made the guarantee of affordable housing for all Americans a key purpose for the preemption. Industry representatives believe that this new statute will again help to guarantee that a family wishing to own a manufactured home is not restricted regarding its site location.

¹ The term "mobile home park" is used here because it is the current legal statutory term.

History Highlights The Scattered State Regulatory Approach

The manufactured housing industry's sales activity historically was regulated much like the automobile industry. Retailers and salespeople were licensed by the Department of Transportation. The Department of Industry, Labor and Human Relations (DILHR) regulated the manufacture of mobile homes up until 1976 when Congress created a national building code and assigned regulation to the Department of Housing and Urban Development (HUD). Under contract with HUD, DILHR then performed a variety of building code compliance functions. The regulation of manufactured home communities was divided between the Department of Health & Social Services and the Department of Agriculture, Trade and Consumer Protection.

Beginning in the early 1990's, a consolidation of industry regulation began. Retailer and salesperson licensing was transferred to the then newly created Division of Housing, Department of Administration. Mobile home park regulation housed at the Department of Health & Social Services was also moved to the Department of Administration.

In 1998, the Wisconsin Legislature created a separate regulatory program for water and sewer service issues regarding manufactured home communities and assigned the task to the Public Service Commission (PSC).

In 2000, retailer and salesperson licensing and manufactured home community regulation were transferred again, this time to the Department of Commerce, Division of Safety & Buildings where these functions joined with the regulation of manufacturers as a new core of consolidated regulatory activity. The titling of manufactured homes was also transferred from the DOT to Commerce.

The 2001-2002 budget bill transferred water and sewer regulation to the Department of Commerce.

Timeline of Manufactured Housing Retailers and Community Owners Regulation

Up to 1991

- Retailers licensed by the Department of Transportation
- Community owners licensed by the Department of Health & Human Services

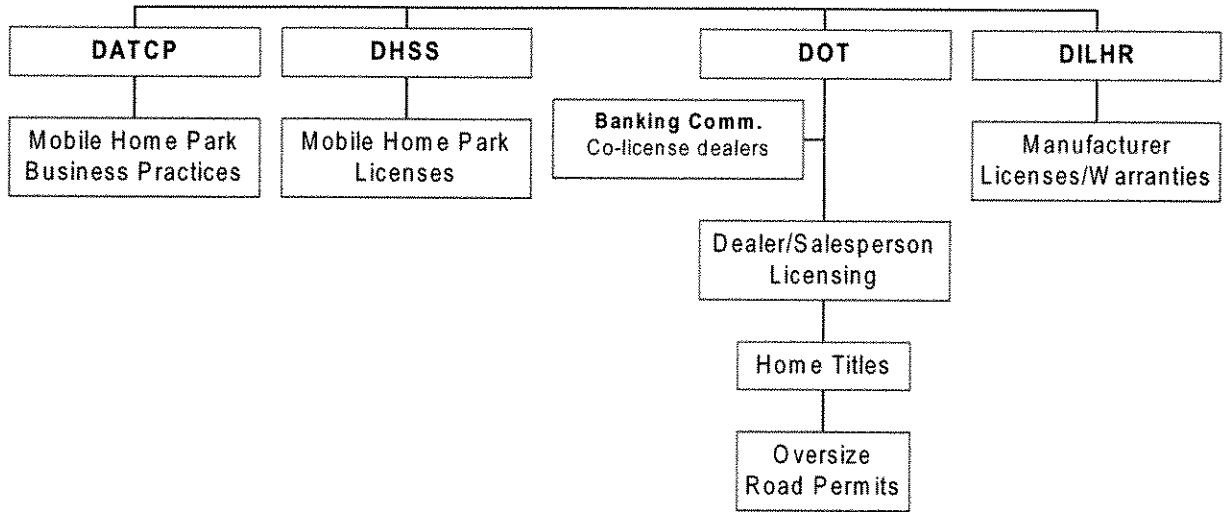
1991 to 1999

- Retailers licensed by the Department of Administration
- Community owners licensed by the Department of Administration

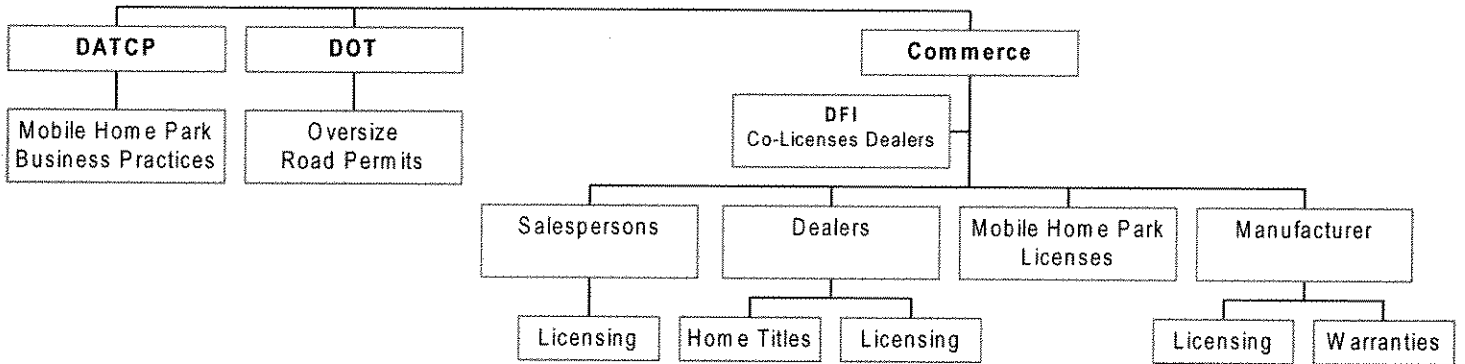
1999

- Retailers licensed by the Department of Commerce
- Community owners licensed by the Department of Commerce

Pre-1990 Regulatory Scheme



2001 Regulatory Scheme



Summary of Proceedings

The Task Force met on 12 occasions from January through September 2001. It heard testimony from the following organizations and individuals:

- ABT Water Treatment, Brian Brown
- Department of Administration, Marty Evanson
- Department of Agriculture, Trade and Consumer Protection, Judy Cardin
- Department of Agriculture, Trade and Consumer Protection, Merry Fran Tryon
- Department of Commerce Larry Swaziek,
- Department of Commerce Martha Kerner,
- Department of Financial Institutions, Michael Mach
- Department of Financial Institutions, Secretary John Kundert
- Department of Natural Resources, Susan Sylvester
- Department of Natural Resources Lee Boushon,
- Department of Natural Resources Roger Larson,
- Department of Revenue, Greg Landretti
- Department of Revenue, Tom Ourada
- Department of Revenue, Vicki Gibbons
- Department of Transportation, Robert Cook
- First Financial Realty Advisors, Dean Larkin
- League of Wisconsin Municipalities, Curt Witynski
- Legislative Fiscal Bureau, Rick Olin
- Legislative Fiscal Bureau, Robert Lang
- Public Service Commission, Mary Pat Lytle
- Wisconsin Housing & Economic Development Authority, Executive Director Fritz Ruff
- Wisconsin Manufactured Home Owners Association, Executive Director Kristen Zehner
- Wisconsin Manufactured Housing Association, Ross Kinzler, Executive Director
- Wisconsin Towns Association, Tom Harnsich

The Task Force met twice monthly, holding over 80 hours of face-to-face meeting time.

The Task Force adopted 49 motions, which the Chair used for the basis of this report.

Recommendations have been divided into three categories: Regulatory & Business Practices, Transportation and Market Development.

Conclusions and Findings

The Task Force Chairman, Richard Rand, has organized conclusions and findings within three broad and descriptive categories;

1. Regulation & Business Practices
2. Market Development
3. Transportation

Conclusions and findings from the descriptive categories above have also been further detailed into five (5) action categories. Action categories were developed to convert the Task Force work product into specific "next step" recommendations;

1. Amend Both Statutes and Administrative Rules : 8 Proposed
2. Amend Administrative Rules : 12 Proposed
3. Amend State Statutes : 23 Proposed
4. Recommend Further Review / Study : 3 Proposed
5. Position and Policy Statements of the Task Force : 3 Declared

1.0 Regulation & Business Practices

1.1 Strengthen Protection of Consumers

Consumer protection is a primary responsibility of state regulators.

No agency has statutory responsibility for overall regulation of manufactured housing policy.

Consumers face a multitude of fragmented agencies and programs.

Consumers face autonomous state administrators and policy makers that sometimes operate in a decision framework that is lacking in strategic content and context.

The absence of comprehensive program coordination leads to widespread misuse of resources, inadequate or incorrect policy implementation, and confusion. State employees are sometimes unfamiliar with regulatory practices and programs in other bureaus, divisions and departments. The absence of comprehensive program management hinders effectiveness and consumer access.

State regulations are decades old and in need of updating. For example, minimum net worth standards for retailer licensure have not had a meaningful update in over 30 years.

At the local level, manufactured home residents are not always treated fairly. As described in other sections of the Task Force report, residents often do not receive equitable treatment or availability of local government services such as individually metered water service.

Therefore, the Task Force recommends substantial modifications to policy, regulation and program implementation to improve consumer access to housing, improve product and community affordability, develop standards for fair and equitable access to state and municipal services, and establish fair tax treatment.

Outlined fully below, the Task Force recommends these specific actions:

- Establish industry education standards to increase professionalism
- Study and then adopt new minimum financial standards for licensees
- Adopt specific standards to deny retailer licenses based on misconduct
- Establish a permanent manufactured home council to, among other things, develop revisions to eviction standards and other procedures related to manufactured home community operations and occupancy
- Consolidate regulation of business practices into one agency
- Enforce equitable tax assessment standards so that home owners pay no more or no less in taxes than homeowners in non-manufactured products
- Require municipalities to provide fair treatment to manufactured housing communities regarding municipal services
- Create an industry and consumer web portal to assist consumers and local officials pursuant to all aspects of construction codes, transportation, installation, land use, leasing, landlord-tenant law and other applicable issues operated by the Department of Commerce with assistance from UW-Extension and the Department of E-Government.

1.2 Modernize Licensing

The Task Force heard testimony from the Department of Commerce and industry representatives that recounted the history of the licensing of manufactured home retailers and manufactured home community owners.

Historically, retailers were licensed by the Department of Transportation in a manner similar to automobile dealers. The Department of Health & Human Services licensed manufactured home communities under a program that included public swimming pools and campgrounds. In the early 1990's, both functions were transferred to the Department of Administration, Division of Housing. In 2001, both programs were subsequently transferred to the Department of Commerce, Division of Safety & Buildings. The result was to combine in one agency, the licensing of manufacturers, retailers and community owners.

1.2.1 Reforms are in order. As the result of a series of programmatic transfers that occurred over the years, state agency rules need review and modernization.

