

SENATE BILL NO. 954

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ESLINGER.

3379S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 700.010, RSMo, and to enact in lieu thereof five new sections relating to manufactured housing.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 700.010, RSMo, is repealed and five
2 new sections enacted in lieu thereof, to be known as sections
3 700.010, 700.203, 700.206, 700.209, and 700.213, to read as
4 follows:

700.010. As used in sections 700.010 to 700.500, for
2 the purpose of sections 700.010 to 700.500, the following
3 terms mean:

4 (1) "Authorized representative", any person, firm or
5 corporation, or employee thereof, approved or hired by the
6 commission to perform inspection services;

7 (2) "Code", the standards relating to manufactured
8 homes, or modular units as adopted by the commission. The
9 commission, in its discretion, may incorporate, in whole or
10 in part, the standards codes promulgated by the American
11 National Standards Institute, the United States Department
12 of Housing and Urban Development or other recognized
13 agencies or organizations;

14 (3) "Commission", the public service commission;

15 (4) "Dealer", any person, other than a manufacturer,
16 who sells or offers for sale four or more used homes or one

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 or more new manufactured homes, or one or more new modular
18 units in any consecutive twelve-month period;

19 (5) "Good cause", for purposes of determining whether
20 there is good cause for a proposed action, the following
21 factors shall be considered:

22 (a) The extent of the affected dealer's penetration in
23 the relevant market area;

24 (b) The nature and extent of the dealer's investment
25 in its business;

26 (c) The adequacy of the dealer's service facilities,
27 equipment, parts, supplies, and personnel;

28 (d) The effect of the proposed action on the community;

29 (e) The extent and quality of the dealer's service
30 under warranties; and

31 (f) The dealer's performance under the terms of its
32 dealer agreement;

33 (6) "Installer", an individual who is licensed by the
34 commission to install manufactured homes under sections
35 700.650 to 700.692;

36 (7) "Line-make", a group of manufactured homes or
37 modular units that have all of the following characteristics:

38 (a) They are offered for sale, lease, or distribution
39 under a common name, trademark, service mark, or brand name
40 of the manufacturer or distributor of those structures;

41 (b) They are targeted to a particular market segment,
42 as determined by their decor, features, equipment, weight,
43 size, and price range;

44 (c) They are all of a single, distinct classification
45 of product type having a substantial degree of commonality
46 in construction;

47 (d) They are all of the same model that is
48 distinguishable by length and interior floor plan from other

49 **manufactured homes or modular units within the same product**
50 **type, notwithstanding the fact that the model may share some**
51 **or most of the same decor, features, equipment, weight, and**
52 **price range; and**

53 **(e) The dealer is specifically authorized to sell as**
54 **new that particular line-make and model of manufactured home**
55 **or modular unit under the terms of the dealer's existing**
56 **agreement with the manufacturer or distributor;**

57 **[(6)] (8) "Manufactured home", structure,**
58 **transportable in one or more sections, which, in the**
59 **traveling mode, is eight body feet or more in width or forty**
60 **body feet or more in length, or, when erected on site, is**
61 **three hundred twenty or more square feet, and which is built**
62 **on a permanent chassis and designed to be used as a dwelling**
63 **with or without a permanent foundation when connected to the**
64 **required utilities, and includes the plumbing, heating, air-**
65 **conditioning, and electrical systems contained therein. The**
66 **term includes any structure that meets all of the**
67 **requirements of this paragraph except the size requirements**
68 **and with respect to which the manufacturer voluntarily files**
69 **a certification required by the United States Secretary of**
70 **Housing and Urban Development and complies with the**
71 **standards established under Title 42 of the United States**
72 **Code;**

73 **[(7)] (9) "Manufacturer", any person who manufactures**
74 **manufactured homes, or modular units, including persons who**
75 **engage in importing manufactured homes, or modular units for**
76 **resale;**

77 **[(8)] (10) "Modular unit", a transportable building**
78 **unit designed to be used by itself or to be incorporated**
79 **with similar units at a point-of-use into a modular**
80 **structure to be used for residential, commercial,**

81 educational or industrial purposes. This definition shall
82 not apply to structures under six hundred fifty square feet
83 used temporarily and exclusively for construction site
84 office purposes;

