State of California
Business, Transportation and Housing Agency
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS

Occupational Licensing Examination Study Guide

FOR
MANUFACTURED HOME, MULTI-UNIT MANUFACTURED HOUSING, MOBILEHOME AND COMMERCIAL MODULAR DEALER AND SALESPERSON EXAMINATIONS

Prepared by the

OCCUPATIONAL LICENSING PROGRAM

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Visit our website at
http://www.hcd.ca.gov/codes/ol

Prologue

What Is It Called?

In addition to creating the state standards for conventional site built housing, the Division of Codes and Standards oversees an industry whose products are known by different names. This sometimes causes confusion. This information should clarify the usage of the different names.

What is a Manufactured Home?

"Manufactured Homes" are single-family dwellings manufactured in a factory to preemptive federal construction standards. Available designs range from low priced single section homes known as "singlewides," to upscale homes manufactured in several sections. Shown at the left is a model designed for placement on a foundation with the garage constructed after the installation of the three-section home.

What is Multi-Unit Manufactured Housing?

In short, it is a structure manufactured in one or more transportable sections to form two or more dwelling units in a single structure when installed. Multi-unit manufactured housing may be used as a duplex, dormitory, efficiency unit, hotel, or apartment, installed on a support system or foundation system in or outside mobilehome parks, depending on the number of dwelling units, methods of installation and local zoning.

What is a Mobilehome?

"Mobilehome" was the name used in law until 1982, when both federal and California laws were amended to replace it with "manufactured home." The name "mobilehome" is still commonly used because of the tens of thousands of mobilehomes manufactured before 1982. The picture at the left shows a typical singlewide mobilehome design common during the 1970's.

What is a Commercial Modular?

"Commercial Modulars," formerly known as Commercial Coaches until 1/1/03*, are one of the most diverse non-residential transportable structures that are manufactured in a factory. They are manufactured in single or multi transportable sections and have many varied configurations and uses. They are designed and equipped for human occupancy for industrial, professional, or commercial purposes. These structures can be a corner convenience store, an architect's office, a factory, a private school room(s), etc. A permit is required to transport these units.

What is a Special Purpose Commercial Modular?

A "Special Purpose Commercial Modular," formerly known as a Special Purpose Commercial Coach until 1/1/03*, is not a structure. They are vehicles, with or without motive power, designed and equipped for human occupancy for industrial, professional, or commercial purposes. These vehicles are not required to be moved under permit; but they must be licensed by the California Department of Motor Vehicles if they are moved on public roads. The mobile food preparation unit at the left is an example of a Special Purpose Commercial Modular. In certain instances the local health department or the California Department of Health Services must also approve the unit prior to the Department issuing a insignia of approval.

What is Factory-Built Housing?

"Factory-Built Housing" is manufactured in a factory to the same State codes as conventional site-built homes. The product may be in the form of a complete home, or components and panels known as building components systems to be assembled at the construction site to form a housing unit. Factory-built housing may be used to form a single family home or multiple dwelling unit structures like a hotel or apartment. Factory-built housing is often referred to as "modular" or "prefab." Both terms are slang and are not used in California law or regulations.

* - Reference HSC Sections 18001.8, 18012.5, and 18015.1.

OCCUPATIONAL LICENSING
STUDY GUIDE

FOR
MANUFACTURED HOME, MULTI-UNIT MANUFACTURED HOUSING, MOBILEHOME, COMMERCIAL MODULAR DEALER AND SALESPERSON LICENSES

INTRODUCTION

This Study Guide contains reproductions of the statutes and regulations governing the sale, use, construction, alteration, installation, and registration & titling of Manufactured Homes, Multi-Unit Manufactured Housing, Mobilehomes, and Commercial Modulars applicable to manufacturers, dealers and salespersons.

This Study Guide is designed specifically for applicants (dealers and salespersons only) taking the Occupational Licensing examinations, but also serves as a useful reference for those persons whose business interests involve manufactured home, multi-unit manufactured housing, mobilehome, or commercial modular transactions.

The licensing examination questions and answers are formulated solely from the text of this Study Guide. However, applicants are cautioned to obtain those laws and regulations, such as the Federal Truth in Lending Act and Federal Regulation Z that apply to the activities of dealers and salespersons, which may be referenced, but not included in their entirety in this Study Guide. The applicant should also be aware, whenever a conflict exists between a statute (California Health and Safety Code, unless otherwise noted) and a regulation (California Code of Regulations - Title 25, unless otherwise noted), the requirements of the statute, has precedence over a regulation. Therefore, for examination questions, if you identify a conflict between a statute and a regulation, then the question should be answered in accordance with the statute.

Occupational Licensing examinations are administered at Department of Housing and Community Development offices several times weekly. There are separate examinations for dealers and salespersons, which are separated into manufactured home/multi-unit manufactured housing/mobilehome or commercial modular fields.

- The dealer examination contains **75** multiple choice questions with a **two-hour** (120 minute) completion allowance.
- The salespersons examination contains **50** multiple choice questions and has a **one and one-half hour** (90 minute) completion allowance.

In order to successfully complete the dealer examination, a minimum score of **53** correct answers (70%) must be obtained. Salesperson applicants must score a minimum of **35** correct answers (70%) to pass. There is no limit to the number of times an applicant may take the examination; however, the examination fee applies to each examination taken. Contact the Department of Housing and Community Development office where you wish to take the examination to obtain testing times.

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CALIFORNIA HEALTH AND SAFETY CODE
DIVISION 13, PART 2
MOBILEHOMES-MANUFACTURED HOUSING ACT OF 1980

EFFECTIVE DATE: January 1, 2004
(Legislative changes during 2003)

NOTICE: This printing is prepared for Departmental use and supersedes the printing effective March 1, 2003.

This printing includes the 2003 Legislative amendments, which affect the following sections of the California Health, and Safety Code reprinted in the 2004 OL Study Guide.

- Chapter 593, Statutes of 2003 (Senate Bill No. 305) amends Sections 18021.7 to the Health and Safety Code, effective January 1, 2004.
- Chapter 814, Statutes of 2003 (Senate Bill No. 306) amends Sections 18013.4 and 18045.5 to the Health and Safety Code, effective January 1, 2004.

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DIVISION 13, PART 2.

MOBILEHOMES-MANUFACTURED HOUSING ACT OF 1980

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PART 2. MOBILEHOMES-MANUFACTURED HOUSING ACT OF 1980

CHAPTER 1. DEFINITIONS

18000. Short title

This part shall be known and may be cited as the Mobilehomes-Manufactured Housing Act of 1980.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18000.5. Construction of provisions

The provisions of this part, insofar as they are substantially the same as existing statutory provisions relating to the same subject matter, shall be construed as restatements and continuations, and not as new enactments. During any transition required by this part, and until July 1, 1982, the department may determine or effectuate any action or requirement in a manner which implements the legislative intent of this part and which protects appropriate interests of any parties subject to or protected by this part. Regulations implementing this part and promulgated prior to July 1, 1982, shall be deemed emergency regulations pursuant to Section 11346.1 of the Government Code.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18001. Approved

"Approved," when used in connection with any material, appliance, or construction, means meeting the requirements and approval of the Department of Housing and Community Development.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18001.6. Building

"Building" is any permanent structure built for the support, shelter, or enclosure of persons, animals, chattel, or property of any kind.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18001.8. Commercial Modular

"Commercial modular" means a structure transportable in one or more sections, designed and equipped for human occupancy for industrial, professional, or commercial purposes, which is required to be moved under permit, and shall include a trailer coach as defined in Section 635 of the Vehicle Code. "Commercial coach" has the same meaning as "commercial modular" as that term is defined in this section.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 98, Stats. of 2002, eff. 1/1/03.)

18002. Commission

"Commission" is the Commission of Housing and Community Development.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18002.3. Consumer

"Consumer" includes any person or entity which purchases or leases a manufactured home, mobilehome, commercial coach, recreational vehicle, or truck camper for consideration, except a dealer or manufacturer.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18002.6. Dealer

(a) "Dealer" means a person not otherwise expressly excluded by subdivision (b), who is engaged in any of the following activities:

(1) For commission, money, or other thing of value, sells, exchanges, leases, buys, offers for sale, or negotiates or attempts to negotiate a sale or exchange of an interest in a manufactured home, mobilehome, or commercial coach, or induces or attempts to induce any person to buy or exchange an interest in a manufactured home, mobilehome, or commercial coach, and who receives or expects to receive a commission, money, brokerage fees, profit, management fees, or any other things of value from either the seller or purchaser of the manufactured home, mobilehome, or commercial coach.

(2) Is engaged wholly or in part in the business of selling manufactured homes, mobilehomes, or commercial coaches or buying or taking in trade manufactured homes, mobilehomes, or commercial coaches for the purpose of reselling, selling, or offering for sale, or consigning to be sold, or otherwise dealing in manufactured homes, mobilehomes, or commercial coaches, whether or not these manufactured homes, mobilehomes, or commercial coaches are owned by the dealer.

(b) "Dealer" does not include any of the following:

(1) An insurance company, bank, savings and loan association, finance company, or public official coming into possession of one or more manufactured homes, mobilehomes, or commercial coaches in the regular course of business, who only sells manufactured homes, mobilehomes, or commercial coaches under a contractual right or obligation, in performance of an official duty, or under the authority of any court of law. However, a sale subject to this paragraph shall be for the purpose of preventing the seller from suffering a loss or pursuant to the authority of a court of competent jurisdiction.

(2) Persons who sell or distribute manufactured homes, mobilehomes, or commercial coaches, subject to registration or titling pursuant to Chapter 8 (commencing with Section 18075), for a manufacturer to dealers licensed under this part, or who are employed by manufacturers or distributors to promote the sale of manufactured homes, mobilehomes, or commercial coaches dealt in by that manufacturer or distributor. However, if any person also sells manufactured homes, mobilehomes, or commercial coaches at retail, the person is a dealer and is subject to this part.

(3) Persons regularly employed as salespersons by dealers licensed under this part while acting within the scope of that employment.

(4) Persons exclusively engaged in the bona fide business of exporting manufactured homes, mobilehomes, or commercial coaches, or of soliciting orders for the sale and delivery of manufactured homes, mobilehomes, or commercial coaches outside the territorial limits of the United States, if no federal excise tax is legally payable on any of those transactions or the tax is legally refundable on the transactions. Persons not exclusively engaged in the bona fide business of exporting manufactured homes, mobilehomes, or commercial coaches but who are engaged in the business of soliciting orders for the sale and delivery of manufactured homes, mobilehomes, or commercial coaches outside the territorial limits of the United States shall be exempt from licensure as dealers only if their gross sales proceeds from manufactured homes, mobilehomes, or commercial coaches produce less than 10 percent of their total gross revenue from all business transacted.

(5) Persons not engaged in the purchase or sale of manufactured homes, mobilehomes, or commercial coaches as a business.