1.2.2 Create a technical advisory committee at the Department of Commerce to assist in crafting rules revisions.

1.2.3 Create a permanent council for manufactured housing within the Department of Commerce to recommend ongoing code revisions, provide peer review in matters of discipline, and recommend policy related to consumer interests and protection. In addition, the council shall study and recommend to the Secretary actions to address the eviction process in manufactured home communities, long term leases, provision of information on rights and responsibilities to residents and dispute resolution.

Ongoing regulatory review of the manufactured housing segment of the single family housing industry in Wisconsin is vital to maintaining a working regulatory scheme. The Task Force recommends the tasks for the permanent council would be to:

- Provide input to the Department about administrative rules.
- Assist the Department in dispute resolution as required by the federal Manufactured Housing Improvement Act.
- Provide advice to the Secretary in disciplinary actions involving licensees. Create a peer review mechanism within the scope of the Department's licensing authority. Authorize the council to provide technical advice to the Secretary in determining appropriate discipline.
- Recommend improvements to landlord-tenant policies and practices, including those that remain unique to manufactured home communities. Encourage long-term leases, and evaluate the option of treating the home separately in an eviction process. Create a process to help resolve disputes. Improve communications regarding legal rights and responsibilities.

The permanent council shall be constituted so as to have broad representation of industry perspectives, have rotating membership, and its members shall be selected and appointed pursuant to their technical knowledge.

1.2.4 Implement a Department of Commerce study and adopt findings regarding standards for suspension, revocation or rejection of a retailer applicant based on a criminal background check or a conviction. Complete review and adopt findings within twelve months of report publications.

Under current law, the Department of Commerce has power to suspend or revoke a license or reject an application based on issues of "good character", but no written standards are in place to do so. In contrast, the Department of Regulation and Licensing has standardized questions on license applications and procedural steps to ensure that appropriate information needed by the Department for licensing is obtained, but that fair employment protections for applicants are also observed. The Task Force recommends that with the assistance of the Department of Regulation and Licensing and perhaps the Department of Workforce Development, appropriate procedures can be developed to formalize determinations of "good character."

1.2.5 Implement a Department of Commerce study and adopt its findings regarding educational standards for retailers and salespersons. The study shall consider continuing education and examinations. Complete the review and adopt findings within twelve months of report publication.

The Task Force considered policy options that may increase professionalism of both manufactured home retailers and salespersons. A solution was not self-evident. The separate advisory committee shall provide a venue for comprehensive review and analysis of policy options.

1.2.6 Implement a Department of Commerce study and adopt its findings regarding retailer standards for minimum financial responsibility.

Under current law, a new manufactured home retailer need only have a net worth of \$25,000 or a bond in a like amount. This standard, adopted decades ago, is no longer a valuable proxy for consumer protection. The Task Force recommends the Department of Commerce appoint an advisory committee of licensees and consumers to study minimum financial responsibility of retailers. The present standard dates to a time when manufactured home retailers were licensed by the Department of Transportation in a manner similar to automobile retailers. Retailers of modular homes and other single-family contractors do not have to show financial responsibility even to the minimal extent that is required of manufactured home retailers. The proposed advisory committee shall study these businesses and others to make an appropriate recommendation to the Secretary.

1.2.7 Review and make recommendations regarding the Department of Financial Institutions' retailer licensing policy. Evaluate the intent and scope of the current retailer license. Also, evaluate the potential benefits of expanded retailer license authority. Policy review and evaluation shall include consideration of licensing policy applicable to mortgage broker licensees.

Currently, the Department of Commerce and the Department of Financial Institutions co-license manufactured home retailers. The portion of the license from DFI is a sales finance license. However, as the Task Force learned, many transactions with customers may begin as a simple purchase of a home as personal property, but later become real property construction agreements. If the retailer helps a customer find financing, the sales

finance obligation may later become a mortgage loan. The Task Force discussed concerns with the DFI that industry communications of this nature could evolve into, or be construed as unlicensed activity by the manufactured home retailer. It is therefore recommended that DFI explore expansion of current license authority to include portions of the mortgage broker's license.

1.2.8 Implement a joint Department of Commerce and Financial Institutions study and adopt its findings related to whether present co-licensing of manufactured home retailers, co-licensed by the two departments, should be separated into two distinct licenses. The Task Force recommends consideration of one license to sell homes and a second separate license to permit involvement in financial aspects of home purchasing. The second license might accommodate either a sales finance agreement and a mortgage loan.

Based on testimony and discussions, the Task Force concluded that there may be merit to separating the present co-licensing system of manufactured home retailers into two separate licensing processes. By separating the licenses, each department would regulate and develop separate licensing and policy decisions enabling each to act independently pursuant to industry changes.

In another recommendation, herein, the Task Force will also recommend that the DFI expand its licensing of manufactured home retailers to include elements of a mortgage broker's license.

1.2.9 Adopt new home installation authority, pursuant to the Department of Commerce, which permits manufactured home installers to perform limited hook ups of water and sewer service.

The Task Force gathered information and discussed difficulties associated with finding and scheduling licensed plumbers to complete simple water and waste connections. The absence of this routine service and corresponding problem of accessing it has resulted in unnecessary consumer frustration, delays and costs.

The Task Force recommends that authority to install water and waste connections be codified by expanding current licensing authority pursuant to home installation.

The federal Manufactured Housing Improvement Act of 2000 dictates that states implement an installation licensing program. The federal Act requires that the state installation program conform to a federal model. However, that model is not currently available.

1.2.10 Amend Wisconsin Statutes 101.9203, to eliminate title requirements when a security interest is perfected by a recorded deed.

During the course of Task Force deliberations, the Department of Commerce and Wisconsin Manufactured Housing Association mutually identified concerns pursuant to the above. The industry and the Department of Commerce asked the Legislature to consider and then adopt statutory modifications pursuant to titling. Current law had required title issuance for every home sold. Reform language was included in the 2001-2000 state budget bill, and has subsequently been passed and approved by both houses of the legislature and the Governor. The Task Force commends the legislature and the Governor for swift action on this titling modification. [Approved as a part of the Biennial Budget.]

1.2.12 The Department of Financial Institutions should study prohibitions or limitations on the payment of fees to brokers or other parties and the removal of the prohibition on prepayment penalties on loans used to finance the purchase of a manufactured home provided the terms of the loan are within the bounds of conscionable rates and terms.

In certain cases, financing of manufactured home purchases are only available from out of state funding sources and these funding sources are represented by broker representatives. The prohibition of fees or compensation to brokers and other parties effectively limits the available financing options for Wisconsin consumers. As such there is less competition in these loans. This ultimately penalizes the consumer by reduced competition for his loan and/or higher rates.

Loans used to purchase or refinance manufactured homes are prohibited from having prepayment penalties in certain situations. As noted above, most manufactured housing loans are provided by out of state lenders. Nationally, the limitation on prepayment penalties is not prevalent. In addition, as a result of this limitation, these funding sources charge higher interest rates to consumers to offset the propensity for accelerated prepayments. Financing of other primary housing other than manufactured housing does not have limits on pre-payment penalties. The Task Force recommends that all housing loans be treated the same and these limitations be removed.

1.3 Wisconsin Must Act to Conform to Federal Law

1.3.1 Authorize the Department of Commerce to adopt rules implementing the federal Manufactured Housing Improvement Act of 2000. Authorization shall include installer licensing, inspection and dispute resolution.

The Manufactured Housing Improvement Act requires states to adopt within 5 years the licensing of installers, a random inspection program and a program to resolve installation disputes.

Comm 27.18 provides minimum pier installation standards in Wisconsin, but these administrative rules fail to govern aspects of licensure, random inspection and dispute resolution.

A federally appointed consensus committee shall recommend minimum state standards to the Secretary of Housing & Urban Affairs. Each state shall then adopt minimum standards pursuant to these, however, standards may not be available for another 1-2 years.

The Task Force recommends new Department of Commerce authority to implement the federal act because failure to do so will result in direct federal regulation. Direct, pre-emptive federal regulation may lead to confusing jurisdictional disputes disrupting consumer product development, installation, and home ownership.

1.3.2 Create new "alternative construction" certification authority. Create a new Department of Commerce process using state certified building inspectors to provide "alternative construction" certification inspections as required by HUD.

The U.S. Department of Housing and Urban Development (HUD) requires that any home installed in such a manner that a roof vent or other structural component is altered on site must be re-inspected on site and that an "alternative construction" letter be obtained from HUD.

HUD requires homes produced with features such as hinged roofs to obtain "alternative construction" letters from HUD. The HUD approval process requires a third party field inspection. However, manufacturers report difficulty locating qualified inspectors. New Department of Commerce responsibilities pursuant to this recommendation should result in a public - private partnership that clarifies a niche business market for existing inspectors.

1.4 Fee Collection Needs Reform

1.4.1 Eliminate the use of consumer fee revenue for non-industry programs and operations.

1.4.1.1 Re-direct consumer title fees to specific development of manufactured housing programs.

1.4.1.2 Re-direct titling fee revenue not used for Department of Commerce program administration to home recycling or re-use. Authorize expenditure authority from titling fee revenue for new or expanded programs which recycle uninhabitable mobile or manufactured homes, and programs which rehabilitate (re-use) old mobile or manufactured homes for homeless families.

Current law diverts titling revenue to the non-point pollution abatement program in the Department of Natural Resources. Current law perpetuates and reinforces negative and historic perceptions of manufactured home products being "mobile", "transient", and "vehicular" in nature. This recommendation is important to the modernization of industry practices and consumer attitudes. Most manufactured products today remain on a foundation, slab, or full basement following first installation. The "mobility" of the industry is a stereo-type of products and years past.

Current law authorizes about \$8, or 33% of the current \$25 title fee to be used for industry related program administration in the Department of Commerce. However, 66% of the fee (\$17) is transferred to the Department of Natural Resources for the non-point pollution abatement program. Manufactured homes are no longer titled through the Department of Transportation like automobiles. It is time to modernize the tax code and treat these homes as homes – not vehicles. No other state housing product, for example site-built homes, contribute to the non-point pollution program. The Task Force recommends elimination of this discriminatory and Jurassic revenue allocation.

The Task Force recommends two consumer oriented uses for the revenue that are consistent not only with industry and consumer product development but also consistent with the programmatic mission at the Department of Natural Resources.

1.4.1.3 Create a program to recycle old abandoned homes which currently blight the rural Wisconsin landscape. Direct that titling fee revenue directly support a permanent expansion of the current Department of Natural Resources demonstration grant home recycling pilot project.

1.4.1.4 The Task Force supports the re-use (through rehabilitation) of old mobile and manufactured homes for use by homeless families.

Currently an informal, cooperative partnership exists among local and state officials, a non-governmental organization and the industry association that results in the identification, facilitation, and placement of homeless families into rehabilitated manufactured housing products. In recent years, the informal partnership found housing solutions for nearly 100 families. (The additional funding would enable the partnership to continue an expanded effort.)

1.4.2 Create Department of Commerce authority to establish fees by administrative rule. Repeal statutory fee setting authority related to certificates of title, retailer licenses, and salesperson licenses and instead authorize the Department of Commerce to establish fees by administrative rule.