85 [(9)] (11) "New", being sold or offered for sale to
86 the first purchaser for purposes other than resale;

87 [(10)] (12) "Person", an individual, partnership,
88 corporation or other legal entity;

89 [(11)] (13) "Premises", a lot, plot, or parcel of land
90 including the buildings, structures, and manufactured homes
91 thereon;

92 (14) **"Proprietary part", any part manufactured by or
93 for and sold exclusively by the manufacturer;**

94 [(12)] (15) "Recreational park trailer", a
95 recreational park trailer as defined in the American
96 National Standards Institute (ANSI) A119.5 Standard on
97 Recreational Park Trailers. A recreational park trailer is
98 not a recreational vehicle;

99 [(13)] (16) "Recreational vehicle", a recreational
100 vehicle as defined in the American National Standards
101 Institute (ANSI) A119.2 Standard on Recreational Vehicles;

102 [(14)] (17) "Seal", a device, label or insignia issued
103 by the public service commission, U.S. Department of Housing
104 and Urban Development, or its agent, to be displayed on the
105 exterior of the manufactured home, or modular unit to
106 evidence compliance with the code;

107 [(15)] (18) "Setup", the operations performed at the
108 occupancy site which renders a manufactured home or modular
109 unit fit for habitation, which operations include, but are
110 not limited to, moving, blocking, leveling, supporting, and
111 assembling multiple or expandable units.

700.203. 1. All manufacturers and dealers doing
2 business in this state must have a written agreement signed
3 by both parties.

4 2. The manufacturer shall designate in writing subject
5 to annual review the area of sales responsibility
6 exclusively assigned to a dealer and shall not establish
7 another dealer for the same line-make in the same area
8 during the duration of the agreement unless the manufacturer
9 can show good cause for the addition of the new dealer,
10 including reasonable evidence that the market will support
11 the establishment of a new dealership.

12 3. Sales of manufactured homes or modular units by
13 manufacturers or distributors shall be in accordance with
14 published prices, charges, and terms of sale in effect at
15 any given time. The manufacturer shall sell products on the
16 same basis, with respect to all rebates, discounts, and
17 programs, to all competing dealers similarly situated.

18 4. No manufacturer, directly or through any officer,
19 agent, or employee, may terminate a dealer agreement without
20 good cause. The burden of showing good cause is on the
21 manufacturer. Prior to the expiration of a dealer
22 agreement, both parties shall enter into negotiations for
23 renewal of the dealer agreement in good faith, and neither
24 will arbitrarily require a substantial change in competitive
25 circumstances. When taking on a competing manufacturer's
26 lines, a dealer shall notify existing manufacturers in
27 writing, at least thirty days prior to entering into such an
28 agreement, to sell the same type of manufactured home or
29 modular unit.

700.206. 1. Except as provided in this section, a
2 manufacturer shall provide a dealer at least one hundred
3 twenty days prior written notice of termination. The notice

4 shall state all the reasons for termination and shall
5 further state that if, within thirty days following receipt
6 of the manufacturer's notice, the dealer provides to the
7 manufacturer a written notice of intent to cure all claimed
8 deficiencies, the dealer will then have one hundred twenty
9 days from the date of the manufacturer's notice to rectify
10 such deficiencies. If the deficiency is rectified within
11 one hundred twenty days, the manufacturer's notice shall be
12 void. However, if the dealer fails to provide the notice of
13 intent to cure deficiencies in the prescribed time period,
14 the termination shall take effect thirty days after the
15 dealer's receipt of the manufacturer's notice unless the
16 dealer has new and untitled inventory on hand in which case,
17 if requested by the dealer, it shall take effect upon the
18 sale of the remaining inventory but in no event later than
19 one hundred twenty days from the manufacturer's notice of
20 termination.

21 2. The one hundred twenty day-notice may be reduced to
22 thirty days' notice if the grounds for termination are due
23 to:

24 (1) Conviction of or pleas of nolo contendere to a
25 felony of a dealer, or one of its owners;

26 (2) The business operations of the dealer have been
27 abandoned or closed for ten consecutive business days unless
28 the closing is due to an act of God, strike or labor
29 difficulty, or other cause over which the dealer has no
30 control;

31 (3) A material misrepresentation by the dealer; or

32 (4) The suspension, revocation, or refusal to renew
33 the dealer's license.

