

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Senator Mahony

A Bill

SENATE BILL 852

For An Act To Be Entitled

"AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS
MANUFACTURED HOMES STANDARDS ACT; AND FOR OTHER PURPOSES."

Subtitle

"AN ACT TO AMEND VARIOUS SECTIONS OF THE
ARKANSAS MANUFACTURED HOMES STANDARDS
ACT."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 20-25-101 is amended to read as follows:

"20-25-101. Title.

(a) This chapter shall be known and may be cited as the Arkansas
Manufactured Homes Standards Act.

(b) The Arkansas General Assembly recognizes the need for quality
affordable housing, and that manufactured housing is one type of affordable
housing. The Arkansas General Assembly further recognizes that affordability
extends beyond the initial cost of the house. The Arkansas General Assembly
further recognizes that manufactured homes are generally purchased by low to
low-moderate income consumers, that the purchase of a manufactured home is a
major consumer acquisition, and that a defective manufactured home
undoubtedly creates a hardship for the consumer. It is the intent of the
Arkansas General Assembly that regulations are adopted that will insure that
manufactured homes meet standards of safety, quality, durability and energy-
efficiency that yield levels of performance comparable to other forms of
housing, while considering the importance of affordability. It is the
further intent of the Arkansas General Assembly that a good faith

1 manufactured housing warranty and installation complaint by a consumer be
2 resolved by the manufacturer, dealer or installer within a reasonable period
3 of time. However, nothing in this chapter shall in any way limit the rights
4 or remedies which are otherwise available to a consumer under any other law."
5

6 SECTION 2. Arkansas code 20-25-102 is amended to read as follows:

7 "§ 20-25-102. Definitions.

8 As used in this chapter, unless the context otherwise requires:

9 (1) Authorized representative means any person or employee approved
10 or hired by the director to perform inspection services;

11 (2) Code means standards adopted by the Arkansas Manufactured Home
12 Commission;

13 (3) Commission means the Arkansas Manufactured Home Commission;

14 (4) Condition means a general problem that may be attributable to a
15 defect in one or more parts;

16 (5) Consumer means the purchaser of a new or used manufactured home,
17 or any other person entitled by the terms of the warranty to enforce the
18 obligations of the warranty during the duration of the manufactured home
19 quality assurance period, provided the purchaser has titled and registered
20 the manufactured home as prescribed by law;

21 (6) Consummation of sale means that a purchaser has received all
22 goods and services that the dealer agreed to provide at the time the contract
23 was entered into or the transfer of title;

24 (7) Dealer means any person in the business of accepting on
25 consignment, buying for resale, selling, or exchanging manufactured homes or
26 offering them to the public for sale, exchange, or lease-purchase, whether
27 for himself or on behalf of any other person not certified as a dealer under
28 this chapter;

29 (8) Defect means a failure to comply with an applicable federal
30 manufactured home construction and safety standard that renders the
31 manufactured home or any part of the home unfit for the ordinary use of which
32 it was intended, but does not result in an imminent risk of death or severe
33 personal injury to occupants of the affected home;

34 (9) Director means the Director of the Arkansas Manufactured Home
35 Commission;

1 (10) *'Habitable'* as applied to manufactured housing is limited to and
2 means that there is no defect, damage, or deterioration to the home which
3 creates a dangerous or unsafe situation or condition; that the plumbing,
4 heating, and electrical systems are in safe working order; that the walls,
5 floor, and roof are free from any openings not designed and are structurally
6 sound; and that all exterior doors and windows are in place;

7 (11) Imminent safety hazard means a hazard that presents an imminent
8 and unreasonable risk of death or severe personal injury that may or may not
9 be related to failure to comply with an applicable federal manufactured home
10 construction or safety standard;

11 (12) Installer means any person who engages in the business of
12 performing installations of manufactured homes;

13 (13) Label means a label issued by the Department of Housing and
14 Urban Development or its contract agency to be affixed on the exterior of the
15 manufactured home to assure compliance with the federal standards;

16 (14) Licensee means any dealer, manufacturer, installer or
17 salesperson;

18 (15) Manufacturer means any person who manufactures manufactured
19 homes;