(6) Persons disposing of manufactured homes, mobilehomes, or commercial coaches acquired for their own use or for use in a business of acquiring, leasing, or selling manufactured homes, mobilehomes, or commercial

coaches, if the manufactured homes, mobilehomes, or commercial coaches have been so acquired and used in good faith and not acquired or used for the purpose of avoiding the provisions of this part.

(7) Persons licensed as real estate brokers who buy, sell, list, or negotiate the purchase, sale, or exchange of manufactured homes or mobilehomes pursuant to Section 10131.6 of the Business and Professions Code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18002.8. Department

"Department" means the Department of Housing and Community Development.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18003. Distributor

"Distributor" means any person other than a manufacturer who sells or distributes new manufactured homes, mobilehomes, or commercial coaches to dealers in this state.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18003.3. Dwelling unit

"Dwelling unit" means one or more habitable rooms which are designed to be occupied by one family with facilities for living, sleeping, cooking, eating, and sanitation.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18003.5. Escrow agent

"Escrow agent" means the person, firm, or corporation authorized by law to conduct the escrows required by Section 18035.
(Added by Ch. 686, Stats. of 1992, eff. 1/1/93.)

18003.6. Established place of business

"Established place of business" means a place actually occupied, either continuously or at regular periods, by a licensee, where the books and records pertinent to the type of business being conducted are kept.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18003.8. Franchise

"Franchise" means a written agreement between two or more persons having all of the following conditions:

(a) A commercial relationship of definite duration or continuing indefinite duration.

(b) The franchisee is granted the right to offer, and sell at retail, new manufactured homes, mobilehomes, or commercial coaches manufactured or distributed by the franchisor.

(c) The franchisee constitutes a component of the franchisor's distribution system.

(d) The operation of the franchisee's business is substantially associated with the franchisor's trademark, trade name, advertising, or other commercial symbol designating the franchisor, as determined by the department.

(e) The operation of a portion of the franchisee's business is substantially reliant on the franchisor for a continued supply of new manufactured homes, mobilehomes, or commercial coaches, parts, and accessories, as determined by the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18004. Franchisee

"Franchisee" means any person who, pursuant to a franchise, receives new manufactured homes, mobilehomes, or commercial coaches from the franchisor and who sells manufactured homes, mobilehomes, or commercial coaches at retail.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18004.3. Franchisor

"Franchisor" means any person who manufactures, assembles, or distributes new manufactured homes, mobilehomes, or commercial coaches and who grants a franchise.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18004.6. Fraud, deceit

"Fraud" includes any act or omission which is included within the definition of either "actual fraud" or "constructive fraud" as defined, respectively, in Sections 1572 and 1573 of the Civil Code, and the term "deceit" has the same meaning as defined in Section 1710 of the Civil Code.

In addition, the terms "fraud" and "deceit" include, but are not limited to, the following:

(a) A misrepresentation in any manner, whether intentionally false or due to gross negligence, of a material fact.

(b) A promise or representation not made honestly and in good faith.

(c) An intentional failure to disclose a material fact.

(d) Any act falling within the provisions of Section 484 of the Penal Code.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18004.8. Good moral character

"Good moral character" has the same meaning as specified in Division 1.5 (commencing with Section 475) of the Business and Professions Code.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18005. Hearing or notice of hearing

"Hearing" or "notice of hearing", as used in this part, shall mean notice and hearing under Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code except in the case of summary action pursuant to Section 18064.5.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18005.3. Junior lienholder

"Junior lienholder" means a person, other than a legal owner, holding a security interest in a manufactured home, mobilehome, commercial coach, floating home, or truck camper perfected by filing the appropriate documents with the department pursuant to Section 18080.7.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)

(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)

18005.6. Lease

"Lease" means an oral or written contract for the use, possession, and occupation of property. "Lease" includes rent.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18005.8. Legal owner

"Legal owner" means a person holding a security interest in a manufactured home, mobilehome, commercial coach, floating home, or truck camper perfected by filing the appropriate documents with the department pursuant to Section 18080.7 if the person is entitled to the designation, as provided in Article 3 (commencing with Section 18085) or 4 (commencing with Section 18098) of Chapter 8. A lien created pursuant to Section 18080.9 is not a security interest for purposes of this definition.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 446, Stats. of 1995, eff. 1/1/96.)

18006. Licensee

"Licensee" means a dealer, dealer branch, manufacturer, distributor, or salesperson licensed pursuant to this part.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)

18006.3. Manufacturer

(a) "Manufacturer" means any person who produces from raw materials or basic components a manufactured home, mobilehome, or commercial coach of a type subject to the provisions of this part, or who permanently alters for purposes of retail sales, rent, or lease, within this state, manufactured homes, mobilehomes, or commercial coaches by converting them into manufactured homes, mobilehomes, or commercial coaches subject to this part.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)

18007. Manufactured home

"Manufactured home", for the purposes of this part, means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under this part. "Manufactured home" includes a mobilehome subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18008. Mobilehome

"Mobilehome," for the purposes of this part, means a structure that meets the requirements of Section 18007. "Mobilehome" does not include a commercial coach, as defined in Section 18001.8, factory-built housing, as defined in Section 19971, or a recreational vehicle, as defined in Section 18010.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 875, Stats. of 1989, eff. 1/1/90.)
(Amended by Ch. 185, Stats. of 1995, eff. 1/1/96.)

18008.5. Manufactured home or mobilehome accessory building or structure; manufactured home or mobilehome accessory

"Manufactured home or mobilehome accessory building or structure" or "manufactured home or mobilehome accessory" includes, but is not limited to, any awning, portable, demountable, or permanent cabana, ramada, storage cabinet, carport, skirting, heater, cooler, fence, windbreak, or porch or other equipment established for the use of the occupant of the manufactured home or mobilehome.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 471, Stats. of 2000, eff. 1/1/01.)

18008.7. Multi-unit manufactured housing

(a) "Multi-unit manufactured housing," for the purposes of this part, means either of the following:

(1) A structure transportable under permit in one or more sections, designed and equipped to contain not more than two dwelling units, a dormitory, or an efficiency unit, to be used either with a support system pursuant to Section 18613 or a foundation system pursuant to Section 18551 system.

(2) A structure transportable under permit in one or more sections, designed to be used with a foundation system for either of the following purposes:

(A) Three or more dwelling units, as defined by Section 18003.3

(B) . (B) A residential hotel, as defined by paragraph (1) of subdivision (b) of Section 50519.

(b) Multi-unit manufactured housing shall be constructed in compliance with applicable department regulations. The egress and fire separation requirements of Title 24 of the California Code of Regulations applicable to dormitories, hotels, apartment houses, and structures that contain two dwelling units shall also be applicable to all multi-unit manufactured housing constructed for those purposes. The accessibility and adaptability requirements of Title24 of the California Code of Regulations applicable to dormitories, hotels, and apartment houses shall also be applicable to multi-unit manufactured housing containing three or more dwelling units.

(c) Notwithstanding any other provision of law, all provisions of law that apply to manufactured homes shall apply equally to multi-unit manufactured housing, except as provided in this section.

(d) For purposes of this section:

(1) "Dormitory" means a room or rooms inhabited for the purposes of temporary residence by two or more persons.

(2) "Efficiency unit" has the same meaning as defined in Section17958.1. SEC. 2. Section 18214.2 is added to the Health and Safety Code, to read:

(Added by Ch. 185, Stats. of 1995, eff. 1/1/96.)
(Amended by Ch. 356, Stats of 2001, eff. 1/1/02.)

18009. New manufactured home; new mobilehome; new commercial coach

"New manufactured home," "new mobilehome," or "new commercial coach" is a manufactured home, mobilehome, or commercial coach which is not defined as a "used manufactured home," "used mobilehome," or "used commercial coach" under Section 18014, which is delivered for sale or lease in this state, and which has not been delivered to a first purchaser or lessor for purposes other than resale or reletting.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18009.3. Park Trailer

(a) "Park trailer" means a trailer designed for human habitation for recreational or seasonal use only, that meets all of the following requirements:

(1) It contains 400 square feet or less of gross floor area, excluding loft area space if that loft area space meets the requirements of subdivision (b) and Section 18033. It may not exceed 14 feet in width at the maximum horizontal projection.

(2) It is built upon a single chassis.

(3) It may only be transported upon the public highways with a permit issued pursuant to Section 35780 of the Vehicle Code.

(b) For purpose of this section and Section 18033, “loft area” means any area within a unit that is elevated 30 inches or more above the main floor area and designed to be occupied. In order for the floor of a loft area to be occupied and excluded from the calculation of gross floor area for purposed of subdivision (a), the loft area shall meet all of the requirements of Section 18033. Loft areas not meeting the requirements of this subdivision and Section 18033 shall not be occupied and shall be posted with a permanent label conspicuously located within 24 inches of the opening of each noncomplying loft. The label language and design shall provide the following:

WARNING
This area is not designed to be occupied and shall be used only for storage

Lettering on this label shall contrast with the label’s background and shall be not less than one-quarter inch in height, except for the word ”WARNING” which shall be not less than one-half inch in height.

(c) A park trailer hitch, when deigned by the manufacturer to be removable, may be removed and stored beneath a park trailer.

(d) If any provision of this section or Section 18033 conflicts with ANSI Standard A119.5 Recreational Park Trailers as it is published at any time, the statutory provision shall prevail.

(Added by Ch. 566, Stats. of 2000, eff. 1/1/01.)
(Amended by Ch. 490, Stats. of 2001, eff. 1/1/02)

18009.5. Registered owner

"Registered owner" means a person registered by the department as the owner of a manufactured home, mobilehome, commercial coach, floating home, or truck camper.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93)

18010. Recreational vehicle

"Recreational vehicle" means either of the following:

(a) A motor home, travel trailer, truck camper, or camping trailer, with or without motive power, designed for human habitation for recreational, emergency, or other occupancy, which meets all of the following criteria:

(1) It contains less than 320 square feet of internal living room area, excluding built-in equipment, including, but not limited to, wardrobe, closets, cabinets, kitchen units or fixtures, and bath or toilet rooms.

(2) It contains 400 square feet or less of gross area measured at maximum horizontal projections.
(3) It is built on a single chassis.
(4) It is either self-propelled, truck-mounted, or permanently towable on the highways without a permit.
(b) A park trailer, as defined in Section 18009.3.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 419, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1078, Stats. of 1986, eff. 9/24/86, operative 1/1/87.)
(Amended by Ch. 1178, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)
(Amended by Ch 566, Stats. of 2000, eff. 1/1/01.)

18010.5. Regulations; rules and regulations

"Regulations" or "rules and regulations," as used in this part, means regulations promulgated by the commission or department, as appropriate, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18011. Rent

"Rent" means money or other consideration given for the right of use, possession, and occupation of property.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18012. Retailer

"Retailer" means a dealer.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18012.3. Sale; sold

"Sale" or "sold", for purposes of Chapter 8 (commencing with Section 18075) does not include or extend to any sale made by a manufacturer or a distributor to a dealer or by a dealer to another dealer licensed under this part.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 442, Stats. of 1986, eff. 1/1/87.)