As noted by the Department of Commerce in an appearance before the Task Force, fees expressed in the state statutes require action by the Legislature and Governor to keep them updated. The Department of Commerce successfully manages by administrative rule numerous other user fees. The Task Force recommends that manufactured housing industry fees be treated in accordance with similar department policy. The current statutory fee structure does not provide an appropriate mechanism to match programmatic costs with program revenue.

1.4.3 Authorize the Department of Commerce to establish a fixed fee cycle for a sales license and eliminate pro-ration of partial year licensing fees.

A twelve month, full term license fee is \$8. The current practice of pro-rating the license fee for a portion of a year results in excessive administration costs. Simplify the process by charging one flat license fee of \$8.

1.4.4 Transfer and modify existing position and appropriation authority related to the titling of mobile and manufactured housing.

Transfer from the Department of Transportation to the Department of Commerce, both position and expenditure authority related to titling of mobile and manufactured homes. Modify the appropriation as follows; eliminate the current Department of Transportation SEG fund support and instead create a new appropriation at the Department of Commerce which is an annual, PR supported appropriation.

Testimony by the Department of Commerce highlighted the path that titling fees take in the state bureaucracy beginning with collections by Commerce, a transfer to DOT and then another transfer to DNR. The Task Force recognizes that the fees should be 1) established by the Department of Commerce to cover their program administration and 2) be collected by the Department without involvement of the Transportation fund.

1.5 Terminology in the Statutes Must be Modernized

Inconsistent use of the terms "manufactured" and "mobile" home and related verbiage confuse state and local officials, the industry, general public, and consumers.

State statutes include language that is confusing pursuant to descriptions of both "mobile" homes and more recently "manufactured" homes. Language modifications are necessary to reflect modern business practices and modern home products that are used as permanent residential dwellings.

Pursuant to Chapter 101 of the Wisconsin Statutes, a "manufactured" home is a home built in accordance with federal, post 1976 construction standards.

Some sections of the statutes still include references to the term "mobile" home. Some of these references cause a generic and universal reference to be cast upon factory built housing which incorrectly co-mingles definitions of both the pre-1976 and post 1976 products. State administrative codes are also confusing. Some codes reference homes built not to federal code but instead to the state building code, pursuant to their highway transport.

1.5.1 Delete, create and modify certain definitions of "manufactured home", "mobile home", "manufactured home park", "recreational vehicle" and similar industry related terms throughout state statutes. Furthermore, delete, create and modify administrative rules and drafting instructions for administrative rules to reflect those changes.

The Task Force recommendation is that specific, universally used definitions be adopted to describe a mobile home, a manufactured home built to the federal standards, a manufactured dwelling built to the state building code and a recreational vehicle. The use of specific definitions will enhance consumer product awareness, enhance general public awareness, reduce or eliminate reference confusion, improve communication among consumers, the industry and state authorities, and generally improve effectiveness pursuant to state law and permit the state to better target public policy.

The Task Force recommends that each state agency with related administrative rules submit a written report to the Department of Commerce within twelve months after publication of this report. Agencies shall specify in their reports both the current use of related language and recommended remedies. The Department of Commerce shall use such information to submit recommendations to the legislature and Governor, should statutory corrections be necessary beyond agency level decisions.

1.5.2 Review and revise state statutes related to sales finance companies. Specifically, require the Department of Financial Institutions to provide a report to the Governor, which proposes to modify statutory language related to sales finance companies and manufactured home retailers pursuant to recent amendments to Ch. 218 and Ch 101.

The Department of Financial Institutions indicated that the move of manufactured home retailer regulation from the DOT to Commerce did not cause the function of sales finance company regulations to move outside of Chapter 218. Chapter 218 may no longer be an appropriate place to account for sales finance functions of manufactured home retailers that are no longer regulated under that chapter.

1.6 Finish Streamlining the Regulatory Environment

1.6.1 Consolidate statutory authority and related functions of business practice regulation generally found in ATCP 125 from DATCP into the Department of Commerce.

To improve efficiency, enhance consumer access to policy and program development, improve state and industry relations, and reduce costs, regulation of manufactured housing has steadily been consolidated into the Division of Safety & Buildings, Department of Commerce. This process has occurred slowly, during the course of the past two state budget cycles. Many states consolidate the same or similar functions into single programmatic areas. It is time to consolidate the final element of manufactured home community business practice regulation currently in the Department of Agriculture, Trade and Consumer Protection, ATCP 125. The Task Force found that while the Department of Commerce licenses manufactured home communities, the business practice regulation of those entities is divided between Commerce and DATCP. The licensing agency must have full authority to regulate practices of licensees. Under current law, no such authority exists.

To improve enforcement, ATCP 125, which is described by DATCP as Wisconsin's fair trade practices law for manufactured home communities, should be enforced by the agency that also licenses manufactured home communities – the Department of Commerce.

DATCP and the Wisconsin Manufactured Home Owners Association opposed the idea of this transfer in the past.

The Task Force has noted that DATCP has limited resources to enforce the law. Former DATCP Secretary Ben Brancel, in a letter to the Task Force stated that no department staff are authorized or dedicated to manufactured housing issues and that overall manufactured housing issues make up less than 0.7% of consumer protection hotline calls and less than 0.8% of written complaints.

At this time, the Task Force is not recommending a transfer of general landlord-tenant law to the Department of Commerce, only ATCP 125.

1.6.2 Establish via statutory language that the Department of Commerce is the primary agency for all manufactured housing related programs and regulations.

The manufactured housing industry has a long history of regulatory programs scattered across state government. A primary objective of the Task Force was to review the disparate and confusing array of state efforts, regulation and program authority. The Task Force applauds both the Legislature and the Executive branch for recognizing the inefficiencies associated with this historic program approach. The Task Force also seeks to clarify the value of continued statutory authority, resources, and program authority being consolidated into the Department of Commerce.

In the future, all program and policy should be configured pursuant to programmatic architecture in the Department of Commerce. In the future only rare exceptions shall cause new initiatives, policy and programs to be established outside the jurisdiction and regulatory apparatus of the Department of Commerce.

1.7 Reform the Regulation of Water & Sewer Service Issues

The Public Service Commission and stakeholders testified about the negative effects of Act 229, Laws of 1997, which vested regulatory authority over manufactured home communities' water and sewer service into the Public Service Commission. Agency testimony and stakeholder testimony supported consolidation of licensing activity into Department of Commerce. Further, additional testimony questioned the practical aspects of the determining the reasonableness of rates and the resolution of complaints under the Public Service Commission rules. The Task Force was without technical resources to determine matters of rule interpretation or implementation. Further work by a technical advisory committee is necessary. Therefore, the Task Force makes the following recommendations:

1.7.1 Transfer regulation of water and sewer service from the Public Service Commission to the Department of Commerce.

The Department of Agriculture, Trade and Consumer Protection historically regulated water and sewer service in manufactured home communities. In Wisconsin Act 229, laws of 1997, the Legislature and Governor transferred that responsibility to the Public Service Commission. The general belief was that the Public Service Commission was best suited to prepare and enforce regulations dealing with technical subject matter. The agency promulgated PSC 186, which established business practice standards. However, the statute only gives the agency power to enforce the rules as the result of a complaint. Transferring the program to the Department of Commerce would consolidate this function with general licensing of manufactured home communities. Governor McCallum has included the proposed transfer in his budget. Combining water and sewer service regulation with general licensing activities increases governmental efficiency, improves accountability and provides the public with a single source pursuant to licensee disputes. [Completed as a part of the 2001-2002 State Budget]

1.7.2 Repeal the separate fee for the regulation of water and sewer service in manufactured home communities. Fund the regulatory program with the existing mobile home park-licensing fee.

The Public Service Commission is a program revenue agency funded by user fees. With the adoption of the recommendation above, the Task Force concludes that a separate fee is not needed since this function once transferred to the Department of Commerce would constitute as subset of manufactured home community licensing. The regulatory costs should be borne by the licensing fee process. [Completed as a part of the 2001-2002 State Budget]

1.7.3 Amend PSC 186 to simplify establishment of "reasonable rates." Create an advisory committee of stakeholders.

Current law requires that a mobile home park may only charge its residents "reasonable rates." The Public Service Commission adopted PSC 186 to establish standards for determining "reasonable rates." Testimony demonstrated that the new PSC process created confusion. Furthermore, it was determined that a more understandable process is achievable for both residents and owners of manufactured home communities. Testimony before the Task Force established that the current standard for establishing "reasonable rates" has proven to be unworkable in practice. Consumers deserve protection based on rules that they and their landlord can understand. The Task Force further recommends that a technical advisory committee be empanelled to assist in that process.

1.7.4 Three recommendations, below, address the provision of equitable utility services.

- a. Implement a Public Service Commission review of general public water and sewer service provision to manufactured home communities. Specifically, the PSC shall examine the possibility that residents are not being treated equitably pursuant to public water and sewer utility service.
- b. Require public utilities to provide metered service to all residential housing units if the public utility has service reaching the property.
- c. Such service in a licensed manufactured home community may be master and sub-metered with the community owner required to make up the difference between the master meter and the sub-meter readings. However, the mobile home park shall only pay for water losses that exceed the rate of water loss of the public system generally.
- d. Limit, by means of Public Service Commission administrative rule, that a public utility can charge a fixed user fee to a mobile home park only for service(s) it provides.

Task Force members expressed concerns that residents of manufactured home communities might not be treated equitably by the public utilities. An example of inequity was provided. It would not be equitable for a public utility to use the water volume at a master meter to determine the sewer charge for the community because this methodology does not recognize that distribution systems lose water between the master meter and individual meters. The current PSC administrative code recognizes this distribution dilemma. PSC 185 permits small public utilities up to a 25 percent loss of water in the distribution system. The same latitude is not extended to manufactured home communities. The standard imposed by the local public water utility on the manufactured home community has the effect of imposing a zero percent water system loss standard. Therefore, residents of a mobile home park pay more for water and sewer services than if they were served directly by the utility.

Manufactured home residents do not benefit from the public utility service for which they otherwise pay. Manufactured home residents who live in manufactured home communities pay fees as a part of the water rates charged by the public utility. If the public utility does not provide individual metering of water, but requires the community owner to do the metering, the residents may find that they must pay metering fees a second time. The common framework for a subdivision is that the city water utility will automatically provide individual water metering for homes in a subdivision, but the city will not automatically provide individual water metering if the same home was located in a manufactured home community.

Recommendation 1.7.4(b) above would assure them of metered service. Equities are balanced by holding the mobile home park owner responsible for distribution leaks to the extent that they were worse than the public utilities' own standards.

It is not uncommon for a public utility to charge a fixed user fee to a mobile home park based upon the number of sites in the community. This charge is levied despite the fact that the public utility does not provide direct service to the residents. The residents ultimately pay a fee that no other residential dwelling units are charged. Recommendation 1.7.4(c) recognizes this inequity.

