

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2005-2006

(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

> **

> Clearinghouse Rules ... CRule

**

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

> **05hr_ab0039_AC-Ho_pt01**

> Miscellaneous ... Misc

> **



AB-39: HUD CONFORMITY/MANUFACTURED HOUSING BILL

TESTIMONY

LUKE D. ROLLINS, DIRECTOR OF GOVERNMENT AFFAIRS
WISCONSIN HOUSING ALLIANCE

ASSEMBLY COMMITTEE ON HOUSING

THURSDAY, APRIL 21, 2005

1:00 AM

400 NORTHEAST

WISCONSIN STATE CAPITOL

Housing Committee Members: Wieckert, Townsend, Kreibich, Montgomery, Williams, Young

Introduction:

- Good afternoon. I am Luke Rollins, director of government affairs for the Wisconsin Housing Alliance.
- Thank you Chair and members of the Committee for the opportunity to discuss and encourage your support for AB-39.

Background on the Wisconsin Housing Alliance:

- The Alliance represents over 450 business entities (750 business locations) related to factory-built housing, including: manufacturers, retailers, suppliers, lenders and communities.
- The Wisconsin Housing Alliance, formerly known as the Wisconsin Manufactured Housing Association, has represented the factory-built housing industry since the association's inception in 1949.

Factory-Built Housing & Wisconsin:

- Wisconsin's factory-built housing industry produces thousands of homes per year, many of which are exported to other states.
- The Manufactured Housing Institute (MHI) of Washington, D.C., estimates that 21,000 Wisconsinites are directly employed by the factory-built housing industry.

Historical Context for AB-39:

- The U.S. Congress passed and the President signed the Manufactured Housing Improvement Act (MHIA) of 2000.

- The MHIA and U.S. Department of Housing & Urban Development (HUD) requires states produce manufactured home installation standards/license rules by December 27, 2005.
- This bill was before you at the end of last session. In the 2003-2004 legislative session, AB- 897 unanimously passed the Assembly Housing Committee and Assembly, but unfortunately ran out of time for scheduling in the Senate.
- In 1999, Governor Thompson launched the Governor's Task Force on Manufactured Housing, which had a final report presented to then Governor-elect Doyle in December of 2002. Some recommendations included in AB-39 come from this task force.

Details of AB-39:

- CONFORMS Wisconsin law to Federal law.
- Pertains ONLY to HUD Code manufactured housing.
- DOES NOT pertain to modular or site-built homes.
- Requires Commerce establish a licensing program for installers of manufactured homes.
- Requires Commerce establish rules for the safe installation of manufactured homes.
- Requires Commerce establish fees by rule as program revenue to cover installation programs.
- Requires Commerce establish an old/abandoned "mobile" home recycling and rehabilitation program.
- Requires Commerce by rule establish an alternative dispute resolution program for problems that may arise between manufactures, salespersons, dealers and installers.
- Removes the Commerce titling requirement for a homeowner that permanently affixes a manufactured home to private property. The property is deed applicable as real property.
- Requires the establishment of a Manufactured Home Council for purposes of advising Commerce on the regulation of the manufactured housing industry.
- Changes all statutory references to manufactured home "park" to manufactured home "community".

Legislation Rationale:

- The Manufactured Housing Improvement Act (MHIA) of 2000 was legislation pursued by the Manufactured Housing Institute in Washington, D.C. and consumer groups such as AARP and the Consumers Union.
- The MHIA and this HUD conformity bill (AB-39) have three main goals: a better and safer product for consumers, establishment of higher standards, and accountability.
- The core objective of the MHIA was to foster structure and conditions favorable to consumers in order to ensure a good, safe and inspected installation of manufactured homes.

- As well, the manufactured home industry has worked hard over the years to improve various aspects to the industry, and this legislation addresses and improves the installation phase of the homes.
- Since 1976, state law concerning manufactured homes have been preempted by the uniform Federal HUD code on manufactured housing. Thus, this bill removes obsolete language that has been on the books since the mid-70's.
- Items outside of the house such as basements, garages, porches, decks, or electrical hook-ups fall under the State's Uniform Dwelling Code (UDC).
- Building inspection is a key component of the MHIA and AB-39. The goal is to have manufactured homes be treated the same as site-built homes with regards to safety inspections during installation.
- Inspections of manufactured homes do occur in multiple phases at the manufacturing plants.
- In fact, all manufacturing plants actually have independent inspection businesses hold offices in the plant where inspections are carried out frequently. An example of such companies are Underwriters Laboratory and PFS.
- This legislation develops a dispute resolution clause that is clearly detailed in the sales contract.
- This dispute resolution clause develops a method and path for addressing problems and removes the consumer from getting caught in the middle. Remember, the manufactured home process can be complex involving manufacturers, retailers, installers and the consumer.
- This dispute resolution clause prompts a fast and efficient solution be derived between the installers, retailers and manufacturers.

Fees:

- An environmental impact fee that was sunset in December of 2003 remains sunset.
- Rather, we develop a new environmental fee that is used to cover the environmental clean-up portion of this bill.
- Years ago, a manufactured home was titled just like a car. The legislature corrected the situation in which a title went to DOT, over to DOC. But the titling fees were still going through DOT, but they do not keep most of those monies.
- In this bill, we development new programs for manufactured homes, this bill uses DOC money collected by the manufactured housing industry for manufactured housing programs (program revenue).
- The titling fee is program revenue for a DOC housing program, not a DOT housing program.

Amendments:

- The sub and the following amendments are technical. There are no changes to the provisions of the bill. All technical amendments derive from and have been made in conjunction with Commerce.
- If the committee would like I and/or the Department of Commerce can detail the technical amendments for you.

Summary of AB-39:

- This is a Federal conformity bill with broad bi-partisan support.
- 24 legislators on both sides of the political aisle have signed onto this legislation.
- I would like to thank Representative Nass and Representative Vruwink for their leadership on this bill in the Assembly. As well, I would like to thank Senator Roessler and Senator Lassa for their leadership in the Senate.
- I would also like to thank the Chair and the committee for this opportunity to discuss AB-39.
- Again, we encourage your support for AB-39.