18012.4. Slide-in camper

"Slide-in camper" means a portable unit, consisting of a roof, floor, and sides, designed to be loaded onto, and unloaded from, a truck and designed for human habitation for recreational or emergency occupancy. "Slide-in camper" means a truck camper.
(Added by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18012.5. Special purpose commercial modular

"Special purpose commercial modular" means a vehicle with or without motive power, designed and equipped for human occupancy for industrial, professional, or commercial purposes, which is not required to be moved under permit, and shall include a trailer coach. "Special purpose commercial coach" has the same meaning as "special purpose commercial modular" as that term is defined in this section.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 98, Stats. of 2002, eff. 1/1/03.)

18013. Salesperson

(a) "Salesperson" means a person employed by a dealer and not otherwise expressly excluded by this section, who does one or more of the following:

(1) For commission, money, profit, or other thing of value, sells, exchanges, buys, leases, or offers for sale, negotiates, or attempts to negotiate, a sale, lease, or exchange of an interest in a manufactured home, mobilehome, or commercial coach.

(2) Induces or attempts to induce any person to buy, lease, or exchange an interest in a manufactured home, mobilehome, or commercial coach, and who receives or expects to receive a commission, money, brokerage fees, profit, or any other thing of value, from either the seller, lessee, or purchaser of the manufactured home, mobilehome, or commercial coach.

(3) Exercises managerial control over the business of a licensed manufactured home, mobilehome, or commercial coach dealer or who supervises salespersons employed by a licensed dealer, whether compensated by salary or commission, including, but not limited to any person who is employed by the dealer as a general manager, assistant general manager, sales manager, or in any capacity, regardless of title, where the individual reviews, advises, supervises, or oversees, sales contracts, credit applications, or any other documents pertaining to the sale, purchase, or lease of manufactured homes or mobilehomes, or any employee of a licensed manufactured home, mobilehome, or commercial coach dealer who negotiates with or induces a customer to enter into a security agreement, lease, or purchase agreement or purchase order for the sale of a manufactured home, mobilehome, or commercial coach on behalf of the licensed manufactured home, mobilehome, or commercial coach dealer.

(b) The term "salesperson" does not include any of the following:

(1) A representative of an insurance company, finance company, bank, savings and loan association, or public official, who in the regular course of business, is required to dispose of, or sell manufactured homes, mobilehomes or commercial coaches under a contractual right or obligation of the employer, or in the performance of an official duty, or under authority of any court of law, as long as the sale is for the purpose of protecting the seller from any loss or is pursuant to the authority of a court of competent jurisdiction.

(2) A person who is licensed as a manufacturer or distributor.

(3) A person exclusively employed in a bona fide business of exporting manufactured homes, mobilehomes, or commercial coaches, or of soliciting orders for the sale and delivery of mobilehomes or commercial coaches outside the territorial limits of the United States.

(4) A person not engaged in the purchase or sale of manufactured homes, mobilehomes, or commercial coaches as a business, disposing of manufactured homes, mobilehomes, or commercial coaches acquired for the person's own use, or for use in business when they have been so acquired and used in good faith and not for the purpose of avoiding the provisions of this part.

(5) A person licensed as a manufactured home, mobilehome, or commercial coach dealer doing business as a sole ownership or a member of a partnership or a stockholder and director of a corporation licensed as a manufactured home, mobilehome, or commercial coach dealer under this part, as long as the person engages in the activities of a salesperson exclusively on behalf of the sole ownership or partnership or corporation in which the person owns an interest or stock, and the person owning the stock is a director of the corporation; otherwise, the person shall be deemed to be a manufactured home, mobilehome, or commercial coach salesperson and subject to the provisions of Section 18045.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

18013.2. Third Party

"Third-party entity" or "third party," as used in this part, means an entity which is all of the following:

(a) In the business of inspecting equipment, systems, and assemblies and monitoring quality assurance programs, or analyzing plans, designs, specifications, and engineering calculations supporting design concepts.

(b) Not under the control or jurisdiction of any manufacturer or supplier for any affected industry except by contract as required and approved by the department.

(c) Making available specific information as required by the department.

(d) Approved by the department.

(Added by Ch. 165, Stats. of 1986, eff. 1/1/87)
(Amended by Ch. 1178, Stats. of 1988, eff. 1/1/89)
(Repealed by Ch. 1144, Stats. of 1989, eff. 9/30/89)
(Added by Ch. 1278, Stats. of 1989, eff. 1/1/90)
(Amended by Ch. 506, Stats. of 1991. eff. 1/1/92)

18013.4. Truck camper

"Truck camper" means a slide-in camper as defined in Section 18012.4.

(Added by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 814, Stats. of 2003, eff. 1/1/04.)

18014. Used manufactured home; used mobilehome; used commercial coach

"Used manufactured home," "used mobilehome," or "used commercial coach" means a manufactured home, mobilehome, or commercial coach that was previously sold and registered or titled with the department, or with an appropriate agency or authority, or any other state, District of Columbia, territory or possession of the United States or a foreign state, province, or country.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

CHAPTER 2. APPLICATION AND SCOPE

18015. Applicability of part; rules and regulations

The provisions of this part apply to all parts of the state and supersede any ordinance enacted by any city, county, or city and county which conflict with the provisions of this part. The department may promulgate regulations to interpret and make specific the provisions of this part relating to construction, titling and registration, occupational licensing, advertising, commercial transactions, and other related or specifically enumerated activities, and, when adopted, these rules and regulations shall apply in all parts of the state. The department may promulgate rules and regulations to interpret and make specific the other provisions of this part and when adopted these rules and regulations shall apply in all parts of the state.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18015.1. All statutory references to "commercial coach" and "special purpose commercial coach

All statutory references to "commercial coach" and to "special purpose commercial coach" are hereby deemed to refer to "commercial modular" and to "special purpose commercial modular," respectively.

(Added by Ch. 98, Stats. of 2002, eff. 1/1/03.)

18015.5. Applicability to commercial coaches

The provisions of Chapter 4 (commencing with Section 18025), applicable to manufactured homes and mobilehomes, shall also apply to commercial coaches, except that reasonable variations in standards for

commercial coaches shall be established by regulations if the department determines these variations will not endanger public health, welfare, or safety.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 293, Stats. of 1998, eff 1/1/99.)

18015.7. Sales to city, county, city and county, or other public agency

Subdivision (p) of Section 18062.8 shall not apply to a sale to a city, county, city and county, or any other public agency for the purpose of providing housing for low- and moderate-income households, as defined in Section 50093.

(Added by Ch. 185, Stats. of 1995, eff. 1/1/96.)

18016. Approved alternative materials, etc.

(a) The provisions of this part are not intended to prevent the use of any material, appliance, installation, device arrangement, or method of construction not specifically prescribed by this part and the rules and regulations promulgated pursuant thereto, provided any alternate has been approved by the department.

(b) The department may approve any alternate if it finds that the proposed design is satisfactory and that the material, appliance, installation, device, arrangement, method, or work offered is, for the purpose intended, at least the equivalent of that prescribed in this part and the rules and regulations promulgated pursuant thereto in quality, strength, effectiveness, fire resistance, durability, safety, and for the protection of life and health.

(c) Whenever there is evidence that any material, appliance, installation, device, arrangement, or method of construction does not conform to the requirements of this part and the rules and regulations promulgated pursuant thereto, or in order to substantiate claims for alternates, the department may require tests or proof of compliance to be made at the expense of the owner or his or her agent.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18016.5. Mobilehome-manufactured home revolving fund

(a) The Mobilehome Revolving Fund is continued in existence and renamed the Mobilehome-Manufactured Home Revolving Fund. Money transferred to, or deposited in, the fund is continuously appropriated to the department notwithstanding Section 13340 of the Government Code, for expenditure in carrying out the provisions of this part. All fees or other moneys accruing to the department pursuant to this part shall, except as otherwise expressly provided by law, be deposited in the fund.

(b) Total money contained in the Mobilehome-Manufactured Home Revolving Fund on June 30 of each fiscal year shall not exceed the amount of money needed for operating expenses for one year for the enforcement of this part. If the total money contained in the fund exceeds this amount, the commission or department, as appropriate, shall make appropriate reductions in the schedule of fees authorized by this part.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 195, Stats. of 1983, eff. 7/12/83.)

CHAPTER 3. ENFORCEMENT

18020. Departmental duties; department-approved third-party entities; regulations; inspection services; citation and fines; remedies

(a) Except for the provisions in Section 18027.3, and except as provided by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401, et seq.), as it applies to the

manufacture of new manufactured housing, the department shall enforce this part and the rules and regulations adopted thereunder.

(b) The department may, at the department's sole option, enforce Chapter 4 (commencing with Section 18025) and the rules and regulations adopted pursuant to that Chapter 4 through department-approved third-party entities. The department shall adopt regulations for the approval of third-party entities, including, but not limited to, all of the following criteria:

(1) Freedom from any conflict of interest.

(2) Qualifications of personnel.

(3) Frequency of inspections or monitorings of manufacturer quality control.

(4) Involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2.

(5) Any other conditions of operations the department may reasonably require.

(c) The department may require rotation of third-party entities performing inspection services for any manufacturing facility within the state to prevent either the third-party entity from performing within the same facility for more than 365 calendar days or from performing inspections for any facility when the third-party entity performed inspection services within the previous 365 calendar days.

(d) The department shall monitor the performance of third-party entities approved pursuant to subdivision (b) and shall require periodic reports in written form containing information the department may reasonably require to determine compliance with the conditions of the department's approval.

(1) When the department receives information about an alleged inadequacy in the performance of a third-party entity, including any involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2, it shall consider the information in its monitoring efforts and make a determination about the validity of the alleged inadequacy in a timely manner.

(2) When the department determines, either through its monitoring efforts or through information provided by any other person, that an approved third-party entity has failed to perform according to the conditions of approval, the department may withdraw approval by forwarding written notice to the approved third-party entity by registered mail to its address of record, briefly summarizing the cause for the department's decision.

(3) A third-party entity upon having its approval withdrawn by the department, may request a hearing before the director of the department. The request for hearing shall be in writing and either delivered or postmarked prior to midnight on the 10th calendar day from the date of the department's notice.

(4) The department, upon timely receipt of a written request for hearing, shall, within 30 calendar days, schedule a hearing before the director or his or her agent. All hearings pursuant to this subdivision shall be held in the department's Sacramento offices and the decision of the director shall be final.

(5) A third-party entity whose approval has been withdrawn by the department shall not be permitted to reapply for the department's approval pursuant to subdivision (b) for a period of one year from the date the approval was withdrawn by the department.

(6) A third-party entity whose approval has been withdrawn more than once by the department shall not be permitted to reapply for department approval pursuant to subdivision (b) for a period of not less than one year from the date the department's approval was last withdrawn.