34 3. The notice provisions of this section shall not
35 apply if the reason for termination is insolvency, the

36 occurrence of an assignment for the benefit of creditors, or
37 bankruptcy.

38 4. A dealer may terminate its dealer agreement at any
39 time by giving written notice of such intention to the
40 manufacturer at least thirty days prior to the effective
41 date specified for termination.

700.209. If the dealer agreement is terminated,
2 cancelled, or not renewed by the manufacturer for cause, or
3 if the dealer voluntarily terminates a dealer agreement in a
4 manner permitted by such agreement, or if the manufacturer
5 terminates or discontinues a franchise by discontinuing a
6 line-make or by ceasing to do business in this state, or if
7 the manufacturer changes the distributor or method of
8 distribution of its products in this state or alters its
9 sales regions or marketing areas within this state in a
10 manner that eliminates or diminishes the dealer's market
11 area, the manufacturer shall, at the election of the dealer,
12 within thirty days of termination, repurchase:

13 (1) All new, untitled recreation vehicle inventory,
14 acquired from the manufacturer in the previous eighteen
15 months, which has not been altered or damaged to the extent
16 that such damage must be disclosed to the consumer pursuant
17 to section 700.213, at one hundred percent of the net
18 invoice cost, including transportation, less applicable
19 rebates and discounts to the dealer;

20 (2) All current and undamaged manufacturer's
21 accessories and proprietary parts sold to the dealer for
22 resale, if accompanied by the original invoice, at one
23 hundred five percent of the original net price paid to the
24 manufacturer to compensate the dealer for handling, packing,
25 and shipping the parts; and

26 (3) Any fully and correctly functioning diagnostic
27 equipment, special tools, current signage, and other
28 equipment and machinery, at one hundred percent of the
29 dealer's net cost plus freight, destination, delivery, and
30 distribution charges and sales taxes, if any, provided it
31 was purchased by the dealer within five years before
32 termination and upon the manufacturer's request and can no
33 longer be used in the normal course of the dealer's ongoing
34 business.

35 The manufacturer shall pay the dealer within thirty days of
36 receipt of all items returned for repurchase under this
37 section.

700.213. 1. On any new manufactured home or modular
2 unit, any uncorrected, significant damage, or any corrected
3 damage exceeding five hundred dollars or ten percent of the
4 dealer's invoice, whichever is greater, shall be disclosed
5 to the dealer in writing prior to delivery. The dealer is
6 responsible for disclosing such damage to the consumer in
7 writing and shall obtain a written acknowledgment of such
8 damage from the consumer. A copy of the consumer's
9 acknowledgment shall be provided to the manufacturer.
10 Factory or dealer repairs to glass, tires, wheels, bumpers,
11 audio/video equipment, in-dash components, instrument
12 panels, decorating items, appliances, furniture, and
13 components are excluded from disclosure when properly
14 replaced by substantially similar manufacturer's or
15 distributor's original equipment, materials, or parts.

16 2. Whenever a new manufactured home or modular unit is
17 damaged prior to transit to the dealer, or is damaged in
18 transit to the dealer when the carrier or means of

19 transportation has been determined by the manufacturer or
20 distributor, the dealer shall:

21 (1) Notify the manufacturer or distributor of such
22 damage by the next business day after the date of delivery
23 of such new manufactured home or modular unit to the
24 dealership or within such additional time as specified in
25 the manufacturer/dealer agreement; and

26 (2) Either:

27 (a) Request from the manufacturer or distributor
28 authorization to replace the components, parts, and
29 accessories damaged or otherwise correct the damage; or

30 (b) Reject the vehicle by the next business day after
31 delivery.

32 3. If the manufacturer or distributor refuses or fails
33 to authorize repair of such damage within ten days after
34 receipt of notification, or if the dealer rejects the
35 manufactured home or modular unit because of damage,
36 ownership of the new manufactured home or modular unit shall
37 revert to the manufacturer or distributor. The dealer shall
38 exercise due care in custody, but the dealer shall have no
39 other obligations, financial or otherwise, with respect to
40 such manufactured home or modular unit.

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