Agency Name: Manufactured Housing Board

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- 01/23/2014 Received by Lt. Gov & Speaker 05/23/2014

H 01/23/2014 Referred to Committee

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provided for in the Regulation

Document No. 4438

**MANUFACTURED HOUSING BOARD**

CHAPTER 79

Statutory Authority: 1976 Code Sections 40-1-70 and 40-29-200(B)(1)

79-4. Financial Responsibility

**Synopsis:**

To satisfy the requirements of licensure for manufactured home builders and salespersons, Regulation 79-4 must be updated in conformance with the current Manufactured Housing Board Practice Act as updated by 2013 Act No. 97.

The Notice of Drafting was published in the *State Register* on July 26, 2013.

**Instructions:**

The following section of Chapter 79 is modified as provided below. All other sections remain unchanged.

**Text:**

79-4. Financial Responsibility.

Applicants applying for license in the following classifications will be required to demonstrate financial responsibility in the following manner:

(1) Salespersons and Multi-Lot Salespersons:

(a) A credit report may be made on each new applicant, or on each applicant whose license has been previously suspended or revoked; and

(b) The Board reserves the right to cause a credit report to be made on an applicant for the purpose of investigating a complaint or verifying the information contained on the application for license.

(2) Manufacturers:

(a) Applicants for manufacturer's license are required to report the net worth of the company/corporation/partnership;

(b) Applicants are required to furnish a copy of articles of incorporation if company is a corporation or partnership agreement if a partnership;

(c) Applicants are required to furnish three references from banks or two bank references and one reference from a business doing business with the applicant.

(3) Retail Dealers:

(a) A credit report must be provided by the applicant to the Department for the owner, authorized official or entity of the retail dealer upon initial application for a license, or if the license has been previously suspended or revoked, or if the license lapses for six months. The Board also may require a credit report to be provided for the purpose of investigating a complaint or verifying the information contained on an application for a license;

(b) Applicants are required to furnish a copy of articles of incorporation if the company is a corporation or partnership agreement if the company is a partnership;

(c) Applicants who have a net worth of less than one hundred fifty thousand dollars demonstrated by possession of one hundred fifty thousand dollars in cash or cash equivalency or a credit score of less than seven hundred must appear before the board;

(d) A financial statement reviewed by a licensed certified public accountant must be provided to the board.

(e) Should the board license an applicant who is unable to meet the financial responsibility guidelines of this section or regulations of the board, then the board may modify or restrict the activities of the licensee.

(f) Reviewed Financial Reports are required for Corporations and LLC's. Compiled Financial Reports are required for Sole Proprietorship and Partnerships;

(g) Applicants are required to furnish either a bank reference or business references from two companies doing business with the retail dealer.

(4) Installers, Repairers and Contractors:

(a) A credit report may be required on each new applicant, or on each applicant whose license has been previously suspended or revoked, or if a license lapses over six months; and,

(b) The Board may require a credit report to be provided for the purpose of investigating a complaint or verifying the information contained on the application for license.

**Fiscal Impact Statement:**

There will be no cost incurred by the State or any of its political subdivisions for the promulgation of this regulation.

**Statement of Rationale:**

This regulation is updated in conformance with the current Manufactured Housing Practice Act and newer legislation.