(7) No third-party entity shall perform the activities required by Section 18013.2 unless it has the approval of the department.

(e) (1) Upon finding a violation of subdivision (b) on the part of a third-party entity, the director shall issue citations and levy administrative fines. Each citation and fine assessment shall be in writing and describe the particulars for the citation. The citation and fine assessment shall be issued no later than six months after discovery of the violation.

(2) The fine for the first violation shall be at least five hundred dollars ($500) and shall not exceed one thousand dollars ($1,000), the fine for the second violation shall be at least two thousand dollars ($2,000) and not exceed four thousand dollars ($4,000), and the fine for the third violation shall be at least five thousand dollars ($5,000), and shall not exceed ten thousand dollars ($10,000). The fines shall be assessed for each day the violation occurs. If a third-party entity has been cited more than three times during a 365 day period, the approval to conduct inspections on behalf of the department shall be suspended for a minimum of one year.

(3) The third-party entity may request an administrative hearing on the citation or fine. If the party fails to request a hearing within 30 days, and does not pay the fine, the approval to perform inspections shall be automatically revoked, until such time as the department finds that the circumstances which led to the citation have been corrected and the fines have been paid.

(4) Upon review of the findings from the administrative hearing, the director may modify, rescind, or uphold the citation and fine assessment. The decision of the director shall be served by regular mail.

(5) The fines shall be paid into the Housing and Community Development Fund, which is hereby created in the State Treasury, and shall be used, when appropriated by the Legislature, to offset the department's costs to administer this part.

(f) The remedies provided in this part to any aggrieved party are not exclusive and shall not preclude the applicability of any other provision of law.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 165, Stats. of 1986, eff. 6/18/86.)
(Amended by Ch. 1278, Stats. of 1989, eff. 1/1/90.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18020.5. Offense; punishment; limitation of prosecution

(a) Any person who knowingly violates any of the provisions of this part or any rules or regulations issued pursuant to this part, except for a violation of any federal manufactured home or mobilehome construction and safety standard for which a penalty is provided in Section 18021, is guilty of a misdemeanor, punishable by a fine not exceeding two thousand dollars ($2,000), by imprisonment not exceeding 30 days, or by both.

(b) Notwithstanding Section 801 of the Penal Code, the one-year period for filing an indictment or an information or complaint with respect to any misdemeanor in subdivision (a) by a licensee in the first sale or lease of any manufactured home, mobilehome, or commercial coach to a consumer shall commence on the date the manufactured home, mobilehome, or commercial coach is delivered to the consumer.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 293, Stats. of 1998, eff 1/1/99)

18021. Federal violation; punishment

(a) Any person who knowingly violates any provision of Section 5409 of Title 42 of the United States Code, or any regulation or final order issued thereunder as it exists on the effective date of this section in this state, shall be liable to the state for a civil penalty of not to exceed one thousand dollars ($1,000) for each violation. Each violation of a provision of Section 5409 of Title 42 of the United States Code, or any regulation or order issued thereunder, as it exists on the effective date of this section shall constitute a separate violation with respect to each manufactured home or mobilehome, or with respect to each failure or refusal to allow or perform an act required thereby, except that the maximum civil penalty may not exceed one million dollars ($1,000,000) for any related series of violations occurring within one year from the date of the first violation.

(b) Any individual or a director, officer, or agent of a corporation, who knowingly violates Section 5409 of Title 42 of the United States Code as it exists on the effective date of this section in this state in a manner which threatens the health and safety of any purchaser, shall be subject to a state fine of not more than one thousand dollars ($1000), or by imprisonment for not more than one year, or by both such a fine and imprisonment.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18021.5. Violations relating to licensing or titling and registration; misdemeanor; punishment; suspension or revocation; recovery of investigative and enforcement costs; civil penalty; other remedies; findings of administrative law judge

(a) Any person who knowingly violates any of the provisions of this part relating to licensing or titling and registration, or any rules or regulations promulgated therefor, is guilty of a misdemeanor, punishable by a fine not exceeding two thousand dollars ($2,000) or by imprisonment not exceeding 30 days, or by both.

(b) The department, after notice and hearing, may suspend or revoke the license issued to a licensee, as provided for by this part, who knowingly violates any of the provisions of this part. In any hearing before a judge or in any administrative action before an administrative law judge, the department may seek and may recover its investigative and enforcement costs from the licensee unless the licensee prevails on the charges. The department may also seek fines, and may seek restitution as provided in subdivision (d).

(c) Any person who knowingly violates any provision of this part relating to licensing or titling and registration, or any rules or regulations promulgated therefor, shall be liable for a civil penalty not exceeding two thousand dollars ($2,000) for each violation or for each day of a continuing violation. The department shall institute or maintain an action in a court of appropriate jurisdiction to collect any civil penalty arising under this section.

(d) In addition to the other remedies provided in this section, the department may pursue any other remedies provided for in this part and may seek restitution for any monetary loss to a purchaser, seller, licensee, financing agency, governmental agency, or other person or entity suffering a monetary loss as a result of a violation of this part.

(e) In any disciplinary hearing before an administrative law judge concerning licensing, upon request of the department and pursuant to appropriate proof, the administrative law judge shall make the following findings:

(1) The amount of the actual and direct monetary loss to any person or entity as a result of fraud, willful misrepresentation, or breach of warranty or guarantee by the respondent.

(2) The amount of the department's investigative and enforcement costs up to and including the date of the hearing, including, but not limited to, charges imposed by the Office of Administrative Hearings pursuant to hearing the case and issuing a proposed decision.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 763, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 1289, Stats. of 1988, eff. 9/26/88.)
(Amended by Ch. 1285, Stats. of 1988, eff. 1/1/89.)

18021.6. Application of penal laws to transactions involving fraud, misrepresentation, forgery, or deceit

Nothing in this part shall be construed as precluding the application of any other provision of the penal laws of this state to any transaction involving fraud, misrepresentation, forgery, or deceit which violates this part.

(Added by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)

18021.7. Citations for violation of specified sections; penalties; hearings

(a) (1) In addition to other remedies provided in this part, the Director of Housing and Community Development or his or her designee may issue a citation that assesses a civil penalty payable to the department to any licensee who violates Section 18021.5, 18029.6, or 18030, subdivision (b) of Section 18032, Section 18035, 18035.1, 18035.2, 18035.3, 18036, 18039, 18045, 18045.5, 18045.6, 18046, or 18058, subdivision (a) of Section 18059, subdivision (b) of Section 18059.5, subdivision (c) of Section 18060, subdivision (c) of Section 18060.5, Section 18061, subdivision (d), (i), or (j) of Section 18061.5, subdivision (a) or (b)of Section 18062, subdivision (a), (b), (d), (e), (f), (g), or (h) of Section 18062.2, subdivision (c) of Section 18063, or Section 18080.5.

(2) A violation of subdivision (d) of Section 18060.5 is also cause for citation if both the dealer and the manufacturer receive written notice of a warranty complaint from the complainant, from the department, or another source of information, and, at a minimum, the 90-day period provided for correction of substantial defects pursuant to Section 1797.7 of the Civil Code has expired. (3) Each citation and related civil penalty assessment shall be issued no later than six months after discovery of the violation.

(b) The amount of any civil penalty assessed pursuant to subdivision (a) shall be one hundred dollars ($100) for each violation, but shall be increased to two hundred fifty dollars ($250) for each subsequent violation of the same prohibition for which a citation for the subsequent violation is issued within one year of the citation for the

previous violation. The violation or violations giving cause for the citation shall be corrected if applicable, and payment of the civil penalty shall be remitted to the department within 45 days of the date of issuance of the citation. Civil penalties received by the department pursuant to this section shall be deposited in the Mobilehome-Manufactured Home Revolving Fund.

(c) Any person or entity served a citation pursuant to this section may petition for, and shall be granted, an informal hearing before the director or his or her designee. The petition shall be a written request briefly stating the grounds for the request. Any petition, to be considered, shall be received by the department within 30 days of the date of issuance of the citation.

(d) Upon receipt of a timely and complying petition, the department shall suspend enforcement of the citation and set a time and place for the informal hearing and shall give the licensee written notice thereof. The hearing shall commence no later than 30 days following receipt of the petition or at another time scheduled by the department pursuant to a request by the licensee or department if good and sufficient cause exists. If the licensee fails to appear at the time and place scheduled for the hearing, the department may notify the licensee in writing that the petition is dismissed and that compliance with terms of the citation shall occur within 10 days after receipt of the notification.

(e) The department shall notify the petitioner in writing of its decision and the reasons therefor within 30 days following conclusion of the informal hearing held pursuant to this section. If the decision upholds the citation, in whole or in part, the licensee shall comply with the citation in accordance with the decision within 30 days after the decision is mailed by the department.

(f) Nothing in this section shall be construed to preclude remedies available under other provisions of law.

(Added by Ch. 793, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 713, Stats. of 2002, eff. 1/1/03.)
(Amended by Ch. 593, Stats. of 2003, eff. 1/1/04.)

18022. Administration; inspections

(a) The director, and other representatives of the department designated by him or her, shall enforce those provisions of law committed to the administration of the department pursuant to this part.

(b) Any person designated in subdivision (a) may inspect any manufactured home, mobilehome, commercial coach, or truck camper of a type required to be registered under this code, or any component part thereof, in any garage, repair shop, parking lot, new or used sales facility, manufacturer's facility, display facility, or any other establishment engaged in the business of selling, repairing, or displaying manufactured homes, mobilehomes, commercial coaches, or truck campers or the integral parts thereof, for the purpose of investigating the title and registration of the manufactured home, mobilehome, commercial coach, or truck camper, or the sales practices thereof.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18022.5. Injunctions; appointment of receiver; restitution

(a) Whenever the director determines through an investigation that any person has violated this part, or any regulation, order, license, permit, decision, demand, or requirement or any part or provision thereof issued pursuant to this part, the director may bring an action in the name of the people of the State of California against that person to enjoin the person from continuing the violation or engaging therein or doing any act or acts in furtherance thereof.

In the action, an order or judgment may be entered awarding a preliminary or final injunction as may be proper.

If the director makes a showing satisfactory to the court that the violation or threatened violation jeopardizes funds and properties of others in the custody or under the control of the defendant, the court may appoint a receiver for management of the business of the defendant, including, but not limited to, the funds and properties

of others in his or her possession or may make any other order as it deems appropriate to protect and preserve those funds and properties.

(b) The director may include in any action authorized by subdivision (a), a claim for restitution on behalf of the persons injured by the act or practice constituting the subject matter of the action, and the court shall have jurisdiction to award appropriate relief to those persons.

(Added by Ch. 707, Stats. of 1987, eff. 1/1/88.)

18023. Powers of peace officers

(a) The director, and any other representatives of the department designated by the director, shall have the powers of peace officers only for the purpose of service of warrants or documents and for the cooperation with other law enforcement agencies in the collection of information.