20 (16) Manufactured home means a structure, transportable in one (1)
21 or more sections, which, in the traveling mode, is eight (8) body feet or
22 more in width, or forty (40) body feet or more in length, or, when erected on
23 site, is three hundred twenty (320) or more square feet, and which is built
24 on a permanent chassis and designed to be used as a dwelling with or without
25 a permanent foundation when connected to the required utilities, and includes
26 the plumbing, heating, air conditioning, and electrical systems contained
27 therein. This term shall include any structure which meets all the
28 requirements of this subdivision except the size requirements and with
29 respect to which the manufacturer voluntarily files a certification required
30 by the Secretary of the Department of Housing and Urban Development and
31 complies with the federal standards;

32 (17) Nonconformity means any defect of condition or any concurrent
33 combination of defects or conditions that:

34 (A) Impairs the use, market value, or safety of a manufactured
35 home; or

1 (B) Renders the *manufactured* home nonconforming to the terms of
2 an applicable manufacturer's express warranty or implied warranty of
3 merchantability;

4 (18) Person means an individual, partnership, corporation, or other
5 legal entity;

6 (19) Purchase price means the cash price paid for the manufactured
7 home appearing in the purchase agreement or contract, including any net
8 allowance for a trade-in manufactured home;

9 (20) Purchaser means any person purchasing a manufactured home in
10 good faith for purposes other than resale;

11 (21) Serious defect means any failure to comply with an applicable
12 federal manufactured home construction and safety standard that renders the
13 manufactured home or any part thereof not fit for the ordinary use for which
14 it was intended and which results in an unreasonable risk of injury or death
15 to occupants of the affected manufactured home;

16 (22) Service representative means any person who is employed by or
17 contracts with a manufacturer to service manufactured homes as defined under
18 this chapter;

19 (23) Used Manufactured Home means any unit regulated by this chapter
20 *which is sold, bargained, exchanged, leased or given away from a manufacturer*
21 *or dealer who first acquired the unit which was titled in the name of such*
22 *purchaser, or a dealer;*

23 (24) Warranty means any written warranty issued by the manufacturer,
24 or any affirmation of fact or promise made by the manufacturer or dealer in
25 connection with the sale of a manufactured home to a consumer which relates
26 to the nature of the design, material or workmanship and affirms or promises
27 that such design, material or workmanship is free of defects;

28 (25) Workmanship means a minimum standard of construction or
29 installation reflecting a journeyman quality of the work of the various
30 trades."

31

32 SECTION 3. Arkansas code 20-25-104(a) is amended to read as follows:

33 "(a) It shall be deemed a violation of this chapter:

34 (1) For any manufacturer or dealer of manufactured homes to fail
35 to correct a code violation within a reasonable time, not to exceed thirty

1 (30) days, of being ordered to do so in writing by an authorized
2 representative of the director if the manufacturer or dealer manufactured or
3 sold the manufactured home after March 14, 1977; or

4 (2) Whenever a manufacturer, dealer, or installer fails to
5 correct the code violations within the time prescribed the commission shall
6 conduct an inspection within thirty (30) days.

7 (3) For any person to interfere with, obstruct, or hinder any
8 authorized representative of the director in performance of his duty. In
9 seeking to determine whether a manufacturer or dealer has violated the
10 provisions of this chapter, the director shall have full authority to convene
11 hearings and issue orders pursuant to the provisions of the Arkansas
12 Administrative Procedure Act, § 25-15-201 et seq., which is incorporated by
13 reference."

14

15 SECTION 4. Arkansas code 20-25-105(a) is amended to read as follows:

16 "(a)(1) There is *hereby* created the Arkansas Manufactured Home
17 Commission, consisting of ten (10) members. Members shall be appointed by the
18 Governor, to be confirmed by the Senate, and appointments shall be made in
19 such a manner as to result in at least one (1) member residing in each
20 congressional district as the congressional districts now and hereafter
21 exist. The members shall be representative of the following interests:

22 (A) *Five (5)* members shall be representative of the public
23 at large, and shall not have been engaged in or retired from the industry of
24 manufactured homes, nor associated with or affiliated with any person engaged
25 in or retired from the industry of manufactured homes;

26 (B) *Four (4) members* shall be representative of the
27 industry, *but not more than one shall* be a manufacturer of manufactured
28 homes, or have five percent (5%) or more interest in a manufactured home
29 plant; and

30 (C) One (1) member shall be sixty (60) years of age or
31 older and represent the elderly. He *or she* shall not be actively engaged in
32 or retired from the industry of manufactured homes, nor associated with or
33 affiliated with any person engaged in or retired from the industry of
34 manufactured homes.

35 (2) Each member shall be appointed for a five-year term, except

1 that a person appointed to fill a vacancy shall serve only the unexpired
2 portion of the term. Each member's term shall extend until his successor is
3 appointed and qualified.