1.8 Private Utility Systems Necessitate Unique Policy Consideration

While there is no specific data on the number of manufactured home communities in the state with private water and/or sewer systems, the Task Force gathered information and testimony suggesting that a substantial portion of licensed manufactured home communities have such systems.

Because systems are privately owned, there are several practical and policy challenges.

Privately owned water systems that serve more than 25 persons a month are considered "public systems" pursuant to the federal Safe Drinking Water Act (SDWA). The SDWA requires that all public systems monitor water for contaminants and take necessary corrective action if contaminants are found. Privately owned systems are also subject to a federal mandate that they have a certified operator.

Privately owned sewer systems are subject to regulation either by the Department of Commerce or by the Department of Natural Resources depending upon the amount of effluent generated.

1.8.1 Modify existing Department of Natural Resources authority pursuant to replacement of septic systems in existing manufactured housing communities. Transfer existing DNR authority to the Department of Commerce related to DNR-WPDES permitting requirements.

Testimony before the Task Force by the Department of Natural Resources elicited concern by some task force members that the Department's regulation of large on-site waste treatment could have the effect of closing some manufactured home communities unless those communities could repair or replace their systems with equipment of like type and costs to their current system. WPDES permitting requirements would require pre-treatment, operator monitoring costs as well as permit renewal every five years. Those are costs that manufactured housing community operators and residents cannot bear if the mobile/manufactured housing community is to remain affordable. The five-year permit renewal period is an exposure that will preclude or, at a minimum, make it difficult for the community owner to justify their financial investment. Full implementation of the WPDES requirements could end homeownership for hundreds, if not thousands of manufactured homeowners if their community owner cannot afford the cost of compliance.

1.8.2 Amend the Department of Commerce administrative code pursuant to what constitutes a "large system" so that it conforms to the definition used by the Department of Natural Resources.

Testimony from the Department of Natural Resources established that the DNR and the Department of Commerce have differing definitions of "large systems." Under the Commerce definition, systems within a 1,500 foot diameter constitute a large system if their flow is 12,000 gallons per day or more. DNR excludes from the definition some configurations that might be commonly found in a mobile home park that the DNR does not intend to regulate as large systems.

1.8.3 Review current policy and recommend program changes to facilitate new mobile home park financial assistance, to both community owners and consumers to repair or replace failing water or sewer systems.

Many manufactured homeowners own their home but not the land a home sits on in a manufactured home community. Testimony and Task Force discussion considered

whether residents and owners of manufactured home communities were or could be excluded from certain programs because of the home owner-land owner relationship. It was further clarified that manufactured home communities are not sanctioned municipal government jurisdictions.

Policy complications result when, for example, small mobile home park water systems are actually larger than some municipal systems., Municipal system are eligible for state and federal financial assistance, yet, residents and owners are not eligible.

2.0 Market Development

2.1 Land Use Planning Must Incorporate Manufactured Homes

Manufactured home owners traditionally received hostile zoning treatment.

Until just ten years ago, in the early 1990's, a manufactured home owner was often coerced by zoning limitations to live in either a licensed mobile home park or a rural area that lacked zoning policy. Almost universal discrimination of manufactured home products blocked the industry from making significant market gains and simultaneously blocked consumers from the dream of homeownership.

In Collins v. City of Beloit, (1990), a Wisconsin Circuit Court ruled that limiting a manufactured home to a licensed mobile home park was unconstitutional.

In 2000, the Manufactured Housing Improvement Act modified federal law to specify that the purpose of the Act was to provide all Americans with access to affordable housing through manufactured homes. The Act further expanded the level of federal preemption of state and local regulation of manufactured homes.

Land use remains one of the single greatest barriers to industry consumers.

Across Wisconsin, local governments still attempt to zone out manufactured homes by requiring exceptionally large lots, specific building features or other techniques.

In 2000, Wisconsin adopted the Smart Growth statute to produce comprehensive plans in all jurisdictions.

The Task Force examined zoning and land use planning policy and market impact. Manufactured homes still do not receive fair zoning and planning treatment.

Pursuant to the Task Force realization that zoning and planning policy constitute the single largest focal point for consumers, the group developed the following recommendations.

2.1.1 Adopt model legislation from the American Legislative Exchange Council which established that factory built homes shall be treated for zoning purposes like all other single family homes.

The American Legislative Exchange Council is the largest bi-partisan organization of state lawmakers. Earlier this year, the Council adopted a model bill on non-discrimination in zoning for factory built homes. The model bill was the work of ALEC's Commerce Committee chaired by Wisconsin State Representative Dan Vrakas. The model bill recognizes the vital role that factory built homes play in homeownership. The model requires that manufactured homes be permitted uses in any zoning district that permits other single-family housing.

2.1.2 Modify the Smart Growth law to provide clarity to local jurisdictions that they must provide their "fair share" of regional affordable housing.

Under the State's Smart Growth law, a local jurisdiction must consider its affordable housing needs, but need not provide for affordable housing even if it identifies a need. The Task Force recommendation implores every community to do its share and not shift the need to neighboring communities. The practice of shifting exacerbates consumer affordability as travel and other social costs escalate.

2.1.3 Amend the Smart Growth law to clarify that affordable housing specifically includes owner occupied single-family detached homes.

The terminology of affordable housing in the Smart Growth statute is vague and may lead local officials away from manufactured housing options and only toward multi-family rental housing. The Task Force recommends that affordable single-family detached homes should be a part of the affordable housing element. The Task Force recommends that the state create a new definition of affordable housing that includes, but is not limited to, manufactured housing.

2.1.4 Review and revise state zoning laws to clarify that non-conforming zoning status may not be used to eliminate existing manufactured home communities.

As older manufactured home communities are annexed into cities or rezoned the communities have been classified as a non-conforming use. Non-conformance means that the community cannot be expanded or if it is damaged beyond 50% of its value, it cannot be rebuilt. Some municipalities have taken the position that in a community becomes non-conforming because of subsequent zoning action by the municipality; an existing home cannot be replaced unless the new home will meet the building separation standards in the new ordinance. The Task Force concluded that some of these zoning actions creating a non-conforming status are passed in order to force the manufactured home community out of business. Non-conforming status must not be used as an excuse to close communities, disrupt consumers, disrupt families and potentially dismantle consumers' financial equity.

2.1.5 Create and implement an appropriate prevention technique which blocks local governments from imposing new setback standards on existing manufactured home communities.

Local jurisdictions have taken the view that sites within a licensed mobile home park are subject to new side yard or other setbacks (lot line to home distances) whenever an older home is replaced by a new home. This view is not consistent with the law.

Individual sites in a licensed mobile home park are not legally described parcels.

The entire mobile home park is a single parcel. Internal lot lines, the parameters between homes in a community, are merely a feature of landowner policy. When local governments or similar entities of jurisdiction impose setback standards without legal basis they effectively reduce the number of usable lots and consequently the number of homes in the community. This practice discourages homeowners from upgrading, and promotes sprawl.

2.1.6 No restrictive deed provision, restrictive covenant or agreement may be applied nor enforced on a property that prohibits the erection of a factory built home. This prohibition does not however limit a developer's right to adopt reasonable aesthetic compatibility criteria.

All across Wisconsin subdivisions and other residential lots are created daily, but many are subject to deed restrictions created by the developer that prohibit a buyer from purchasing a factory-built home.²

Wisconsin law limits local governmental bodies from 'zoning out' homes built to the uniform dwelling code whether they are built on site or in a factory.

Similarly, federal law extends this limitation to homes built to the Federal Manufactured Housing Construction and Safety Standards.

These limits, however, can be of little use if developers systematically draft and record deed restrictions to affect the same purpose. The recommended Task Force language retains developer authority over the exterior 'look and feel' of their development, but shall protect consumer choice.

² A factory-built home as used by the American Legislative Exchange Council includes all homes built in a factory. In Wisconsin, this would include homes built to both the state one and two family code and the federal manufactured home code.

2.2 Modernize Taxation

2.2.1 Create a single tax for manufactured home sales.

During testimony, the Department of Revenue suggested that if the transactional distinction between real and personal property manufactured home sales were eliminated, the Department would simplify the corresponding tax code.

Under current law, if a home is sold and placed upon land owned by the homebuyer, the transaction is not subject to the sales tax. It is instead subjected to a use tax on the contractor equal to the tax rate times 65% of the invoice cost of the home.

If however, the home is placed on land not owned by the homebuyer, the sales tax is applicable to the homebuyer equal to the tax rate times 65% of the purchase price.

Because the homebuyer may, and often does decide to select a new location for their future home during the purchase phase, the tax methodology shifts back and forth between consumer and contractor.

Importantly, the tax fluctuation impacts the consumer price. Furthermore, the cost of computing multiple and complex tax scenarios is time consuming, inefficient and an impediment to consumer home ownership.

The purchase transaction and cost consequences float between an affirmative and negative tax liabilities to the buyer, confusing everyone.

Complex tax consequences compound the already complicated process of home buying. A more consumer friendly tax solution is in the interest of the industry, consumers, and the Department of Revenue.

2.2.2 Exempt from taxation under 66.0435 statutes, any interim holder of a manufactured home acting as the holder in due course.

Under current interpretations of the merchant's stock-in-trade exemption, a manufactured home retailer is exempt from "mobile home parking fees" as created by 66.0435 stats. However, the Task Force feels that there are other circumstances such as a lender who assumes possession of a manufactured home in the course of commerce that should be similarly exempt.

Selling of a manufactured home as a business practice requires a state license. However, a lender is exempt from retailer licensing when it is selling repossessed inventory. If the lender held a manufactured home retailer's license, it would clearly be exempt from the parking fee for homes in its inventory, but because it is specifically exempted, questions arise as to whether its sales activity triggers the merchant's stock-in-trade exemption.

2.2.3 The Department of Revenue must insist on consistent enforcement of fair market value assessments of manufactured homes.

Local assessors inconsistently assess manufactured homes.

In some cases, the home is regularly depreciated, in others, no change is made year after year and in others, market adjustments are made.

Lack of consistency means that manufactured home owners' shares of local taxes are also inconsistent.

2.2.4 Amend the statutes to require municipal clerk prosecution of a small claims collection action prior to placing a tax lien on a manufactured home community.

Under 66.0435 states a manufactured home owner and a manufactured home community owner are jointly and severally liable for collection of "mobile home parking fees."

These fees are equivalent to real estate taxes but are collected in advance and on a monthly basis.

However, if the homeowner does not pay them, the municipality may place a tax lien on the land of the community owner.

Require municipalities to make and demonstrate reasonable collection efforts against homeowners before a tax lien is permitted. Current practice allows municipal government to quickly shift responsibility to community owners. The practice is unjust in the absence of municipal "due diligence".

2.25 Create a study to evaluate state level consumer tax credits for manufactured home development. Charge the group with working with the Department of Revenue, the Department of Financial Institutions, the Department of Commerce and the Wisconsin Housing and Economic Development Authority. Authorize the Department of Commerce to organize and support the work of the committee.