(b) The department shall notify any concerned governmental agency whenever it is determined by investigation that an escrow agent has done any of the following:

(1) Violated Section 18035, 18035.2, or applicable administrative rules and regulations.

(2) Engaged in loan fraud.

(3) Submitted false information to the department for the purposes of titling and registration of a manufactured home or mobilehome.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

(Amended by Ch. 865, Stats. of 1990, eff. 1/1/91.)

18024. Acting as a dealer without a license; citation; civil penalties; regulations; cumulative remedies

(a) If, upon inspection or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is acting in the capacity, or engaging in the business, of a dealer within this state without having a license in good standing therefor, and the person is not otherwise exempt pursuant to subdivision (b) of Section 18002.6, the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order of abatement and assessment of a civil penalty not to exceed two thousand dollars ($2,000). All civil penalties collected under this section shall be deposited in the Mobilehome-Manufactured Home Revolving Fund provided for in Section 18016.5.

(b) The department shall adopt regulations prescribing procedures for issuance of citations under this section and covering the assessment of a civil penalty which shall give due consideration to the gravity of the violation, the good faith of the person cited, and any history of previous violations.

(c) The sanctions authorized under this section shall be separate from, and in addition to, all other civil or criminal remedies.

(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

18024.2. Issuance of citation; limitation

A citation under Section 18024 shall be issued by the department within three years after the act or omission which is the basis for the citation.

(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

18024.3. Appeal to the department; time; delivery of citation

Any person served with a citation under Section 18024 may appeal to the department within 30 days from the receipt of the citation with respect to violations alleged, scope of the order of abatement, or amount of civil penalty assessed. The citation shall inform the person served that an appeal is required to be filed within 30 days of receipt by the person of the citation. The citation shall be delivered by personal service or substitution.

(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

18024.4. Failure to appeal; finality of citation; judicial review and costs; extension of appeal period by the department

If, within 30 days from receipt of the citation, the person cited fails to notify the department that he or she intends to appeal the citation, the citation shall be deemed final. However, the person cited may obtain judicial review in accordance with Section 11523 of the Government Code. The person cited shall receive court costs and attorney's fees if he or she prevails. The 30-day period may be extended by the department for good cause.
(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

18024.5. Notice of intent to contest citation; hearing; decision; law governing proceedings

If the person cited under Section 18024 timely notifies the department that he or she intends to contest the citation, the department shall afford an opportunity for a hearing. The department shall thereafter issue a decision, based on findings of fact, affirming, modifying, or vacating the citation or directing other appropriate relief. The proceedings under this section shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the department shall have all the powers granted therein.
(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

18024.6. Exhaustion of review procedures; superior court judgment and order

After the exhaustion of the review procedures provided for in Sections 18024.3 to 18024.5, inclusive, the department may apply to the appropriate superior court for a judgment in the amount of the civil penalty and an order compelling the cited person to comply with the order of abatement. The application, which shall include a certified copy of the final order of the department, shall constitute a sufficient showing to warrant the issuance of the judgment and order.
(Added by Ch. 752, Stats. of 1983, eff. 1/1/84.)

CHAPTER 4. STANDARDS

18025. Structural, fire safety, plumbing, heating, and electrical requirements; rules and regulations; compliance with federal law

(a) Except as provided in subdivisions (b) and (c), it is unlawful for any person to sell, offer for sale, rent, or lease within this state, any manufactured home or any mobilehome, commercial coach, or special purpose commercial coach manufactured after September 1, 1958, containing structural, fire safety, plumbing, heat-producing, or electrical systems and equipment unless the systems and equipment meet the requirements of the department for those systems and that equipment and the installation of those systems and that equipment. The department may adopt rules and regulations that are reasonably consistent with recognized and accepted principles for structural, fire safety, plumbing, heat-producing, and electrical systems and equipment and installations, respectively, to protect the health and safety of the people of this state from dangers inherent in the use of substandard and unsafe structural, fire safety, plumbing, heat-producing, and electrical systems, equipment and installations.

(b) All manufactured homes and mobilehomes manufactured on or after June 15, 1976, shall comply with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.).

(c) The sale of used manufactured homes and mobilehomes by an agent licensed pursuant to this part shall be subject to Section 18046.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

(Amended by Ch. 763, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 812, Stats. of 1996, eff. 1/1/97.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)
(Amended by Ch. 517, Stats. of 1999, eff. 1/1/00.)

18025.5. Enforcement of federal safety and construction standards; inspections; operative date of section

(a) Pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C., Sec. 5401, et seq.), the department is authorized to assume responsibility for enforcement of manufactured home and mobilehome construction and safety standards relating to any issue with respect to which a federal standard has been established. The department may adopt regulations to ensure acceptance by the Secretary of Housing and Urban Development of California's plan for administration and enforcement of federal manufactured home and mobilehome safety and construction standards.

(b) The department may conduct inspections and investigations that it determines may be necessary to secure enforcement of this part and regulations adopted pursuant to this part.

(c) Subdivision (b) shall not apply to the enforcement of Section 18027.3 unless the department determines there is a compelling reason to exercise oversight in the inspection of recreational vehicles or park trailers at a factory, in which case the department may investigate the inspection, or conduct a department inspection, on recreational vehicles or park trailers at a factory and utilize any means necessary to collect a fee on the manufacturer for the cost of the department investigation or inspection.

(d) For the purposes of enforcement of this part and the related regulations, persons duly designated by the director of the department, upon presenting appropriate credentials to the owner, operator, or agent in charge, may do both of the following:

(1) Enter, at any reasonable times and without advance notice, any factory, warehouse, sales lot, or establishment in which manufactured homes, mobilehomes, commercial coaches, or special purpose commercial coaches are manufactured, stored, held for sale, sold, or offered for sale, rent, or lease.

(2) Inspect, at reasonable times and within reasonable limits and in a reasonable manner, any factory, warehouse, sales lot, or establishment, and inspect the books, papers, records, and documents to insure compliance with this part.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 707, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 799, Stats. of 1996, eff. 1/1/97.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18025.6. Repealed federal standards; period of enforcement

When a standard for manufactured homes which was adopted pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.), is repealed by the United States Department of Housing and Urban Development and no new preemptive federal standard is adopted as a replacement standard, the department may continue to enforce the federal standard for manufactured homes to be sold in this state, for a period of one year from the operative date of the repeal or until the department adopts a regulation to replace the repealed federal standard, whichever occurs first. The replacement standard, if any, may be adopted as an emergency regulation.

(Added by Ch. 1178, Stats. of 1988, eff. 1/1/89.)

18026. Federal label or insignia of approval

(a) All manufactured homes, mobilehomes, commercial coaches, and special purpose commercial coaches manufactured on or after September 1, 1958, which are sold, offered for sale, rented, or leased within this state shall bear a federal label or an insignia of approval issued by the department, whichever is appropriate, to indicate

compliance with the regulations of the department adopted pursuant to this part, which were in effect on the date of manufacture of the manufactured home, mobilehome, commercial coach, or special purpose commercial coach.

(b) The department may issue insignia for manufactured homes, mobilehomes, commercial coaches, or special purpose commercial coaches manufactured prior to the effective dates of the appropriate regulations which meet the requirements of reasonable standards of health and safety as set forth in this part or the regulations adopted pursuant thereto in effect at the time of that issue.

(c) It is unlawful for any person to remove, or cause to be removed, an insignia of approval affixed pursuant to this section without prior authorization by the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 707, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18026.1. Units sold to federal government for use on federal lands; exemption from specified equipment requirements

Units sold to the federal government for use on federal lands are exempt from the requirements of Sections 18025 and 18026.

(Added by Ch. 442, Stats. of 1986, eff. 1/1/87.)

18027. Insignia of approval; grounds for denial

Any manufactured home, mobilehome, or commercial coach which is manufactured in violation of the provisions of Chapter 11 (commencing with Section 19870) of Part 3 of Division 13 of this code, or Division 15 (commencing with Section 25004.2) of the Public Resources Code, or regulations adopted pursuant thereto, shall not be issued the department's insignia of approval.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18027.3. Recreational vehicles; construction standards; operative date of change in standards; electrical power supply cord

18027.3. (a) The Legislature finds and declares as follows:

(1) The American National Standards Institute (ANSI) has adopted standards for the design and safety of recreational vehicles, including park trailers, pursuant to procedures that have given diverse views an opportunity to be considered and which indicate that interested and affected parties have reached substantial agreement on their adoption.

(2) The ANSI A119.2 and A119.5 standards are designed to protect the health and safety of persons using recreational vehicles and park trailers.

(3) Compliance with those standards as required by this section may be enforced by any law enforcement authority having appropriate jurisdiction, pursuant to Section 18020.5, which makes it a crime to violate any provision of this part. Therefore, to promote governmental efficiency and economy and to avoid duplication of activities and services, it is appropriate to eliminate the role of the department in modifying and enforcing standards for the construction of recreational vehicles.

(b) Recreational vehicles specified in subdivision (a) of Section 18010 that are manufactured on or after January 1, 1999, shall be constructed in accordance with Standard No. A119.2, as contained in the 1996 edition of the Standards of the American National Standards Institute.

(c) Recreational vehicles specified in subdivision (b) of Section 18010 that are manufactured on or after January 1, 1999, shall be constructed in accordance with Standard No. A119.5, as contained in the 1998 edition of the Standards of the American National Standards Institute.

(d) A change in Standard No. A119.2 or A119.5 contained in a new edition of the Standards of the American National Standards Institute shall become operative on the 180th day following the publication date.

(e) No recreational vehicle shall be equipped with more than one electrical power supply cord.

(f) Any recreational vehicle manufactured on or after January 1, 1999, that is offered for sale, sold, rented, or leased within this state shall bear a label or an insignia indicating the manufacturer's compliance with the American National Standards Institute standards specified in subdivision (b) or (c).

(g) Any recreational vehicle manufactured prior to January 1, 1999, that is offered for sale, sold, rented, or leased within this state shall bear a label or an insignia of approval indicating the manufacturer's compliance with the American National Standards Institute standard or a department insignia issued prior to January 1, 1999, indicating compliance with the state standard that was in effect pursuant to this chapter on the date of manufacture, including any modifications contained in regulations.

(h) It is unlawful for any person to do either of the following:

(1) Remove, or cause to be removed, a label, an insignia, or an insignia of approval affixed pursuant to this section.

(2) Alter or convert, or cause to be altered or converted, any recreational vehicle in a manner that is inconsistent with ANSI Standard No. A119.2 or A119.5 when the recreational vehicle is used, occupied, sold, or offered for sale within this state.

(Added by Ch. 1078, Stats. of 1986, eff. 9/24/86.)
(Amended by Ch. 1178, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18027.5. Truck campers; manufacturer's serial or identification number; necessity

(a) It shall be unlawful to manufacture a truck camper as defined in Section 18010, unless the truck camper has a manufacturer's serial or identification number legibly stamped onto or permanently affixed to the interior and exterior of the truck camper.