4 (3) The members shall not receive compensation for their
5 services as members but shall receive reimbursement for necessary expenses
6 incurred in connection with the performance of their duties as commission
7 members.

8 (4) Membership on the commission shall not constitute holding a
9 public office, and no member shall be disqualified from holding any public
10 office or employment by reason of membership on the commission; nor shall the
11 member forfeit such office or employment by reason of his appointment
12 hereunder, notwithstanding any law to the contrary."
13

14 SECTION 5. Arkansas Code 20-25-106 is amended to read as follows:

15 "§ 20-25-106. Arkansas Manufactured Home Commission - Powers and
16 duties.

17 (a)(1) The commission shall by regulation set uniform reasonable
18 standards for the proper installation of manufactured homes including, but
19 not limited to, foundation, supports, anchoring, and underpinning of
20 manufactured homes installed in this state.

21 (2) The commission shall by regulation set requirements for and
22 require licensing and certification of manufacturers of manufactured homes in
23 this state and manufacturers of manufactured homes in other states selling
24 them in this state.

25 (3) The commission by regulation shall set the requirements and
26 require licensing and certification of any dealer, manufactured home
27 salesman, and others engaged in the sale, installation, anchoring, and
28 servicing of manufactured homes for sale in this state.

29 (4) The commission shall by regulation require an installation
30 and anchoring test of dealers and installers to insure strict compliance with
31 the established rules and regulations relating to installation and anchoring
32 of manufactured homes.

33 (b) *The commission shall require all manufacturers of manufactured*
34 *homes doing business in this state to have product liability insurance of not*
35 *less than one million dollars (\$1,000,000). The commission shall require*

1 *bonding or other reasonable methods to assure that dealers and others*
2 *licensed or certified under this chapter will be financially responsible to*
3 *comply with the code.*

4 (c) The commission shall convene appeal hearings and issue orders to
5 affirm, modify or overturn decisions of the director involving violations of
6 this chapter or of the code.

7 (d) *The commission shall delegate its authority, except the authority*
8 *to adopt standards, rules, and regulations, to the director.*

9 (e) The commission shall have the power to file suit in the Circuit
10 Court of Pulaski County to obtain a judgment for the amount of any penalty
11 not paid within thirty (30) days of service of the order assessing the
12 monetary penalty, unless a court enters a stay pursuant to the provisions of
13 this section.

14 (f) No license or certification issued by the commission shall be
15 transferred or assigned to any other person.

16 (g)(1) Any applicant, licensee or consumer aggrieved by an order
17 issued by the director involving violations of this chapter or the code, or
18 order of refusal, suspension, or revocation may appeal from the order or
19 decision to the commission.

20 (2) The notice of appeal shall be on a form which shall be
21 prescribed and furnished by the commission.

22 (3) The notice of appeal must either be mailed to the director
23 by certified mail or filed with the commission within fifteen (15) days after
24 the order to be appealed from was mailed, or after the license was issued, as
25 the case may be.

26 (h)(1) A hearing shall be held by the commission within at least
27 thirty (30) days after the date of the filing of the notice of appeal unless
28 the person appealing shall consent to a later hearing.

29 (2) At least ten (10) days before the time fixed for the
30 hearing, the director shall notify the consumer, applicant or licensee of the
31 time when, and the place where, the appeal shall be heard by the commission.
32 The notice to consumer, applicant, or licensee shall be by certified mail.

33 (3) At the time and place so fixed for the hearing, the
34 commission shall proceed to hear the appeal unless, with the consent of the
35 consumer, if applicable, and a majority vote of the commission, the hearing

1 is rescheduled. A hearing may be rescheduled one time.

2 (4) At any such hearing the director or his or her
3 representative shall be present, and the consumer, applicant, or licensee may
4 be present in person or by agent or counsel and present evidence and
5 argument.

6 (5) The commission shall adopt such procedures as it shall deem
7 necessary to govern the hearing process, and the commission shall not be
8 bound by the legal rules of evidence in hearing appeals and in making its
9 determination.

10 (i)(1) Within fifteen (15) days after the hearing is concluded, the
11 commission shall render its written opinion, decision, or order on the
12 appeal, as prepared by the director or their attorney.

13 (2) A copy of the opinion, decision, or order shall be mailed by
14 the commission by registered mail to the consumer, applicant, or licensee.