As land costs and regulations have pushed up the price of new homes, developers have shifted their attention to upper income buyers leaving low and moderate-income families with few new home choices. A study should be conducted to determine if state-based tax credits could provide encouragement to developers and non-profit organizations to build new, single family, affordable manufactured homes. This credit would help bridge the gap between development costs and market prices and help expand opportunities for low and moderate-income families to enjoy homeownership.

2.3 Expand Low Interest Loan Availability

2.3.1 WHEDA should explore with the industry and the U. S. Department of the Treasury, avenues to make WHEDA's tax-exempt bond backed low interest loans available to homebuyers purchasing a manufactured home on leased or tax-exempt lands.

WHEDA sells tax-exempt bonds to fund low interest mortgage loans. Pursuant to federal law it has been interpreted that the home purchase must be "fee simple" transaction. The home and land must both be purchased.

However, over 50,000 Wisconsin families live in homes they own but happen to be located on land that they do not own. These families are not eligible for WHEDA low interest loans.

Review, analyze and make recommendations to authorize WHEDA to work with the federal Department of the Treasury to rectify this situation.

3.0 Transportation

3.1 Transportation Must be Safe, Cost Effective and Efficient

Transportation policy and transportation infrastructure are central to the manufactured housing industry and consumers. Transportation policy dictates home design, movement, market availability, and impacts consumer access to products.

Wisconsin's road system is as vital to the manufactured housing industry as any other single factor. In testimony from the Department of Transportation and the industry, the Task Force identified issues involving the permit process for movement of homes and information resources that are needed by the Department, manufacturers, retailers and consumers. Therefore, the Task Force makes the following recommendations:

3.1.1 Complete the Department of Transportation local roads database to generate and make available key routing information.

The Wisconsin Information System for Local Roads (WISLR) is being developed by the Department of Transportation as a database for local roads. Towns, villages, cities and counties are required to submit their inventory of local road conditions to the Department by December 15, 2001.

The Transportation Information Training Center of the University of Wisconsin is training individuals to perform the required ratings.

Information on local roads is a vital part of the product-to-market equation. Wisconsin transportation policy impacts almost every aspect of manufactured housing.

3.1.2 The Task Force shall oppose any effort to repeal Section 348.26(4), Wis. Stats granting the state sole permit authority for single trip permits on all Wisconsin roads.

The Wisconsin DOT is not an appropriate third party mediator between industry and local road authorities regarding home transport on local roads.

Support current law that provides uniform state movement rules and a single permitting source. Statewide and even region-wide home movement is required for a vibrant industry. The current law is critical.

3.1.3 Reduce the reliance on single trip permits. Complete the Department of Transportation amendments to Trans 260 and 261, which simplify movement permits.

The Wisconsin Department of Transportation has issued a rulemaking notice to increase the height and width of permitted homes pursuant to multiple trip permits.

Multiple trip permits conserve Department, industry and consumer resources when loads do not require special permit conditions. The industry's safe movement record is a basis for and justification for expansion of multiple trip permitting.

3.1.4 Review and make recommendations to eliminate the second escort vehicle on movement of 16-foot wide homes on two-lane roads.

The transportation of oversize loads, such as a manufactured home that exceeds 14- feet in width, requires an escort vehicle ahead of and behind the load.

The second escort vehicle (generally the escort behind the home) is often separated from transported homes because of intervening traffic. The escort is immediately ineffective. Many other states do not require second escorts.

No evidence was discovered or presented which could correlate vehicular and traffic safety to a particular number of escort vehicles. In the absence of compelling safety or other data justification, the Task Force recommends elimination of the costly second escort vehicle.

3.1.5 Create an annual 16-foot wide, multi-trip permit process for manufacturers and transporters that use routes repetitively on a daily basis such as from a Wisconsin-based manufacturing plant to the state border.

Currently, Wisconsin law provides for a single trip permit for loads exceeding 14 feet wide or 13 feet, 6 inches high.

Multiple trip permits, sometimes called annual permits, permit the movement of loads under those dimensions without restriction.

Manufacturers indicate, however, that additional cost and personnel savings could be realized if the DOT created a third type of permit. The new permit would authorize load movement normally subject to a single trip permit to be moved under multiple trip permit conditions, provided such movement was along a fixed route.

For example, the new permit would extend to daily movement of multiple homes from a factory location to the state line. Currently, the manufacturer and the DOT process several permits every day for the same type of load along the identical route. The result is an immense and inefficient use of state and industry resources.

4.0 Strengthen Resources

4.1 Create an industry and consumer web portal to assist consumers and local officials regarding all aspects of construction codes, transportation, installation, land use, leasing, landlord-tenant law and other applicable issues to be operated by the Department of Commerce with assistance from UW-Extension and the Department of E-Government.

While disparate resources are available for both consumers and the industry to access information about manufactured home living, there is no consolidated single access point. The new Department of E-Government working in concert with the Department of Commerce and the UW-Extension can use this opportunity to show the citizens of Wisconsin how state government can be both a resource and regulator of an important industry.

4.2 Create a study group to research and evaluate demographic characteristics of the manufactured housing industry and its consumers.

Statistical information about manufactured housing at the federal, state and local level is woefully inadequate or confusing. The Task Force discovered that simple data such as the number of manufactured home communities with private utility systems was non-existent.

The study group should identify needed statistical information needed for policy makers, the industry and its consumers. It should create a tracking system which will enable the development of benchmarking. Results should be available through the web portal recommended under 4.1 and should be reported by the Department of Commerce to the Governor at least biennially.

4.3 Create a UW-Extension based, zoning education program for local officials and consumers. Authorize 2.0 FTE's to support the program and authorize programmatic material to be included in the web portal.

Zoning and land use consistently were mentioned as keys to consumer access to manufactured housing as a housing choice. Consumers and local officials need more information about the applicability of zoning and land use controls to manufactured housing as an affordable housing option.

4.4 Create a new single chapter of the state statutes to encompass manufactured housing statutory provisions, or create a cross-reference table at a minimum.

The Task Force noted that it was difficult to identify all applicable statutes to manufactured housing. Some of this is due to prior integration of industry regulation with other unrelated industries such as auto retailers. In concert with recommendation 1.5.1 calling for simplification of definitions, this recommendation will provide consumers, industry members and government officials with more clarity in state statutes.

Executive Actions of the Task Force

Amend Both Statutes and Administrative Rules

1. Create a permanent council for manufactured housing within Commerce to recommend ongoing code revisions on an as needed basis and to provide peer review in matters of discipline. (input the cross reference sections of report eg. 1.2.4)
2. Include consumer protection interests to the tasks of the permanent manufactured housing council.
3. A permanent manufactured housing council to study and adopt rules related to a manufactured home eviction process, information resources for community owners and residents, long-term leases and dispute resolution.
4. Transfer program and regulatory authority related to business practices of manufactured home communities to Commerce
5. Department of Financial Institutions to explore a universal license for manufactured housing retailers that designates any or all of 4 licenses (possibly on a limited license basis): Sales Finance, Mortgage Broker, or Mortgage Banker, or Loan Company license.
6. Department of Financial Institutions to review prohibitions or limitations on payment of fees to brokers or other parties, the elimination of such limitations on manufactured housing loans, and the prohibition on prepayment penalties on loans used to finance the purchase or refinance of manufactured housing within conscionable rates and terms.
7. Departments of Commerce and Financial Institutions to study the separation of the license for manufactured home retailers into two licenses and the process for better enforcement of rules.
8. Governor and Legislature should explore how to make available to the owners and residents of mobile/manufactured home parks financial assistance to repair or replace failing water or sewer systems.

Amend Administrative Rules

1. DOT shall work with the industry to study creation of an annual multi-trip permit process for manufacturers and transporters of 16-foot wide homes that use routes repetitively on a daily basis such as from a Wisconsin based manufacturing plant to the state border.
2. DOT shall work with the industry to study elimination of the second escort vehicle on the movement of a 16-foot wide home on a two-lane road.
3. All appropriate state agencies shall include in their internal training information about manufactured housing.
4. Commerce shall establish a process using building inspectors to provide 'alternative construction' certification inspections as required by HUD.
5. Recommend that PSC 186 be amended to simplify the establishment of 'reasonable rates'. This process should include an advisory committee of affected parties.
6. Department of Commerce amend its administrative code definition to conform to the definition used by the Department of Natural Resources regarding what constitutes a 'large system'.
7. Department of Natural Resources allow replacement septic systems in existing mobile/manufactured housing communities to be regulated and permitted through Department of Commerce policies, procedures and codes and not subjected to DNR-WPDES permitting requirements.
8. PSC establish by rule limitations on fixed user fees such that a public utility can charge a fixed user fee to a manufactured home community only for service(s) it provides.
9. Recommend the Department study and adopt procedures for suspending, revoking or rejecting an applicant for a retailer license based on a criminal background check or conviction.
10. The Department of Commerce shall study and adopt strengthened qualifications for licensing a manufactured housing retailer and shall include educational standards of retailers and salespersons.

11. The Department of Commerce to study and adopt strengthened qualifications to be licensed as a manufactured home retailer by increasing minimum financial responsibility standards.

12. The Department of Revenue shall assure that local assessments are performed as required in the statutes and to report to Commerce what the fiscal impact of manufactured housing is in the state.

Amend State Statutes

1. Amend 66.0435, stats., to required the clerk of the municipality to prosecute a small claims action to collect the parking fee or excise fee against the homeowner prior to liening the community owner's property.
2. Allow the same exemption from parking fees for lender/financial institutions under merchant's stock-in-trade for a vacant repossessed home already located in a community.
3. Amend s. 101.9203 Stats., which requires a title for all manufactured homes, to eliminate the need for a title when the security interest is perfected by a recorded deed.
4. Permit the Department to establish a fixed fee cycle for salespersons with no pro-ration of partial years.
5. A new single chapter of the state statutes be created to encompass manufactured housing statutory provisions, or a cross-reference table be created.
6. Commerce shall work with the industry to develop authority for licensed manufactured home installers to do limited hook ups of water and sewer service to a manufactured home.
7. Definitions of manufactured home, mobile home, manufactured home park, recreational vehicle and similar terms associated with the industry shall be coordinated throughout the Wisconsin Statutes and that the drafting instructions for administrative rules reflect those changes.
8. No restrictive deed provision, restrictive covenant, or agreement may be applied nor enforced on property prohibiting the erection of a factory built home. This prohibition does not however limit a developer's right to adopt reasonable aesthetic compatibility criteria.
9. Spending and position authority for the titling of mobile/manufactured homes currently contained in an SEG appropriation backed by the Transportation fund be transferred to Safety and Buildings Operations, an annual, PR appropriation.