(b) No retailer shall sell any new truck camper unless the truck camper has a manufacturer's serial or identification number as required in subdivision (a).

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18028. Regulations for construction; adoption of model construction codes

(a) The department may adopt regulations for the construction of commercial coaches and special purpose commercial coaches, and of manufactured homes and mobilehomes that are not subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401 et seq.) that it determines are reasonably necessary to protect the health and safety of the occupants and the public.

(b) Requirements for the construction, alteration, or conversion of commercial coaches shall be those contained, with reasonably necessary additions thereto, or deletions therefrom, as adopted by department regulations, in all of the following:

(1) The 1991 Edition of the Uniform Building Code, published by the International Conference of Building Officials.

(2) The 1993 Edition of the National Electrical Code, published by the National Fire Protection Association.

(3) The 1991 Edition of the Uniform Mechanical Code, published jointly by the International Conference of Building Officials and the International Association of Plumbing and Mechanical Officials.

(4) The 1991 Edition of the Uniform Plumbing Code, published by the International Association of Plumbing and Mechanical Officials.

(c) The department shall, on or after January 1, 1994, adopt by regulations the most recent editions of the codes specified in subdivision (b) within one year from their publication date, with appropriate additions or deletions. The requirements promulgated by the department pursuant to this section shall only apply to the construction, alteration, and conversion of commercial coaches and not to the use or operation thereof.

(d) No municipality shall prohibit the use of a commercial coach that bears a valid decal and insignia, based on the date the insignia was issued.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 707, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 631, Stats. of 1993, eff. 1/1/94.)

18028.5. Foam building systems; laws applicable

(a) The provisions of Section 17920.9, and the rules and regulations adopted pursuant thereto, shall be applicable to the sale, offering for sale, or use in the construction of commercial coaches and of manufactured homes and mobilehomes which are not subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.), of any foam building system, and to any such mobilehome or commercial coach in which that system is used as a component.

(b) All manufactured homes, including mobilehomes manufactured on or after June 15, 1976, shall comply with the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18029. Alteration or conversion of approval installations or equipment

It is unlawful for any person to alter or convert, or cause to be altered or converted, the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a manufactured home, mobilehome, special purpose commercial coach, or commercial coach which bears a department insignia of approval or federal label when the manufactured home, mobilehome, special purpose commercial coach, or commercial coach is used, occupied, sold, or offered for sale within this state, unless its performance as altered or converted is in compliance with regulations adopted by the department. The department may adopt regulations providing requirements for alterations and conversions.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 763, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18029.3. Commercial coach or special purpose commercial coach; compliance with health and safety regulations

(a) Any manufactured home, mobilehome, vehicle, or transportable structure manufactured, remanufactured, altered, used, or converted for use as a commercial coach or special purpose commercial coach shall comply with this part and the regulations adopted pursuant to this part relating to insignia and inspection requirements, construction, fire safety, electrical, heating, mechanical, plumbing, occupancy, and energy conservation.

(b) Special purpose commercial coach mobile food preparation units shall also meet the requirements of Article 12 (commencing with Section 114285) of Chapter 4 of Part 7 of Division 104 and the regulations implementing, interpreting, and clarifying that article, as enforced by the State Department of Health Services, which shall supersede the requirements in this part and the regulations adopted pursuant to this part in the event of a conflict.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82)
(Amended by Ch. 1216, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 442, Stats. of 1986, eff. 1/1/87.)
(Amended by Ch. 713, Stats. of 2002, eff. 1/1/03.)

18029.4. Special purpose commercial coach; use as module of permanent building; standards

Any special purpose commercial coach which is designed, manufactured, remanufactured, altered, used, or converted for use as a module of a permanently constructed building shall comply with the construction standards applicable to commercial coaches.

(Added by Ch. 707, Stats. of 1987, eff. 1/1/88.)

18029.5. Fire prevention rules and regulations; reports of manufactured home and mobilehome fires

(a) The department may adopt rules and regulations, which it determines to be reasonably consistent with generally recognized fire protection standards, governing conditions relating to the prevention of fire or for the protection of life and property against fire in manufactured homes, mobilehomes, special purpose commercial coaches, and commercial coaches. All manufactured homes and mobilehomes manufactured on or after June 15, 1976, shall comply with the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

(b) The chief fire official of every city, county, city and county fire protection district, or other local fire protection agency shall file a report on each manufactured home and mobilehome fire occurring within his or her jurisdiction with the State Fire Marshal. The report shall be made on forms provided by the State Fire Marshal.

(c) The State Fire Marshal shall annually compile a statistical report on all manufactured home and mobilehome fires occurring within this state and shall furnish the department with a copy of the report. The annual report shall include, but need not be limited to, the number of manufactured home and mobilehome fires, the causes of the fires, the monetary loss, and any casualties or fatalities resulting from the fires.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 142, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 442, Stats. of 1986, eff. 1/1/87.)

18029.6. Smoke detector devices

(a) On or after January 1, 1986, all used manufactured homes and used mobilehomes that are sold shall have a smoke detector that is operable on the date of transfer of title.

(b) On or after January 1, 2003, the requirement of subdivision (a) shall be satisfied if, within 45 days prior to the date of transfer of title, the transferor signs a declaration stating that each smoke detector in the manufactured home or mobilehome is operable on the date that the declaration is signed.

(c) The department may adopt regulations to carry out this section.

(Added by Ch. 1390, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 52, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 1178, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 713, Stats. of 2002, eff. 1/1/03.)

18030. Recognition of foreign standards; contracting with approved third-party entities for enforcement of part

(a) If the department determines that standards for commercial coaches and special purpose commercial coaches prescribed by the statutes or regulations of another state are at least equal to the standards prescribed by the department, the department may so provide by regulation. Thereafter, any commercial coaches or special purpose commercial coaches which that other state has approved as meeting its standards shall be deemed to meet the standards of the department, if the department determines that the standards of the other state are actually being enforced.

(b) In lieu of the procedure set forth in subdivision (a), the department may contract with approved third-party entities for enforcement of the applicable provisions of this part for commercial coaches or special purpose commercial coaches manufactured outside this state for sale within this state. Third-party entities may apply to

the department for enforcement authority pursuant to this subdivision by providing evidence to the satisfaction of the department that they satisfy all of the following criteria:

(1) They are independent and free from conflict of interest, have the ability to enforce the provisions of this part, and shall enforce the provisions of this part without an actual conflict of interest or any appearance of a conflict of interest.

(2) They are adequately staffed with qualified personnel who can, and shall, implement all provisions of the contract, including monitoring, reporting, and enforcement.

(3) They have the authority, through contract or otherwise, and the ability to obtain correction of defects detected or reported as a result of their enforcement activities.

(4) They meet any other conditions of operations the department may reasonably incorporate into the contract.

(c) If the department enters into a contract authorized by subdivision (b), the department may require cancellation clauses, fees, personnel resumes, reports, or other reasonable information or documents deemed necessary to ensure that the provisions of subdivision (b) and this part are adequately enforced.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 142, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 165, Stats. of 1986, eff. 6/18/86.)
(Amended by Ch. 293, Stats. of 1998, eff. 1/1/99.)

18030.5. Exemption from certain local ordinances

A manufactured home, mobilehome, recreational vehicle, commercial coach, or special purpose commercial coach which meets the standards prescribed by this chapter, and the regulations adopted pursuant thereto, shall not be required to comply with any local ordinances or regulations prescribing requirements in conflict with the standards prescribed in this chapter.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 707, Stats. of 1987, eff. 1/1/88.)

18031. Fee schedule

The department, by rules and regulations, may establish a schedule of fees to pay the costs of work related to administration and enforcement of this part. The fees collected shall be deposited in the Mobilehome Manufactured Home Revolving Fund.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 142, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18031.5. Fireplaces; installation; regulations; compliance with federal standards

Nothing in this part or any other provision of law shall be construed to prohibit the installation of fireplaces in manufactured homes and mobilehomes. The department shall adopt any regulations for the installation of fireplaces in manufactured homes, mobilehomes, or commercial coaches which it may determine are reasonably necessary in order to protect the health and safety of the occupants and to assure that an installation does not impair the efficiency of the primary heating or cooling system of the manufactured home, mobilehome, or commercial coach. All manufactured homes, mobilehomes, and commercial coaches manufactured on or after June 15, 1976, which contain fireplaces, shall comply with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18031.7. Replacement fuel gas burning water heaters; list for residential use and specifications for installation; label; supply of hot water from approved source

(a) Nothing in this part shall prohibit the replacement of water heaters in manufactured homes or mobilehomes with fuel gas burning water heaters not specifically listed for use in a manufactured home or mobilehome or from having hot water supplied from an approved source within the manufactured home or mobilehome, or in the garage, in accordance with this part or Part 2.1 (commencing with Section 18200).

(b) Replacement fuel gas burning water heaters shall be listed for residential use and installed within the specifications of that listing to include tiedown or bracing to prevent overturning.

(c) Replacement fuel gas burning water heaters installed in accordance with subdivision (b) shall bear a label permanently affixed in a visible location adjacent to the fuel gas inlet which reads, as applicable:

WARNING

This appliance is approved only for use with natural gas (NG).

OR

WARNING

This appliance is approved only for use with liquified petroleum gas (LPT)

Lettering on the label shall be black on a red background and not less than 1/4 inch in height except for the word "WARNING" which shall be not less than ½ inch in height.

(Added by Ch. 619, Stats. of 1987, eff. 1/1/88.)

18031.8. Replacement of gas burning appliances

(a) Nothing in this part or the regulations promulgated thereunder shall prohibit the replacement in manufactured homes or mobilehomes of ovens, ranges, or clothes dryers with fuel gas burning ovens, ranges, or clothes dryers not specifically listed for use in a manufactured home or mobilehome.

(b) Replacement fuel gas burning ovens, ranges, or clothes dryers shall be listed for residential use and installed in accordance with the specifications of that listing to include tiedown and bracing to prevent displacement.

(c) Replacement fuel gas burning ovens, ranges, or clothes dryers installed in accordance with subdivision (b) shall bear a label in compliance with subdivision (c) of Section 18031.7.

(Added by Ch. 244, Stats. of 1993, eff. 1/1/94.)

18032. Label affixed to new mobilehome or manufactured home; contents; necessity; removal

(a) The manufacturer of any new manufactured home or mobilehome manufactured on or after January 1, 1977, shall affix a label to the manufactured home or mobilehome, if the manufactured home or mobilehome is to be displayed for retail sale in this state. The label shall include the following information about the manufactured home or mobilehome:

(1) Make, model, and serial or identification number.

(2) Final assembly point.

(3) Name and location of dealer to whom delivered.

(4) Name of city or unincorporated area at which delivered.

(5) Manufacturer's suggested retail price which shall include the price of the following:

(A) The basic manufactured home or mobilehome unit.