15 (3) The order and decision shall be final and binding on the
16 *director and all parties, subject to appeal to the circuit court as provided*
17 *for in this subchapter.*

18 (4) All hearings on appeal under this section shall be pursuant
19 to the Arkansas Administrative Procedures Act, Section 25-15-201 et seq.

20 (j) For the purpose of hearing or conducting any appeal authorized to
21 be heard by it, the commission shall have power:

22 (1) To examine, or cause to be examined, under oath, any
23 licensee, the director, or any other person with information relating to the
24 matter, and to examine, or cause to be examined, the books and records of any
25 such licensee;

26 (2) To hear testimony and to receive evidence for its
27 information in hearing an appeal;

28 (3) To administer oaths; and

29 (4) To issue subpoenas requiring the attendance of witnesses and
30 the production of records for any such purposes related to the issues in
31 question.

32 (k) The subpoenas shall be effective in any part of this state. Any
33 circuit court may by order duly entered require the attendance of witnesses
34 and the production of relevant records subpoenaed by the commission, and the
35 court may compel obedience to its orders by proceedings for contempt.

1 (l) An applicant involved in a hearing before the director of the
2 commission shall be entitled, on request, to subpoena for the compulsory
3 attendance of witnesses desired by him.

4 (m) All witnesses shall be entitled to mileage and fees as are
5 prescribed by law for witnesses in the circuit courts of the state; and the
6 mileage and fees of witnesses subpoenaed at the request of an applicant shall
7 be paid by him.

8 (n) Within thirty (30) days after the mailing of the order of the
9 commission, *any party* dissatisfied with the decision of the commission, may
10 appeal to the Circuit Court of Pulaski County.

11 (o) The appeal shall be taken by the filing of a transcript of the
12 proceedings before the commission with the clerk of the circuit court.

13 (p) The circuit court shall hear no new evidence on this appeal and
14 shall render its judgment only on errors of law.

15 (q) An appeal from the judgment of the circuit court may be taken as
16 provided by law."

17

18 SECTION 6. Arkansas Code 20-25-107(a) is amended to read as follows:

19 "(a) The Director of the Arkansas Manufactured Home Commission shall
20 be appointed by the commission, and shall not be terminated except for good
21 cause shown."

22

23 SECTION 7. Arkansas Code 20-25-107 is amended by inserting additional
24 subsections at the end thereof to read as follows:

25 "(g) The director shall have the following powers, functions, and
26 duties:

27 (1) The director shall have the power to suspend, revoke, or
28 refuse to renew the license or certification under this chapter of any person
29 who is found to have been guilty of:

30 (A) Fraud, misrepresentation, or deception in obtaining a
31 license or certification;

32 (B) Accepting a manufactured home, directly or indirectly,
33 from a manufacturer not certified by the state pursuant to this chapter;

34 (C) Selling or delivering, directly or indirectly, a
35 manufactured home to a dealer not certified by the state pursuant to this

1 chapter;

2 (D) Violating any provision of this chapter or rules or
3 regulations promulgated thereunder.

4 (h)(1) In lieu of suspension, revocation, or refusal to renew a
5 license certification, the director shall have the authority to impose a
6 monetary penalty and may suspend, refuse to renew, or revoke the license or
7 certification until the penalty is paid to the commission. The penalty shall
8 be imposed only if the director finds that the public welfare would not be
9 impaired by the imposition of a monetary penalty rather than suspension,
10 refusal to renew, or a revocation and payment of same should achieve the
11 desired disciplinary purpose.

12 (2) No monetary penalty imposed by the director shall exceed one
13 thousand dollars (\$1,000) per violation. Each separate act shall constitute
14 a separate violation.

15 (3) Regarding any violation of this chapter of Section 20-29-101
16 et seq., the director shall have the power to issue subpoenas to require the
17 attendance of witnesses and the production of books. These subpoenas shall
18 be effective in any part of this state. Any circuit court, either in term
19 time or vacation, by order duly entered may require the attendance of
20 witnesses or the production of relevant books subpoenaed by the director, and
21 the court may compel obedience to its order by proceedings for contempt.

22 (i) In the conduct of any hearing the director shall have the power:

23 (1) To examine, or cause to be examined, under oath, any person,
24 and examine or cause to be examined books and records of any licensee;

25 (2) To hear testimony and to take proffered material for his or
26 her information and the discharge of his or her duties thereunder;

27 (3) To administer or cause to be administered oaths;

28 (4) to prepare findings of fact, assess penalties, and issue
29 orders in cases of violations of this chapter or of the code."