10. State and local zoning laws shall be examined to be certain that non-conforming zoning status is not used to eliminate existing land lease communities.
11. State law to specify fees for the regulation of water and sewer service in manufactured home communities shall be repealed and that the manufactured home community licensing fee shall absorb those costs.
12. Department of Financial Institutions provide to the Governor statutory language recommendations to clarify the law as it relates to sales finance companies and manufactured home retailers given the recent statutory amendments to chapter 218 and chapter 101.
13. The guiding principal of state regulation of the industry be that the Department of Commerce should be the primary agency for all manufactured housing related programs and regulations.
14. Authorize Commerce to adopt rules implementing the federal Manufactured Housing Improvement Act including licensing of installers, inspection of installations, and resolution of installation disputes.
15. Transfer from the PSC to Commerce responsibility for regulation of water and sewer service issues in manufactured home parks.
16. Amend the Smart Growth law to clarify that affordable housing specifically includes owner occupied single-family detached homes.
17. Smart Growth law should include a requirement that local planners consider manufactured housing as a component of affordable housing.
18. Adopt the model legislation of the American Legislative Exchange Council that provides that factory-built homes be treated for zoning purposes like all other single-family homes.
19. The statutes should require that a public utility provide metered service to all residential housing units if the public utility has service reaching the property. Such service in a licensed manufactured home community may be master and sub-metered with the community owner required to make up the difference between the master meter and the sub-meter readings. However, the manufactured home community shall only pay for water losses that exceed the rate of water loss of the public system generally.
20. Those portions of the home title fee not used for Commerce program administration and currently used for non-point pollution abatement should be used for rehabilitation or recycling of uninhabitable mobile homes.
21. The State of Wisconsin through appropriate means should prevent local governments from imposing new setback standards on existing manufactured home communities.
22. Remove the statutory fee structures as it relates to certificates of title, retailer licenses, and salesperson licenses and allow the Department to establish fees by rule.

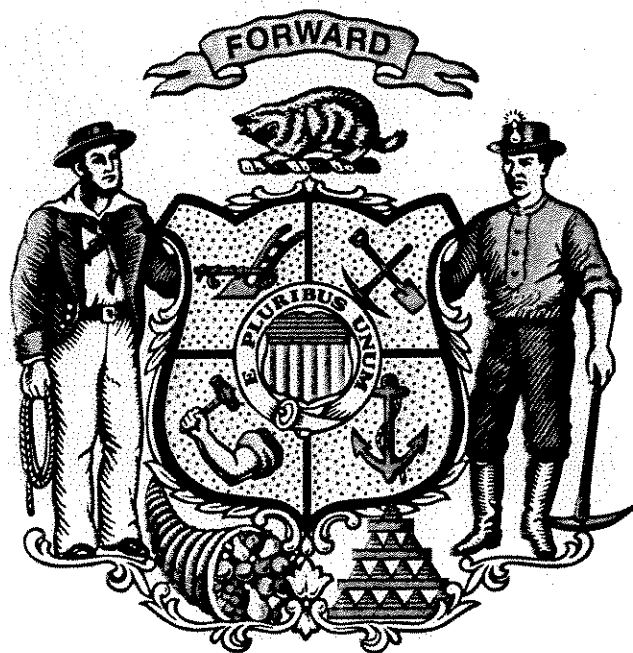
23. Require the Department of Revenue to create a single use tax on the sale of all new homes.
24. Create an industry and consumer web portal to assist consumers and local officials pursuant to all aspects of construction codes, transportation, installation, land use, leasing, landlord-tenant law and other applicable issues operated by the Department of Commerce with assistance from UW-Extension and the Department of E-Government.
25. Create a UW-Extension based, zoning education program for local officials and consumers. Authorize 2.0 FTE's to support the program and authorize programmatic material to be included in the web portal.
26. Create a new single chapter of the state statutes to encompass manufactured housing statutory provisions, or create a cross-reference table at a minimum.

Studies Recommended

1. Study by the PSC of whether residents of manufactured home communities are being equitably treated by public water and sewer utilities.
2. Governor and Legislature should explore how to make available to the owners and residents of mobile/manufactured homes parks financial assistance to make repairs or energy saving improvements.
3. WHEDA should explore with the industry and the U.S. Department of the Treasury avenues to make WHEDA's tax-exempt bond backed low interest loans available to homebuyers who are purchasing a home on leased or tax-exempt lands.
4. Create a study group to research and evaluate demographic characteristics of the manufactured housing industry and its consumers.
5. Create a study to evaluate state level consumer tax credits for manufactured home development.

Position Statements of the Task Force

1. Oppose repeal of section 348.26 (4), Stats., that makes the state the sole authority for single trip authority to move homes on all Wisconsin roads.
2. Urge DOT to complete local roads database so that key information needed to route manufactured homes is available.
3. Urge prompt DOT completion of amendments to Trans 260 and 261 to reduce the reliance on single trip permits for the movement of manufactured homes.



Hess, Martha

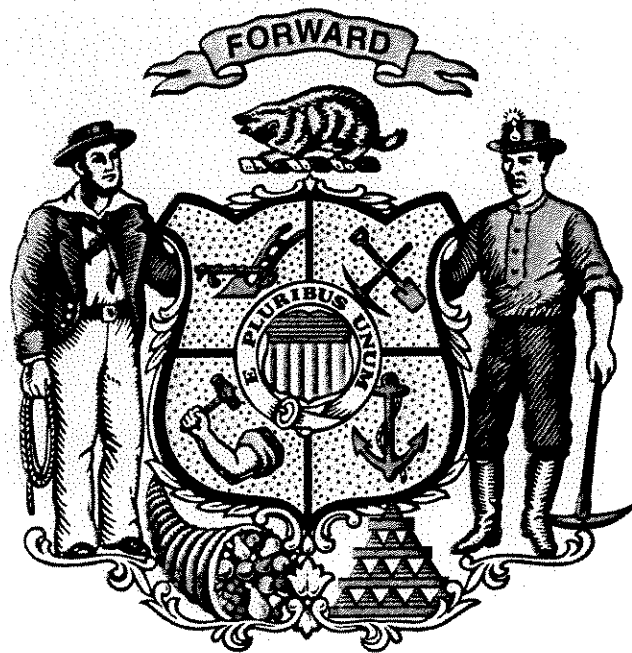
From: Kristen [wimhoa@chorus.net]
Sent: Monday, November 19, 2001 10:07
To: kezehner@facstaff.wisc.edu
Subject: 2nd update/Randolph MHP

Nothing has changed here and I never got one call from any one. Didn't think that I would. The land lord and manger are still stalking us and there is still sewer gas so nothing has really changed. I hurt a good deal of the time mostly at night is when it is worse. I called AARP but they never called back like they said that they would, Got all your messages and Thanks. We are out of sight and out of mind lets face it.

Dorothy Webb

Kristen Zehner, Pres.
WI Mfg. Home Owners Assn. Inc.
PO Box 254
Marshall WI 53559-9207
<http://userpages.chorus.net/wimhoa/>
608/655-4573

No one is good enough to govern another
without that other's consent.
ABRAHAM LINCOLN (1809-65)



THE WISCONSIN VANGUARD

Wisconsin Manufactured Home Owners' Association, Inc.
PO Box 254, Marshall, Wisconsin 53559 - 608/655-4573

An injustice to one is an injustice to all.

Winter Issue - 2001



<http://userpages.chorus.net/wimhoa/>

RIGHT THIS WAY



The Wisconsin Manufactured Home Owners Association, Inc., is a statewide nonprofit organization committed to protecting the rights of manufactured/mobile home owners in this state. All persons living in manufactured housing are eligible for membership on an equal basis except management (owners) and its employees. **Effective 10/1/2001: Only those with 30 days-standing as members are eligible for WIMHOA benefits, including access to our contractual legal counsel.**

LANGUAGE SUBJECT TO CHANGE unless you contact your legislators and demand it remain on the books:

ATCP 125.05 Changes in rental terms or park rules. (1) If any change or increase in rent or fees, or any other substantial change in the terms or conditions of tenancy is to be made in connection with the renewal of any rental agreement, a copy . . . shall be furnished to the tenant in writing at least 28 days prior to the date proposed new agreement is to take effect. All changes shall be specifically brought to the tenant's attention by a separate statement on proposed rental agreement.

The operator or a representative of the operator shall meet with tenants, or any group of tenants, on the proposed changes, at their request. . . .

- (2) Rules and regulations . . . (a - h)
(3) Except as provided in this chapter, a park operator may change or create general park rules and regulations during the term of any rental agreement or tenancy, provided all tenants are given at least 28 days prior written notice of any proposed change, and an opportunity to meet with the operator or a representative of the operator on the proposed change before it takes effect.

Other language in jeopardy includes:

125.02 (tie-in sales whereby you cannot live in a certain park unless you buy your house from the operator or his agent, currently illegal);

125.06 Require any tenant to use an operator or his/her agent for the sale of tenant's MH, or unreasonably restrict your sale;

125.07 MH relocation within a park or assume any of the cost is currently illegal under an active rental agreement, except in emergency or tenant violation; any relocation must be preceded by written notice setting forth the reason under 704 Stat. time limits;

125.08 Termination of tenancy. Illegal without just cause; see add'l language.

125.09 Prohibited practices, general.

(1) Falsely or deceptively influence a sale or site rental inconsistent or contrary to the written rental agreement;

(2) Impose any condition, rule or regulation which operator knows is contrary to this Rule or other applicable law;

(3) Require any tenant to make permanent improvements to the MHP, its facilities, or assess any separate charge therefor.

(4) Enter a tenant's MH without permission and reasonable notice unless for emergency et al.

The Industry wants us to pay for any repairs we request—even permanent improvements.

This is what's at stake. If you don't act, you may well lose these protections forever.



Injustice anywhere is a threat to justice everywhere. — Martin Luther King, Jr.

"The time is always right to do what is right." — Dr. Martin Luther King Jr.

=====
"When the ax came into the woods, the trees all said, 'Well, at least the handle is one of us.'" — a Turkish folk warning about the lesser of two evils.

THE PREZ SEZ . . .

We asked a reporter:

WIMHOA: Why is mfd housing such a difficult subject to report on?

Reporter: Because there is a perception that mfd housing residents are poor white trash. Also, it is not a cosmopolitan problem--these people live in the country and city people don't care.

WIMHOA: The cheating of consumers for the sake of business profits is pretty obvious, but we Americans seem to swallow this with no problem, particularly since it's so prevalent from the White House on down.

Reporter: Well, you can only get screwed for so long before you get used to it. Very few people actually have any hope these days. We are a prosperous nation of miserable people.

WIMHOA: That's part of our problem--the invisibility of the industry--yet MH is 1/3 of all sales of housing in this country! Reckon people don't want to acknowledge their housing isn't top drawer (\$300,000), because if you aren't a proverbial money bags, you're not on the radar.

Reporter: Yup.

=====



STATISTICS ON THE INDUSTRY

Zoning is applied to parks--not individual sites. Currently, there are 400 parks statewide that are comprised of 20 units or less. Approximately 800 parks exist with a minimum of 100 (or more) homes each. Some of the larger parks in the southern and mid part of Wisconsin have 550 to 400 to 300 to 200 units each.

