

HCS SB 235 -- MANUFACTURED HOMES, SAWMILLS, AND LENDING INSTITUTIONS

(Vetoed by the Governor)

This bill changes the laws regarding manufactured homes, classification of sawmills, and lending institution services.

CONVERSION OF MANUFACTURED HOMES TO REAL PROPERTY (Sections 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.250, 436.350, 441.005, 442.010, 442.015, 513.010, 700.010, 700.111, 700.320, 700.360, 700.375, 700.525, and 700.630, RSMo)

The bill establishes procedures for converting a manufactured home to real property or from real property back to personal property. In its main provisions, the bill:

- (1) Requires a manufactured home to be permanently affixed if it is anchored to real estate by attachment to a permanent foundation and connected to residential utilities to qualify as real property and requires an affidavit of affixation to contain certain specified information and to be filed with the recorder of deeds;
- (2) Allows a manufactured home once deemed to be real estate to be governed by the laws applicable to real estate;
- (3) Requires an affidavit of severance to be filed with the Department of Revenue when a manufactured home is removed from its permanent foundation stating the property description and any information that could affect the validity of the title of the manufactured home or the existence of a security interest or lien; and
- (4) Prohibits the department director from issuing a certificate of title when an affidavit of affixation has been recorded. The issuance is only allowed upon the recording of an affidavit of severance.

MANUFACTURED HOMES (Sections 700.100, 700.330, 700.350, 700.370, 700.385, and 700.526 - 700.529)

The bill changes the laws regarding manufactured homes. In its main provisions, the bill:

- (1) Authorizes the Missouri Public Service Commission to suspend, revoke, or place on probation the license of a manufactured home dealer for failure to obtain a written notice signed and dated by the purchaser of a used manufactured home or

modular unit which states that the commission does not regulate the setup of used manufactured homes and modular units sold by the dealer;

(2) Allows the sole owner of a manufactured home and multiple owners who hold their interest as joint tenants with the right of survivorship or as tenants by the entirety, upon application and payment of the fee required for an original certificate of ownership, to request the Director of the Department of Revenue to issue a certificate of ownership for the manufactured home in beneficiary form which includes a directive to the department director to transfer the certificate of ownership upon the death of the sole owner or of all multiple owners to one beneficiary or to two or more beneficiaries as joint tenants with right of survivorship or as tenants by the entirety named on the face of the certificate;

(3) Allows the owner to revoke the certificate of ownership or change beneficiaries. The certificate may be revoked by the sale of the home or by filing an application to reissue the certificate with no designation or a different designation of a beneficiary and paying the fee for an original certificate of ownership;

(4) Requires the department director to issue a new certificate of ownership to the surviving owners or beneficiaries upon proof of an owner's death, surrender of the outstanding certificate, and payment of a fee;

(5) Requires lienholders to notify the department director within 10 business days of any release of a lien if an electronic certificate of ownership is being held by the department director;

(6) Requires the holder of any security interest in a manufactured home to verify to the department that he or she has paid all past due rent which the holder is obligated to pay to the landowner if the home was repossessed;

(7) Specifies what determines an abandoned manufactured home that is located on another person's property;

(8) Changes the process for enforcing liens for unpaid rent against a manufactured home. Landowners must provide the homeowner with written notice prior to enforcing the lien and give him or her the opportunity to pay any rent owed. The notice must advise the homeowner of his or her legal rights including the right to contest the lien; and if the homeowner does not redeem the home within 30 days from the date of mailing the notice and no petition has been filed in circuit court to contest

the lien within 10 days of the receipt of the notice, the landowner may apply for a certificate of title;

(9) Authorizes the landowner to begin proceedings to sell a home within 30 days of receipt of the lien title;

(10) Requires the homeowner to be given at least 20 days' notice of the sale of a home;

(11) Specifies how the proceeds of the sale are to be distributed;

(12) Allows a homeowner to contest a lien brought by the landowner by filing a petition within 10 days of the mailing of the notice in the appropriate circuit court; and

(13) Prohibits perfected lienholders or homeowners of an abandoned manufactured home located on property which is being leased from removing the home until the landlord is paid any rent owed.

CLASSIFICATION OF SAWMILLS FOR PROPERTY TAXES (Section 137.016)

The bill classifies a sawmill or planing mill as defined in the United States Department of Labor's Standard Industrial Classification (SIC) Manual under Industry Group 242 with SIC numbers 2421, 2426, or 2429 as agricultural and horticultural property instead of commercial property for property taxation purposes.

LENDING INSTITUTION SERVICES (Sections 408.052, 408.094, 408.140, 408.233, and 408.300)

A lending institution is allowed to sell a deficiency waiver addendum, guaranteed asset protection, or similar product purchased as part of a loan transaction with collateral and at the borrower's option if the cost of the product is disclosed in the loan contract and if the plan does not include reimbursement for a deductible on a property insurance claim.

Lenders may offer, sell, and finance automobile club memberships, home and auto security plans, and other plans and services that benefit a borrower.