30

31 SECTION 8. Arkansas Code 20-25-110 is amended to read as follows:

32 "§ 20-25-110. Warranty.

33 (a) Each manufactured home manufacturer in this state and
34 manufacturers of all new manufactured homes shipped into this state for use
35 in this state shall issue with each new manufactured home a warranty

1 generally in use in the industry warranting the manufactured home to be free
2 from defects in design, material and workmanship and to be manufactured in a
3 workman-like manner. Such warranty period shall not be less than one year.

4 (b) The warranty shall be to the buyer and shall set forth in writing
5 the following terms:

6 (1) That the manufactured home is free from any defects in
7 design, material and workmanship;

8 (2) That the manufacturer shall take appropriate corrective
9 action at the site of the manufactured home in instances of defects in
10 design, materials or workmanship which become evident after the date of
11 delivery of the manufactured home to the buyer, provided the buyer or his or
12 her transferee gives *or sends written* notice of the defects to the
13 manufacturer directly or to the manufacturer_s designee.

14 (A) Warranty repairs shall commence within *five (5) days*
15 of the manufacturer or its designee being notified by the consumer of *serious*
16 defects.

17 (B) *Warranty repairs shall commence within forty-five (45)*
18 *days after the manufacturer or its designee is notified by the consumer of*
19 *defects or nonconformities.*

20 (C) Warranty repairs shall be completed within a
21 reasonable amount of time.

22 (c) The warranty shall be in addition to, and not in derogation of,
23 all other rights and privileges which the buyer may have under any other law
24 or instrument. The manufacturer shall not require the buyer to waive his
25 rights under this chapter, and any waiver shall be deemed contrary to public
26 policy and shall be unenforceable and void.

27 (d) The warranty shall be valid for any purchaser within the warranty
28 period, or not less than one year, whichever is greater."
29

30 SECTION 9. Chapter 25 of Title 20 of the Arkansas Code is amended by
31 inserting additional sections at the end thereof to read as follows:

32 20-25-113. Handling of funds.

33 A dealer shall maintain in the dealer office a complete record of all
34 monies received as a result of the sale or offer of sale of a manufactured
35 home, including:

- 1 (1) the amount of deposit/down payment;
- 2 (2) from whom the money was received;
- 3 (3) date or dates of receipt;
- 4 (4) date of deposit;
- 5 (5) make and serial number of manufactured home involved in the
- 6 transaction; and
- 7 (6) when a transaction has been completed, whether or not a
- 8 manufactured home is sold, the final disposition of the monies, except those
- 9 monies related to sales commissions and profit by the dealer.

10 20-25-114. Liquidated damages.

11 (a) In the absence of an express provision in the sales contract
12 stipulating reasonable liquidated damages, if the consumer fails to accept
13 delivery of a manufactured *home*, the dealer of a manufactured home must
14 refund all deposit monies to the consumer. Where a consumer's credit is not
15 approved, the maximum retention may be fifty dollars (\$50.00). However, at
16 no time shall liquidated damages exceed *ten percent (10%)* of the down
17 payment.

18 (b) Prior to accepting any deposit or down payment the dealer shall
19 provide written notice to the purchaser of any *reasonable* liquidated damages
20 or retention of down payment or deposit if the consumer fails to accept
21 delivery of a manufactured home. The written notice shall be signed by the
22 purchaser and a copy provided to the purchaser at the time.

23 20-25-115. Sales contract.

24 Purchaser shall receive *from the dealer* at the time of the sales
25 transaction a completed copy of the contract or purchase agreement indicating
26 purchase amount, all standard features, any modifications and options, and a
27 notice of his or her right to rescind the contract in accordance with the
28 provisions of this chapter. *Purchasers shall also receive from the dealer at*
29 *the time of sale written information prepared by the Attorney General's*
30 *office and the Manufactured Housing Commission disclosing the existence of*
31 *the Manufactured Housing Commission and the purchaser's rights and*
32 *responsibilities under the Arkansas law applicable to manufactured homes.*

33 20-25-116. Rescission of contract.

34 Purchaser may rescind a contract or purchase agreement by providing
35 written notification to the dealer within three (3) days of signing a

1 contract or purchase agreement. Upon rescission of contract or purchase
2 agreement in accordance with this chapter, dealer shall refund all down
3 payment or deposit monies to the consumer within five (5) days.

4 20-25-117. Titling of manufactured homes.

5 *All manufactured homes shall be registered and titled within the time*
6 *frame prescribed by law.*

7 20-25-118. Registered agent.