There are between 250,000 and 260,000 park sites in Wisconsin--255,000 on average. If half of those equal 127,500 for people living alone, and the other half have at least two people occupying one home, conservatively the total is 382,500 people in MHPs statewide.

Repossessed homes represent an average loss of 50 percent nationally; of that number, an increasing percent is due to fraud. In the past year or two, the US has lost eight or nine national lenders due to repossessions. Wisconsin has had approximately 15 percent repossessed homes.

All home buyers of mfd. housing in Wisconsin since July 2000 will be given

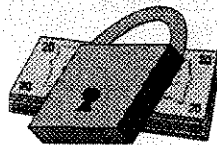
certificates--not titles--of ownership through the Dept of Commerce.

Less than 40 percent of all U.S. houses have basements. The Midwest is the only place in the country where basements are the norm.

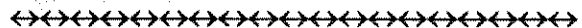
Currently, dealer licenses cost \$8 and require no financial responsibility. Anyone can file an application and get set up in business with no assets beyond \$25,000 to back up their business. There are 200 licensed dealers in the state. If convicted of fraud, the fine is \$25. No other penalties exist.

Parking fees (excise taxes on personal property) are paid each month in advance.

MHP residents pay a total of \$35 million to the cities, counties, and municipalities annually. Chump change from trailer trash, heh?



"As the horse-power of modern automobiles steadily increases, the congestion of traffic steadily lowers the average speed of your car. This is known as Progress." -- Sydney Harris



Woe to him who seeks to appease rather than appall. -- Herman Melville

Deteriorating Housing Affordability

Homeowner's real income increase in the year 2000:

2 percent

Real home price increases in the year 2000:

4 percent

Tax-adjusted housing costs as a share of income were 8 percent higher for buyers in 2000 than in 1999.

Source: The State of the Nation's Housing 2001, p. 15. Joint Center for Housing Studies of Harvard Univ. <<http://www.gsd.harvard.edu/jcenter>>



Hello?

"You either do what you believe in and think is important, or you just cave in. And I'm not the type to do that. . . what it comes down to is somebody has to have the guts or nothing's ever going to change." -- Catherine Conroy, activist.

WI MFD HOME OWNERS ASSOCIATION, INC
(WIMHOA) <<http://userpages.chorus.net/wimhoa/>>
PO Box 254
Marshall, WI 53559-9207

December 2001

Dear Legislator,

This picture is the reality in which about 40 residents live in the Village of Randolph—a very respectable place if you drive around the rest of the municipality.

That's why, when you drive down Grove Street on the way through Randolph, you won't believe your eyes. You won't believe that the village fathers could condone this sewer of back alley for over 30 years.

You won't believe the village fathers are on cozy terms with the property owner, a convicted sex offender, who harasses and stalks his tenants in order to confiscate their "leavings" without buying them, so he can rent these hovels out at over \$300 a month.

WI MHOA intends to make an example of the Village of Randolph, which ought to be notorious for its neglect of and failure to enforce the Fair Housing laws of this state for its protected classes, specifically the elderly, for one. The State and the Village have condoned the harassment, persecution, and stalking of the elderly, and failed to enforce any local ordinances, ATCP 125, ATCP 134, and State Statute 704.07(2) Duty of Landlord, or Admin. Code 65.11(1) and (2) Sewage. In fact, when Dorothy Webb requested a copy of the local ordinances from the Village, she was brushed off and told to get them from the park owner, whom she avoids for good reason.

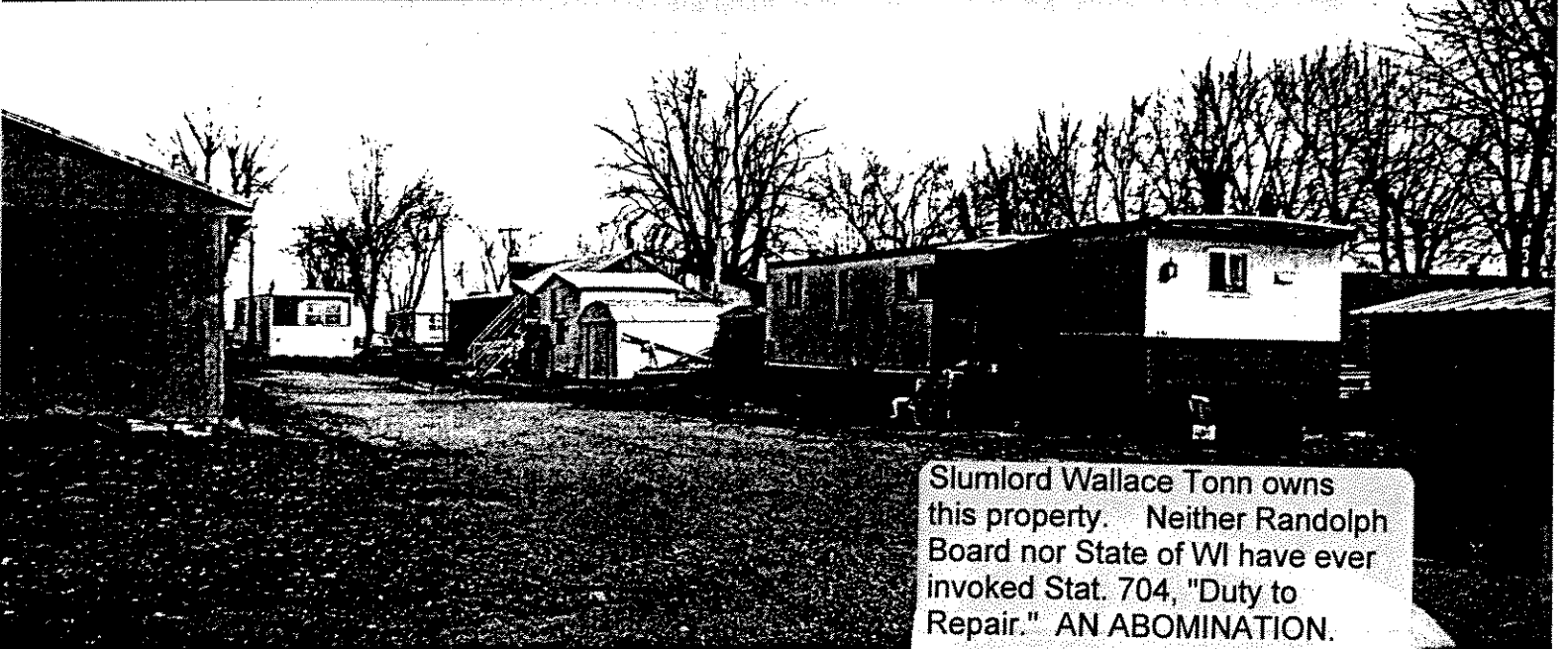
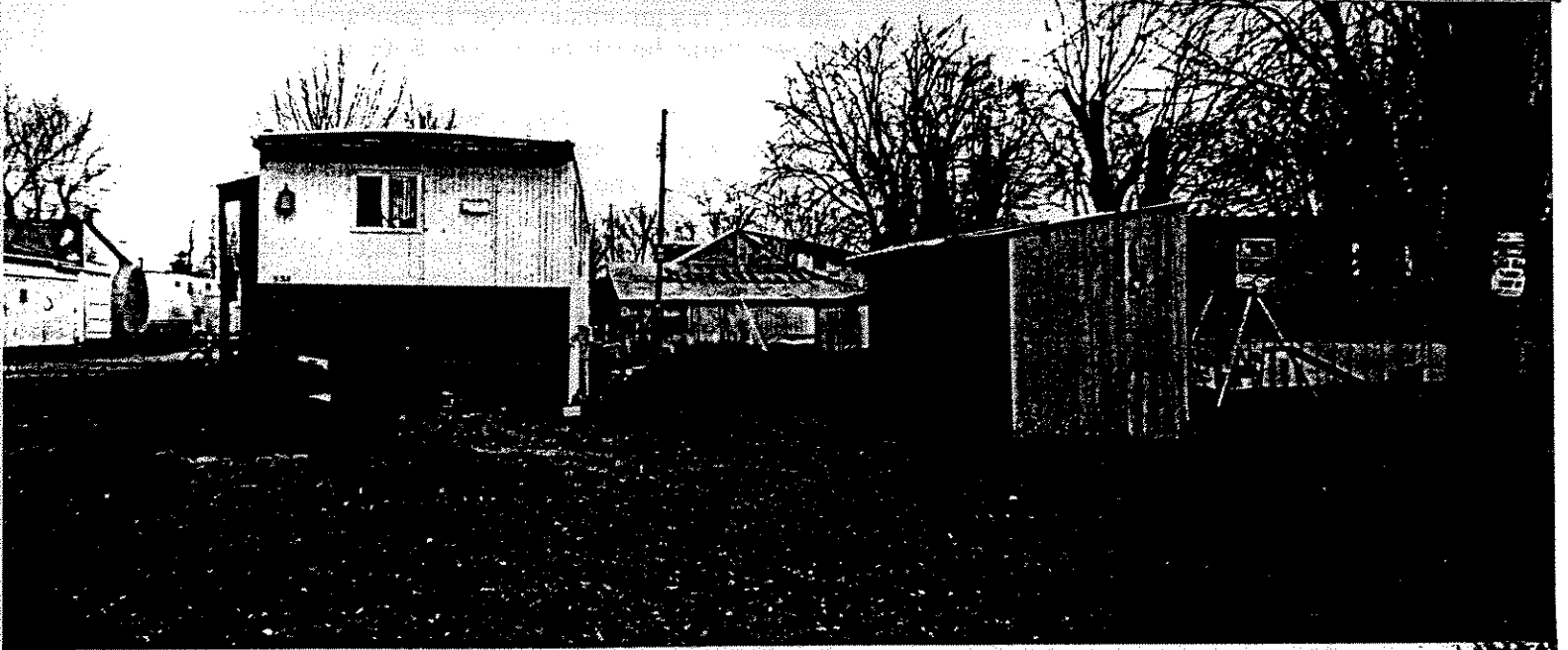
Nor has Wisconsin's class act Consumer Protection ever thought fit to intervene. This is the "home" of Dorothy Webb, the woman whose lawn was strewn with feces in an attempt to force her out, the woman who is now being made deathly sick because of sewer gas that neither the State nor the Village of Randolph has any intention of rectifying.

This dump is the most disastrous example of municipal neglect and ignorance in over 50 years in this state, and this is the kind of thing the Governor's Blue Ribbon Task Force on Manufactured Housing would like you to continue to ignore.

Sincerely yours,



Kristen Zehner
President



Slumlord Wallace Tonn owns this property. Neither Randolph Board nor State of WI have ever invoked Stat. 704, "Duty to Repair." AN ABOMINATION.