(B) Extra construction features and materials.

(C) Total price of the manufactured home or mobilehome.

(D) A statement of whether the price includes or excludes the towbar, wheels, wheel hubs, and axles.

(b) A dealer may not display a manufactured home or mobilehome for sale or deliver a manufactured home or mobilehome manufactured on or after January 1, 1977, in this state which does not contain the label required by subdivision (a).

(c) Except as otherwise provided in subdivisions (d) and (e), the removal or alteration of any label required by this section from the manufactured home or mobilehome by anyone except the retail purchaser is a misdemeanor.

(d) The label required by this section may be removed by any person after the manufactured home or mobilehome is affixed to a foundation system.

(e) The label required by this section may be removed by any person after the manufactured home or mobilehome has been installed as a display model within a designated model center, along with an enclosed vehicle garage or carport, within a mobilehome park or subdivision. For the purposes of this subdivision, "designated model center" means a display of two or more new manufactured homes or new mobilehomes located within close proximity of each other that are used for the purpose of selling similar models within a mobilehome park or subdivision and those new manufactured homes or mobilehomes that are on display are installed pursuant to Section 18613.

(f) If a label required by this section has been removed pursuant to subdivision (e), the dealer shall provide the buyer or potential buyer of the new manufactured home or new mobilehome with all of the information required by subdivision (a), except for the manufacturer's suggested retail price. The dealer shall display a total price for the new manufactured home or new mobilehome along with either the vehicle garage or carport and any other manufactured home or mobilehome accessory building or structure or manufactured home or mobilehome accessory as defined in Section 18008.5 that is included in the total purchase price.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

(Amended by Ch. 857, Stats. of 1992, eff. 1/1/93.)

18032.5 Energy standards

(a) The Legislature hereby finds and declares all of the following:

(1) California's energy efficiency standards for new residential buildings have provided significant savings to homeowners and renters.

(2) As a result of past federal preemption of the field and the exemption of manufactured homes from building standards under California law, California's energy efficiency residential building standards have not been applied to manufactured housing.

(3) The Energy Policy Act of 1992 (P.L. 102-486) authorizes the Secretary of the United States Department of Housing and Urban Development to adopt regulations establishing thermal insulation and energy efficiency standards for manufactured housing. If the secretary has not issued, within one year after October 24, 1992, the

date of the enactment of the act, final regulations that establish standards that take effect before January 1, 1995, states may establish specified energy efficiency standards for manufactured housing.

(4) The 1992-93 California Energy Plan, endorsed by the Governor, recommends that the federal government adopt significantly more stringent, cost-effective energy efficiency standards for manufactured housing, or, in the alternative, allow states to adopt these standards.

(5) It is in the interest of this state to participate in any federal rulemaking proceeding establishing energy efficiency standards for manufactured housing, and, in the absence of timely final federal regulations, it is in the interest of this state to adopt its own energy efficiency standards for manufactured housing as authorized under federal law.

(b) The Department of Housing and Community Development, in consultation with the State Energy Resources Conservation and Development Commission, shall develop and implement cost-effective energy efficiency standards for manufactured housing, to take effect before January 1, 1995. These standards shall include, but are not limited to, lighting, insulation, climate control systems, and other design and construction features that increase efficiency in energy use for manufactured housing. The standards shall be cost-effective when taken in their entirety, and when amortized over the economic life of the structure. The department shall have responsibility for enforcing the standards. The standards shall be developed in consultation with members of the manufactured housing industry.

(c) This section shall become operative only if the Secretary of the United States Department of Housing and Urban Development does not issue, on or before October 24, 1993, final regulations that establish thermal insulation and energy efficiency standards for manufactured housing that take effect before January 1, 1995. If the secretary does issue those final regulations, this section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

(Added by Ch. 1159, Stats. of 1993, eff. 1/1/94)

18033 - Loft Area Requirements

Each loft area excluded from the gross floor area pursuant to Section 18009.3 shall comply with all of the following requirements:

(a) A loft ceiling shall be a minimum 54 inches above the loft floor for not less than 50 percent of the total loft ceiling area, or 50 inches above the loft floor for not less than 70 percent of the total loft ceiling area. The ceiling height shall be measured from the highest point of the finished floor of the loft area to the finished ceiling.

(b) The floor of the loft area is designed to withstand at least 30 pounds per square foot live load.

(c) The combined floor area of all loft areas shall not exceed 50 percent of the total gross floor area of the unit.

(d) Each loft shall be accessed only by use of a stairway and not a ladder or any other means. The stairway shall be constructed as follows:

(1) The stairs shall have a maximum rise of nine inches and minimum tread of seven and one-quarter inch between each step. The stairway width shall be a minimum of 22 inches as measured along the step tread.

(2) The stairs shall be capable of supporting 50 pounds per square foot.

(3) Each stairway serving a loft shall be provided with a handrail not less than 34 inches in height as measured horizontally from the nose of the step tread. The stairway handrail must be designed to withstand a 20-pound load per lineal foot applied horizontally at right angles to the top rail. The handrail shall be continuous the full length of the stairs.

(4) The handgrip portion of the handrail shall not be less then one and one-quarter inches nor more than two inches in cross-sectional dimension, or the shape shall provide an equivalent gripping surface. The handgrip portion of the handrail shall have a smooth surface with no sharp corners. The handrail projection from a wall or other similar surface shall have a space of not less than one and one-half inches between the wall and the handrail. Handrails installed on the open side of stairways shall have intermediate rails or an ornamental pattern installed as specified in paragraph (1) of subdivision (e).

(e) Each loft area shall have guardrails located at open areas and at the open side of the stairway. The guardrail shall comply with all of the following:

(1) Guardrails shall have intermediate rails or an ornamental pattern so that a sphere four inches in diameter cannot pass through, except that triangular openings at the open side of a stairway may be of a size that a sphere six inches in diameter cannot pass through.

(2) Guardrails shall be capable of supporting a load of 20 pounds per lineal foot applied horizontally at right angles at the top of the rail.

(3) The guardrail shall be a minimum of 34 inches in height as measured from the finished floor covering of the loft area to the top of the rail.

(f) Each loft area shall have a minimum of two exits complying with ANSI Standard A119.5 Recreational Park Trailers, Chapter 3, for alternate exits.

(g) The loft area shall be provided with light and ventilation consistent with ANSI Standard A119.5 Recreational Park Trailers, Chapter 3. In addition to the smoke detector or detectors to serve the main floor, an additional smoke detector shall be installed in each loft area and shall comply with the requirements in ANSI Standard A119.5 Recreational Park Trailers, Chapter 3.

(h) The following electrical requirements shall be followed:

(1) At least one recessed light fixture shall be installed over the stairway. Each recessed light over a stairway shall be operated by a three-way switch with one switch located at the main floor and one switch located in the loft area. Both light switches shall be located immediately adjacent to each stairway. Additional lighting in the loft area shall only be of the recessed type.

(2) Wiring methods and receptacle placement shall be installed per the requirements in ANSI Standard A119.5 Recreational Park Trailers, Chapter 1.

(Added by Ch. 490, Stats. of 2001, eff. 1/1/02)

18033.1 Park trailers with lofts manufactured prior to January 3, 2001

(a) The Legislature finds and declares that certain park trailer units with lofts that do not comply with Section 18009.3, as amended in 2001, and Section 18033 were designed and manufactured for residential occupancy in the lofts, and were sold and occupied in this state prior to January 3, 2001. On or about January 3, 2001, the department issued an information bulletin informing local government building code enforcement agencies, park trailer manufactures and dealerships, and other interested parties that, in fact, many of these park trailers did not comply with applicable standard with respect to the lofts and related areas and therefore were not recreational vehicles or park trailer, as defined by this part.

(b) (1) In order to ensure reasonable standard of public safety while avoiding undue hardship to purchaser of park trailers with lots that are in substantial compliance with Section 18009.3, as amended in 2001, and Section 18033, park trailers with lofts shall be deemed to comply with those sections if there is compliance with all of the following requirements of this subdivision and subdivision (c):

(A) They were manufactured prior to January 3, 2001, and sold prior to June 3, 2001.

(B) The notices described in subdivision (c) are provided as specified in subdivision (c).

(2) For purpose of this subdivision, "substantial compliance" shall require being constructed and maintained in a manner consistent with Section 1009.3, as amended in 2001, and Section 18033, except for the following:

(A) Notwithstanding Section 18009.3, as amended in 2001, and Section 18033, ceilings of lofts shall be a minimum height of 50 inches above the loft floor for not less than 70 percent of the total loft ceiling area. One exit window shall be provided in all lofts used for human habitation, providing an unobstructed opening of at least 484 square inches, with a minimum dimension of 22 inches in any direction. The window shall be located on a wall or roof located opposite the access stairs to the loft area.

(B) Notwithstanding Section 18009.3, as amended in 2001, and Section 18033, stairs serving as access to or egress from lofts shall not be required to comply with the provisions for rise and run as described in paragraph (1) of subdivision (c) of Section 18009.3 if the stairs are provided with a complying handrail as provided in paragraph (4) of subdivision (c) of Section 18009.3.

(c) For purpose of being deemed in compliance pursuant to this section, a park trailer with one or more lofts shall comply with the following paragraphs:

(1) Within 24 inches of the opening of each loft, a permanent label shall be posted conspicuously, which states, in letters not less than one-half inch in height and in a color contrasting with the sign's background and wall color, the following:

"NOTICE: THIS LOFT AREA AND THE STAIRS DO NOT COMPLY WITH CODES IN EFFECT ON JANUARY 1, 2002, AND MAY BE DIFFICULT TO EXIT FROM IN THE EVENT OF A FIRE."

(2) The manufacturer of each park trailer subject to this section shall to the extent feasible, mail the purchaser of the park trailer a written notice entitle, in bold 16-point type, the following:

"WARNING: LOFT AREAS AND STAIRS IN YOUR PARK TRAILER DO NOT COMPLY WITH STANDARDS IN EFFECT ON OR AFTER JANUARY 1, 2002. EXTRA CARE MAY BE REQUIRED TO EXIT FROM A LOFT IN THE EVENT OF A FIRE."

This notice also shall set forth the provisions of this section and shall provide the name, address, and telephone number of a person to whom the owner may address questions.
(3) If the owner rents or otherwise provides for consideration the park trailer subject to this section, the owner shall provide a written notice to the occupant that provides, in bold 16-point type, the following:

"WARNING; LOFT AREAS AND STAIRS IN YOUR PARK TRAILER DO NOT COMPLY WITH STANDARDS IN EFFECT ON OR AFTER JANUARY 1, 2002. EXTRA CARE MAY BE REQUIRED TO EXIT FROM A LOFT IN THE EVENT OF A FIRE."