8 Each manufacturer shipping manufactured homes into this state shall
9 maintain a registered agent for service of process. Such agent shall
10 register his or her name, address and phone number with the commission, and
11 notify the commission of any change in that information by filing a statement
12 of change as prescribed by the director.

13 20-25-119. Used Homes.

14 (a) A *manufacturer or dealer* may not sell, exchange, or lease-purchase
15 or negotiate for the sale, exchange, or lease-purchase of a used manufactured
16 home to a consumer unless the appropriate seal or label is affixed to it. If
17 the used manufactured home does not have a seal or label, the person must
18 apply to the commission for a seal and pay the fee.

19 (b) It is unlawful for a *manufacturer or dealer* to sell, exchange, or
20 lease-purchase any used manufactured home to a consumer for use as a dwelling
21 or residence without giving a written warranty that the manufactured home is
22 *habitable or a written warranty that the manufactured home is to be sold 'as*
23 *is'.* *If a warranty is given that a home is habitable, the consumer has sixty*
24 *(60) days after the date of the sale, exchange, or lease-purchase agreement*
25 *to notify the seller in writing of any defects that make the home*
26 *uninhabitable. Failure to give this required notice terminates any*
27 *obligations and liabilities of the seller under this section. The warranty*
28 *must conspicuously disclose this requirement to the consumer. If an 'as is'*
29 *warranty is given, the warranty must conspicuously disclose that the home may*
30 *not be habitable as defined in 20-25-102, and the warranty must enumerate any*
31 *serious defects in the home.* *If the sale, exchange, or lease-purchase is to a*
32 *purchaser for the purchaser's business use, the manufactured home need not be*
33 *habitable. 'Business use' means any use other than for a dwelling or*
34 *residence.*

35 (c) For the purposes of all provisions of this chapter or other laws

1 of this state the term habitable as applied to manufactured housing is
2 limited to and means that there is no defect, damage, or deterioration to the
3 home which creates a dangerous or unsafe situation or condition; that the
4 plumbing, heating, and electrical systems are in safe working order; that the
5 walls, floor, and roof are free from any openings not designed and are
6 structurally sound; and that all exterior doors and windows are in place.

7 (d) It is unlawful for a *manufacturer or dealer* to sell, exchange, or
8 lease-purchase a used manufactured home to any person without the appropriate
9 transfer of good and marketable title to the home. *The purchaser shall file*
10 *an application with the Department of Finance and Administration for*
11 *registration and issuance of a certificate of title in the purchaser's name*
12 *within the time frame prescribed by law.*

13 (e) *The purchaser of a used manufactured home for business use shall*
14 *not sell, exchange, or lease-purchase the home for use as a dwelling or*
15 *residence without first having the Arkansas Manufactured Home Commission, or*
16 *its designee, inspect and approve the home for use as a dwelling or*
17 *residence. Failure to comply with this subsection shall be a misdemeanor,*
18 *and shall constitute an unfair or deceptive act or practice under the*
19 *provisions of the Deceptive Trade Practices Act, Arkansas §§ 4-88-101 et seq.*

20 (f) A holder of a lien recorded on a manufactured home document of
21 title issued by the Department of Finance and Administration who sells,
22 exchanges, or transfers by a lease-purchase a repossessed manufactured home
23 covered by such document of title is not required to comply with the
24 provisions of this chapter, provided that the sale, exchange, or transfer by
25 a lease-purchase is (1) to or through a certified dealer, or (2) to a
26 purchaser for the purchaser's business use. *If the sale, exchange, or lease-*
27 *purchase is to or through a certified dealer, the dealer is responsible and*
28 *liable for compliance with the provisions of this subsection and all rules*
29 *and regulations of the commission, and the holder of the lien shall not be*
30 *joined as party in any litigation arising in connection with, or relating to,*
31 *the sale, exchange, or lease-purchase of the repossessed manufactured home.*
32 *The commission shall establish an inspection procedure for used manufactured*
33 *homes, and establish inspection fees and fees for the seal."*

34

35 SECTION 10. All provisions of this act of a general and permanent

1 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
2 Code Revision Commission shall incorporate the same in the Code.

3

4 SECTION 11. If any provision of this act or the application thereof to
5 any person or circumstance is held invalid, such invalidity shall not affect
6 other provisions or applications of the act which can be given effect without
7 the invalid provision or application, and to this end the provisions of this
8 act are declared to be severable.

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10 SECTION 12. All laws and parts of laws in conflict with this act are
11 hereby repealed.

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/s/Mahony

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