Dear Legislator:

Why is a certain segment of the population denied--nay, excluded-- from the kind of consumer protection afforded the rest of the population in this state?

According to a written statement by Ben Brancel, former Secretary of ATCP dated January 2001 (in response to an invitation to the Governor's Task Force on Manufactured Housing), Consumer Protection has no positions, no budget, no spending authority, and no program dedicated to manufactured housing violations, per Ben Brancel.

MH issues were less than 0.7% of Consumer Protection (CP) hotline calls, and less than 0.8% of written CP complaints. What does this prove?

WI MHOA knows these figures are too low--consumers have figured out they will get no help, so why bother? Brancel claimed Consumer Protection uses tenant and park operator education, consumer information, complaint mediation (?), and enforcement (?). Yes, Yes, and No, No. They use neither of the latter two.

Any consumer who files a complaint ultimately receives a boilerplate letter stating that he/she should hire his/her own attorney. Why do they think consumers are filing these complaints with them in the first place?

Enforcement by Consumer Protection is 98 percent nonexistent for residents in MHPs. CP investigations hardly qualify as such--a mere letter of inquiry by CP to an offending business, and then routinely accepting their denial, is not an investigation. There follows neither mediation nor enforcement of any state law.

We expect the same consumer protection afforded every other taxpaying citizen in this state--not special privileges--just fairness.

How can this kind of policy give any credibility to DATCP's Consumer Protection?

Kristen Zehner, President
WI Mfd Homeowners Association, Inc.
PO Box 254
Marshall, WI 53559
<http://userpages.chorus.net/wimhoa/>
608655-4573

December 2001

PS. This is just one example of the failure of the "Blue Ribbon" MH Task Force to include any proconsumer beneficial topics in its recommendations to the Governor and the Legislature.

Nat'l Foundation of Mfd. Home Owners
Application for Membership

Please print

Name _____ Addr _____
City _____ State _____ Phone _____
Mobile Home Park _____
Park Association Yes No; State Association Yes No

1-Yr Mbrship \$15.00 *Mail checks to Secretary:
Pls make checks payable to : *PO Box 37
*Nat'l Foundation/Mfd Homeowners *LaFeria TX 78589

NATL FOUNDATION / MHO ELECTS 4 NEW BOARD MEMBERS.
On Sept 29-30 in Las Vegas, Wisconsin (K. Zehner), Illinois (Terry Nelson), Florida (Don Hazelton), and Texas (Bob Bosse') were elected to the Board as officers and trustee. We welcome Florida and look forward to other states joining our efforts on a national level. Applications for membership on the HUD Consensus Committee can still be submitted to Elizabeth Koch at HUD. Contact Kris Zehner for more information if interested.

CAN YOU TRUST PARK OWNERS TO TELL THE TRUTH?
Seldom. We know one park owner who claims a 10% improvement in ground water infiltrate into a sewer system that puts out 1,000,000 gallons extra after one heavy rainfall. Where's the proof???

HOME RESALE VALUES RISE IN RESIDENT-OWNED PARKS
Two motivations for resident buyouts is the *stabilization of site rents* and pride of ownership. In one park in California, homes sold for \$25 - 35,000. In three years, the market price for homes has risen to \$80 - 95,000 since 1998. Stabilization of rent has resulted in below-market rents compared to other area parks. (per the Nat'l Foundation/MHO).

MAJORITY OF RESIDENTS REFUSE RENT INCREASE
As of 1/1/2002, a majority of Evergreen Park, Marshall, residents refuse to pay unwarranted rent increases--demand negotiations of rent, rules & regulations. WI MHOA's attorney will negotiate terms--based on Evergreen operating expenses & taxes (no outside debt qualifies as legitimate). No increases will henceforth be paid without negotiations. Residents will take their suit to court if need be.

Get yourself a first rank enemy--cultivate him as an enemy. And when you achieve success, thank him.
--Colonel Frank B. Shutts.

A handful of patience is worth more than a bushel of brains.

MISCELLANY

Submissions for the newsletter may be sent to PO Box 254. We invite all MHP residents to submit Neighborhood Watch articles and information. The newsletter is published and distributed by WI MHOA officers and volunteers.

Monthly meetings are held every 3rd Wednesday of the month, 7 pm, Primary School (ELD), 369 School Street, Marshall (which intersects with County T) at east end of the street. Minimum of \$1 donation requested.

LEGISLATIVE HOTLINE: Madison 266-9960; outside Madison 800/362-9472. Ask for your legislators' names, phone no's and addresses.

Officers' State - 2000-2002
Pres. Kristen Zehner - 608/655-4573
VP/Evergreen Chap.Coord. -
Gary Waalkens - 608/655-4989
Treas. Jim Williams - 608/655-4866
Secy Anna Young - 608/655-4308

AARP Federal Affairs ofc, MH matters: 202/434-3800; Martin Corry

NEW NOTICE - Effective April 1, 2001, all memberships will be \$15/year. You are buying insurance against the time you may need help. Donations are tax deductible on your 1040 like any other charity you support. Remember--700 park owners, dealers, & manufacturers are highly organized for political clout through the WMHA. By contrast, 400,000 of us consumers are unorganized sitting ducks.
NO DONATION IS TOO SMALL!!



NEEDED: Organizers in all MH parks statewide. Also, grant-writers and lobbyists. If you like meeting people, contact WI MHOA President for simple instructions. PhD's need not apply. **WI MHOA is a do-it-yourself organization.** **If you have the will, you'll find a way to help yourself and all of us.**

JOIN WI MHOA - BUILD YOUR POLITICAL MUSCLE BY EMPOWERING OUR COLLECTIVE VOICE!

By joining WI MHOA, you strengthen your ability and your own community throughout the state of Wisconsin with the power to enforce your tenancy rights. By joining, you receive organizational advice and support and a quarterly newsletter, as well as access to legal counsel. WI MHOA is a membership organization, whose members work toward the goals of their choice.

PLEASE PRINT

Name _____ SocSec: Yes ___ No ___
No. persons in your household _____ Park base rent/month _____
PARK NAME _____ Address/City/Zip _____
Phone w/area code (____) _____ Work Phone (____) _____
Email address: _____

Dues: \$15/year; not tax deductible. Additional donations are welcome and *are* tax deductible.
\$15/year _____ Associate Mbrship \$15 _____ Donation amount: \$ _____
(Check here) _____ "I cannot afford dues, but I want to be a member. I will volunteer to leaflet my park and recruit more members from my park." WI MHOA provides handouts and guidelines for recruiting.
(Check here) _____ "I would like more information about the WI MHOA mission."
(Check here) _____ "I would like to help, choosing the tasks I am best able to do."

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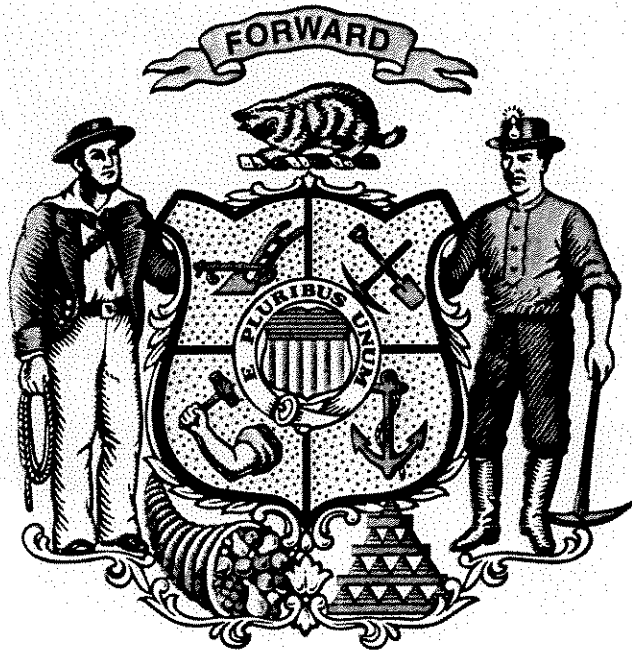
WI MHOA, INC
wimhoa@chorus.net
PO BOX 254
MARSHALL WI 53559

YOUR HOUSING IS YOUR POCKETBOOK--EMPOWER IT!

<http://userpages.chorus.net/wimhoa/>



1.
PICTURES
INSIDE!!



Rep. Sykora:

I am in the side lobby and wish to visit with you about this legislation Commerce needs to have introduced.

Let me know when you have ~~assessed~~ I can visit with you.

Chris

repeal, as necessary, any reference to the term, "an applicant whose loan is secured on November 1, 1999."

2. Mobile Homes.

The budget act consolidated the manufactured housing functions, which are currently in the Departments of Administration (DOA) and Transportation (DOT), into the Department of Commerce, effective July 1, 2000. There is a problem with the definition of the term, "Mobile Home."

Under s. 101.91 (1), Stats., the definition of the term, "Mobile Home", is a vehicle that was manufactured or assembled before June 15, 1976. This statutory definition conforms to the federal definition of what constitutes a "mobile home" as opposed to what constitutes "manufactured housing".

The statutory text that is being moved from the DOA and DOT chapters uses the term, "Mobile Home", in many places. The definition of "Mobile Home" in these chapters has not been updated through the years to reflect the distinction between "mobile home" and "manufactured housing." As these statutes are moved into Chapter 101, there will be confusion and unintended consequences. The confusion is that DOT's definition of a "mobile home" includes many structures that were built after June 15, 1976, and which have features that classify them as "manufactured housing" today. The unintended consequence in transferring DOT's language into Chapter 101 with the use of the term, "Mobile Home", is that the new Chapter 101 text will only apply to and regulate vehicles that were manufactured or assembled before June 15, 1976. That means that only dealers and sellers of those old vehicles would need to be licensed under the bill as currently drafted. Also, only those old vehicles would need to be titled. These are clearly not the intended results of the bill. A relatively easy way to remedy this situation is to replace the term, "mobile", with the term, "manufactured", where mobile homes are now mentioned in the Chapter 101, Stats., as affected by 1999 Wisconsin Act 9. We recommend the applicable sections of Chapter 101, Stats., be revised. We have attached a "marked-up" version of the budget provisions which reflects the sections that require revision.

There is one other "Mobile Home"-related issue, which is a need to insert a "Note Relating to Security" into the new Ch. 101 text relative to mobile homes. The note would go into the treatment section 101.9218, Stats. It should be essentially the same note that currently exists under s. 342.24, Stats. The note would communicate the results of a court case, which found that motor vehicle law provisions relating to security do not apply to a "mobile home" once it has become a fixture. In cases where the home is set on a permanent foundation, the lending institutions will mortgage the land and home together. It would be less confusing if the word, "mobile", were NOT used in the note for the same reasons we have recommended not using that term in the new Chapter 101 statutory text. We recommend that this change be inserted and have attached language to address it.

If you have any questions on these items, please do not hesitate to contact me.

cc: Phil Albert
Terry Grosenheider
Martha Kerner
Chris Spooner
Dave Schmiedicke