

SENATE BILL NO. 2317

Introduced by

Senators Poolman, Klein

Representatives Dockter, Drovdal

1 A BILL for an Act act to create and enact two new subsections to section 39-01-01 and a new
2 section to chapter 39-18 of the North Dakota Century Code, relating to definitions and to
3 manufactured home dealer licenses and fees; and to amend and reenact sections 39-18-02,
4 39-18-06, and 39-18-08 of the North Dakota Century Code, relating to mobile home dealer
5 regulation.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1.** A new subsection to section 39-01-01 of the North Dakota Century Code is
8 created and enacted as follows:

9 "Manufactured home" means a structure, transportable in one or more sections, that,
10 in the traveling mode, is eight body feet [2.44 meters] or more in width or forty body
11 feet [12.19 meters] or more in length, or, when erected on site, is three hundred twenty
12 square feet [29.73 square meters] or more, and which is built on a permanent chassis
13 and designed to be used as a dwelling with or without a permanent foundation when
14 connected to the required utilities, and includes the plumbing, heating, air-conditioning,
15 and electrical systems contained therein. The term includes any structure that meets
16 all of the requirements of this subsection except the size requirements and with
17 respect to whether the manufacturer voluntarily files a certification required by the
18 United States secretary of housing and urban development and complies with the
19 standards established under title 42 of the United States Code.

20 **SECTION 2.** A new subsection to section 39-01-01 of the North Dakota Century Code is
21 created and enacted as follows:

22 "Mobile home" means a structure, either single or multisectional, which is built on a
23 permanent chassis, ordinarily designed for human living quarters, either on a
24 temporary or permanent basis, owned or used as a residence or place of business of

1 the owner or occupant, which is either attached to utility services or is twenty-seven
2 feet [8.23 meters] or more in length.

3 **SECTION 3.** A new section to chapter 39-18 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Manufactured home dealer's license - Fees.**

6 A person, partnership, corporation, or limited liability company may not engage in the
7 business of buying, selling, or exchanging of manufactured homes or advertise or hold oneself
8 or itself out to the public as being in the business of buying, selling, or exchanging
9 manufactured homes without first being licensed to do so as hereinafter provided.

10 Application for a dealer's license and renewal license must be made to the department on
11 such forms as the department prescribes and furnishes, and the application must be
12 accompanied by an annual fee of thirty-five dollars. A dealer's license expires on December
13 thirty-first of each year, and application for renewal of a dealer's license must be made on or
14 before the expiration of the current dealer's license. A manufactured home dealer's license must
15 be issued only to those who will maintain a permanent office and place of business during the
16 licensing year, and will abide by all the provisions of law pertaining to manufactured home
17 dealers. In addition, the dealer shall maintain that person's business records in one central
18 location.

19 **SECTION 4. AMENDMENT.** Section 39-18-02 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **39-18-02. Bond required.**

22 Before the issuance of a mobile home or manufactured home dealer's license, as provided
23 by law, the applicant for such license shall furnish a continuous surety bond executed by the
24 applicant as principal and executed by a surety company licensed and qualified to do business
25 within the state of North Dakota, which must be in the amount of ten thousand dollars, and be
26 conditioned upon the faithful compliance by said applicant as a dealer, if such license be issued
27 to the dealer, that such dealer will comply with all the laws of the state of North Dakota
28 pertaining to such business, and regulating or being applicable to the business of said dealer as
29 a dealer in mobile homes or manufactured homes, and indemnifying any person dealing or
30 transacting business with such dealer in connection with any mobile home or manufactured
31 home from any loss or damage occasioned by the failure of such dealer to comply with the

1 provisions of the laws of the state of North Dakota, including the furnishing of a proper and valid
2 certificate of title to the vendee of a mobile home or manufactured home within fifteen days of
3 the sale of such mobile home or manufactured home, and to the vendee of a travel trailer as
4 defined by section 57-55-01 within fifteen days of the sale of such travel trailer, and that such
5 bond must be filed with the director prior to the issuance of the license herein provided for.
6 Provided, however, that the aggregate liability of the surety to all such persons for all such
7 losses or damages may, in no event, exceed the amount of such bond. Any third party
8 sustaining injury within the terms of the bond may proceed against the principal and surety
9 without making the state a party to any such proceedings. The bond may be canceled by the
10 surety, as to future liability, by giving written notice by certified mail, addressed to the principal at
11 the address stated in the bond, and to the department. Thirty days after the mailing of the
12 notice, the bond is null and void as to any liability thereafter arising. The surety remains liable,
13 subject to the terms, conditions, and provisions of the bond, until the effective date of the
14 cancellation.

15 **SECTION 5. AMENDMENT.** Section 39-18-06 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **39-18-06. Suspension or revocation of dealer's license.**

18 The department may suspend or revoke any dealer's license for failure of the licensee to
19 comply with any of the laws of the state of North Dakota governing mobile home or
20 manufactured home dealers, or for failure to comply with the reasonable rules and regulations
21 of the department set up under chapter 28-32, but no order suspending or revoking a dealer's
22 license may be made before a hearing at which the licensee must be given an opportunity to be
23 heard.

24 **SECTION 6. AMENDMENT.** Section 39-18-08 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **39-18-08. Sales by real estate broker or salesperson of used mobile home or**
27 **manufactured home - Penalty.**

28 Notwithstanding any other provision of law, a person licensed as a real estate broker or
29 salesperson may sell or offer to sell, buy or offer to buy, solicit prospective purchasers of, solicit
30 or obtain listings of, or negotiate the purchase, sale, or exchange of any used mobile home or
31 manufactured home. For the purposes of this section, a used mobile home is a mobile home

1 which has been previously sold by a mobile home dealer and a used manufactured home is a
2 manufactured home which has been previously sold by a manufactured home dealer. Any
3 person, including a person licensed as a real estate broker or salesperson, who obtains a listing
4 for the sale or exchange of a used mobile home or manufactured home which is located in a
5 mobile home park, as defined in section 23-10-01, shall provide notice of such listing within
6 seven days after the listing is obtained, in writing, to the owner or operator of the mobile home
7 park.

8 No real estate broker who engages in the activities authorized by this section may maintain
9 any place of business where two or more mobile homes are displayed and offered for sale by
10 the broker, unless the broker is also licensed as a mobile home or manufactured home dealer
11 pursuant to this chapter. A person who violates this section is guilty of an infraction.