



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 45
[2005 Assembly Bill 39]

Regulation of Manufactured Homes

Regulation of Manufacturers of Manufactured Homes

Current law regulates manufacturers of manufactured homes, manufactured home dealers, and manufactured home salespersons. Under current law, the Department of Commerce (Commerce) is responsible for licensing all manufacturers desiring to sell or distribute manufactured homes in Wisconsin.

This Act maintains the current law's requirement that no person may manufacture, assemble, distribute, or sell a manufactured home in Wisconsin unless the manufactured home complies with federal requirements. The Act eliminates the requirements that Commerce perform the following duties pertaining to regulation of manufacturers of manufactured homes:

1. Adopt, administer, and enforce rules for the safe and sanitary design and construction of manufactured homes that are manufactured, distributed, sold, or offered for sale in Wisconsin, including rules relating to plumbing in the design and construction of manufactured homes.
2. Review typical construction plans and specifications that manufacturers are required to submit to Commerce for approval, including plans and specifications of plumbing systems used in manufactured homes.
3. Issue a label for display on a manufactured home that indicates that the manufactured home meets the requirements of the statutes and rules.
4. Establish standards for certification of inspection and testing agencies that inspect manufacturing facilities, processes, fabrication, and assembly of manufactured homes and plumbing systems in manufactured homes and that issue labels of approval.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

5. Provide for the inspection of manufactured homes that are manufactured in other states and that are to be sold or intended to be sold in Wisconsin.

Currently, state law requires the manufacturer of a manufactured home to install a functional smoke detector in each manufactured home it manufactures.

This Act deletes this requirement. Federal law contains a similar requirement and requires smoke detectors to be installed in additional locations within each manufactured home.

Regulation of Manufactured Home Installations

Generally, a manufactured home is entirely constructed in a factory and, after it is purchased by a consumer, is transported, either as a single unit or in sections, to the home site for installation upon a foundation. Current law generally does not regulate installers of manufactured homes, although current law does require Commerce to make rules governing certain foundations upon which manufactured homes are installed.

With limited exceptions, this Act requires all manufactured home installations to be performed by, or under the general supervision of, an individual licensed by Commerce as a manufactured home installer. The Act specifies that a licensed installer is liable for all acts and omissions of each individual who performs an installation under the licensed installer's general supervision.

The Act specifies minimum criteria applicable to license applicants and requires Commerce to make rules for the safe installation of manufactured homes and for the enforcement of those installation standards. Commerce must require third-party inspections as part of its enforcement scheme.

The Act prohibits any city, village, or town from regulating a matter governed by these provisions of the Act or by rules promulgated under each of these provisions.

Regulatory Fees

Current law establishes specific fees that Commerce must charge for conducting a file search, for providing various services related to the titling of manufactured homes, and for providing certain notices related to security interests in manufactured homes. The Act requires Commerce, by rule, to establish fees for these services.

This Act also requires Commerce to assess a new fee to fund the new manufactured housing rehabilitation and recycling grant program described below.

Under current law, fees related to the titling of manufactured homes are generally deposited into the transportation fund and then a specified amount is appropriated from the transportation fund for Commerce's administration of the manufactured housing statutes. This Act provides, instead, that the fees are deposited into the general fund and credited to the program revenue appropriation account that generally funds the safety and buildings operations of Commerce.

Generally, under current law, the fee for a manufactured home dealer license is \$50 multiplied by the number of years in the license period. The fee for a manufactured home salesperson license generally is \$4 multiplied by the number of years in the license period. Current law requires Commerce, by rule, to determine the license period applicable to each of these licenses. Currently, these fees must be prorated if the license period is not evenly divisible into years. The Act repeals the statutory fee

amount and proration requirement and requires, instead, that these fees be determined by Commerce by rule.

Manufactured Housing Rehabilitation and Recycling

The Act requires Commerce to establish a grant program to promote the proper disposal of abandoned manufactured homes and to promote the rehabilitation and use of manufactured homes that are in need of critical repairs. To the extent feasible, Commerce must coordinate the program with the state's housing strategy plan. The Act also requires Commerce to contract with private, nonprofit entities for the administration of the grant program.

Titling of Manufactured Homes

With certain exceptions, any person who acquires a manufactured home must apply to Commerce for a certificate of title to the manufactured home. This requirement does not apply if the owner of the manufactured home intends, upon acquiring the manufactured home, to permanently affix the manufactured home to land that the owner of the manufactured home owns. In this case, the manufactured home becomes a part of the land and its ownership is evidenced by the deed applicable to that land. This Act creates a similar exception that applies if the owner of the manufactured home intends, upon acquiring the manufactured home, to affix the manufactured home to land in which the owner has a leasehold interest of sufficient duration.

Other Provisions

The Act establishes a Manufactured Housing Code Council for the purpose of advising Commerce concerning the regulation of the manufactured housing industry. The council is similar to advisory councils that currently advise Commerce with regard to other aspects of housing market regulation, except that members of the Manufactured Housing Code Council are appointed by the Secretary of Commerce rather than the Governor.

The Act also requires Commerce, by rule, to establish an alternative dispute resolution program designed to facilitate the timely, informal resolution of certain disputes concerning defective manufactured homes and manufactured home installations. The program applies to disputes among manufactured home manufacturers, salespersons, dealers, and installers. The program does not apply to disputes with consumers.

Current law contains numerous references to manufactured home parks. This Act changes the term "park" in these references to the term "community."

Effective Date: The Act took effect on December 1, 2005.

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