(d) If the lofts and stairs of any park trailer do not comply with the requirements of this section, Section 18009.3, as amended in 2001, and Section 18033, the park trailer shall be deemed not in substantial compliance with this section, the loft area may not be used for human habitation but only for storage, and the loft area shall comply with the signage requirements prescribed by subdivision (b) of Section 18009.3.
(Added by Ch. 490, Stats. of 2001, eff. 1/1/02)

CHAPTER 5. SALES AND ESCROWS

18035. Manufactured home or mobilehome escrow account; escrow instructions; offer to purchase; notice of escrow opening or cancellation; liens; status report; release or transfer of lien; forfeiture for noncompliance; liability for violations

(a) (1) For every transaction by or through a dealer to sell or lease with the option to buy a new or used manufactured home or mobilehome subject to registration under this part, the dealer shall execute in writing and obtain the buyer's signature on a purchase order, conditional sale contract, or other document evidencing the purchase contemporaneous with, or prior to, the receipt of any cash or cash equivalent from the buyer, shall establish an escrow account with an escrow agent, and shall cause to be deposited into that escrow account any cash or cash equivalent received at any time prior to the close of escrow as a deposit, downpayment, or whole or partial payment for the manufactured home or mobilehome or accessory thereto. Checks, money orders, or similar payments toward the purchase shall be made payable only to the escrow agent.

(2) The downpayment, or whole or partial payment, shall include an amount designated as a deposit, which may be less than, or equal to, the total amount placed in escrow, and shall be subject to subdivision (f). The parties shall provide for escrow instructions that identify the fixed amounts of the deposit, downpayment, and balance due prior to closing consistent with the amounts set forth in the purchase documents and receipt for deposit if one is required by Section 18035.1. The deposits shall be made by the dealer within five working days of receipt, one of which shall be the day of receipt.

(3) For purposes of this section, "cash equivalent" means any property, other than cash. If an item of cash equivalent is, due to its size, incapable of physical delivery to the escrow holder, the property may be held by the dealer for the purchaser until close of escrow and, if the property has been registered with the department or the Department of Motor Vehicles, its registration certificate and, if available, its certificate of title shall be delivered to the escrow holder.

(b) For every transaction by or through a dealer to sell or lease with option to buy a new manufactured home or mobilehome subject to registration under this part, the escrow instructions shall provide all of the following:

(1) That the original manufacturer's certificate of origin be placed in escrow.

(2)(A) That, in the alternative, either of the following shall occur:

(i) The lien of any inventory creditor on the manufactured home or mobilehome shall be satisfied by payment from the escrow account.

(ii) The inventory creditor shall consent in writing to other than full payment.

(B) For purposes of this paragraph, "inventory creditor" includes any person who is identified as a creditor on the manufacturer's certificate of origin or any person who places the original certificate of origin in escrow and claims in writing to the escrow agent to have a purchase money security interest in the manufactured home or mobilehome, as contemplated by Section 9107 of the Commercial Code.

(3) That the escrow agent shall obtain from the manufacturer a true and correct facsimile of the copy of the certificate of origin retained by the manufacturer pursuant to Section 18093.

(c) For every transaction by or through a dealer to sell or lease with option to buy a used manufactured home or mobilehome subject to registration under this part, the escrow instructions shall provide:

(1) That the current registration card, all copies of the registration cards held by junior lienholders, and the certificate of title be placed in escrow.

(2) That, in the alternative, either of the following shall occur:

(A) (i) The registered owner shall acknowledge in writing the amount of the commission to be received by the dealer for the sale of the manufactured home or mobilehome, and (ii) the registered owner shall release all of its ownership interests in the manufactured home or mobilehome either contemporaneously upon the payment of a specified amount from the escrow account or at the close of the escrow where the buyer has executed a security agreement approved by the registered owner covering the unpaid balance of the purchase price.

(B) (i) The dealer shall declare in writing that the manufactured home or mobilehome is its inventory, (ii) the registered owner shall acknowledge in writing that the purchase price relating to the sale of the manufactured home or mobilehome to the dealer for resale has been paid in full by the dealer, (iii) the current certificate of title shall be appropriately executed by the registered owner to reflect the release of all of its ownership interests, and (iv) the dealer shall release all of its ownership interests in the manufactured home or mobilehome either contemporaneously upon the payment of a specified amount from the escrow account or at the close of escrow where the buyer has executed a security agreement approved by the dealer covering the unpaid balance of the purchase price.

(3) That, in the alternative, the legal owner and each junior lienholder, respectively, shall do either of the following:

(A) Release his or her security interest or transfer its security interest to a designated third party contemporaneously upon the payment of a specified amount from the escrow account.

(B) Advise the escrow agent in writing that the new buyer or the buyer's stated designee shall be approved as the new registered owner upon the execution by the buyer of a formal assumption of the indebtedness secured by his or her lien approved by the creditor at or before the close of escrow.

(d) For every transaction by or through a dealer to sell or lease with the option to buy a used manufactured home or mobilehome subject to registration under this part:

(1) The dealer shall present the buyer's offer to purchase the manufactured home or mobilehome to the seller in written form signed by the buyer. The seller, upon accepting the offer to purchase, shall sign and date the form. Copies of the fully executed form shall be presented to both the buyer and seller, with the original copy retained by the dealer. Any portion of the form that reflects the commission charged by the dealer to the seller need not be disclosed to the buyer.

(2) The escrow agent, upon receipt of notification from the dealer that the seller has accepted the buyer's offer to purchase and receipt of mutually endorsed escrow instructions, shall, within three working days, prepare a notice of escrow opening on the form prescribed by the department and forward the completed form to the department with appropriate fees. If the escrow is canceled for any reason before closing, the escrow agent shall prepare a notice of escrow cancellation on the form prescribed by the department and forward the completed form to the department.

(3) (A) The escrow agent shall forward to the legal owner and each junior lienholder at their addresses shown on the current registration card a written demand for a lien status report, as contemplated by Section 18035.5, and a written demand for either an executed statement of conditional lien release or an executed statement of anticipated formal assumption, and shall enclose blank copies of a statement of conditional lien release and a statement of anticipated formal assumption on forms prescribed by the department. The statement of conditional lien release shall include, among other things, both of the following:

(i) A statement of the dollar amount or other conditions required by the creditor in order to release or transfer its lien.

(ii) The creditor's release or transfer of the lien in the manufactured home or mobilehome contingent upon the satisfaction of those conditions.

(B) The statement of anticipated formal assumption shall include, among other things, both of the following:

(i) A statement of the creditor's belief that the buyer will formally assume the indebtedness secured by its lien pursuant to terms and conditions which are acceptable to the creditor at or before the close of escrow.

(ii) The creditor's approval of the buyer or his or her designee as the registered owner upon the execution of the formal assumption.

(4) Within five days of the receipt of the written demand and documents required by paragraph (3), the legal owner or junior lienholder shall complete and execute either the statement of conditional lien release or, if the creditor has elected to consent to a formal assumption requested by a qualified buyer, the statement of anticipated formal assumption, as appropriate, and prepare the lien status report and forward the documents to the escrow agent by first-class mail. If the creditor is the legal owner, the certificate of title in an unexecuted form shall accompany the documents. If the creditor is a junior lienholder, the creditor's copy of the current registration card in an unexecuted form shall accompany the documents.

(5) If either of the following events occur, any statement of conditional lien release or statement of anticipated formal assumption executed by the creditor shall become inoperative, and the escrow agent shall thereupon return the form and the certificate of title or the copy of the current registration card, as appropriate, to the creditor by first-class mail:

(A) The conditions required in order for the creditor to release or transfer his or her lien are not satisfied before the end of the escrow period agreed upon in writing between the buyer and the seller or, if applicable, before the end of any extended escrow period as permitted by subdivision (g).

(B) The registered owner advises the creditor not to accept any satisfaction of his or her lien or not to permit any formal assumption of the indebtedness and the creditor or registered owner advises the escrow agent in writing accordingly.

(6) If a creditor willfully fails to comply with the requirements of paragraph (4) within 21 days of the receipt of the written demand and documents required by paragraph (3), the creditor shall forfeit to the escrow agent three hundred dollars ($300), except where the creditor has reasonable cause for noncompliance. The three hundred dollars ($300) shall be credited to the seller, unless otherwise provided in the escrow instructions. Any penalty paid by a creditor under this paragraph shall preclude any civil liability for noncompliance with Section 18035.5 relating to the same act or omission.

(e) For every transaction by or through a dealer to sell or lease with the option to buy a new or used manufactured home or mobilehome, the escrow instructions shall specify one of the following:

(1) Upon the buyer receiving delivery of an installed manufactured home or mobilehome on the site and the manufactured home or mobilehome passing inspection pursuant to Section 18613 or after the manufactured home or mobilehome has been delivered to the location specified in the escrow instructions when the installation is to be performed by the buyer, all funds in the escrow account, other than escrow fees and amounts for accessories not yet delivered, shall be disbursed. If mutually agreed upon between buyer and dealer, the escrow instructions

may specify that funds be disbursed to a government agency for the payment of fees and permits required as a precondition for an installation acceptance or certificate of occupancy, and the information that may be acceptable to the escrow agent.

(2) Upon the buyer receiving delivery of an installed manufactured home or mobilehome not subject to the provisions of Section 18613 with delivery requirements as mutually agreed to and set forth in the sales documents, all funds in the escrow account, other than escrow fees, shall be disbursed.

(f) In the event any dispute arises between the parties to the escrow and upon notification in writing to the escrow agent, unless otherwise specified in the escrow instructions, all funds denoted as deposit shall be held in escrow until a release is signed by the disputing party, or pursuant to new written escrow instructions signed by the parties involved, or pursuant to a final order for payment or division by a court of competent jurisdiction. Any other funds, other than escrow fees, shall be returned to the buyer or any person, other than the dealer or seller, as appropriate.

(g) Escrow shall be for a period of time mutually agreed upon, in writing, by the buyer and the seller. However, the parties may, by mutual consent, extend the time, in writing, with notice to the escrow agent.

(h) No dealer or seller shall establish with an escrow agent any escrow account in an escrow company in which the dealer or seller has more than a 5 percent ownership interest.

(i) The escrow instructions may provide for the proration of any local property tax due or to become due on the manufactured home or mobilehome, and if the tax, or the license fee imposed pursuant to Section 18115, or the registration fee imposed pursuant to Section 18114, is delinquent, the instructions may provide for the payment of the taxes or fees, or both, and any applicable penalties.

(j) For every transaction by or through a dealer to sell or lease with the option to buy a new or used manufactured home or mobilehome that is subject to inspection pursuant to Section 18613, and for which it is stated, on the face of the document certifying or approving occupancy or installation, that the issuance of the document is conditioned upon the payment of a fee, charge, dedication, or other requirement levied pursuant to Section 53080 of the Government Code, the escrow instructions shall provide that the payment of that fee, charge, dedication, or other requirement be made to the appropriate school district upon the close of escrow.

(k) No agreement shall contain any provision by which the buyer waives his or her rights under this section, and any waiver shall be deemed contrary to public policy and shall be void and unenforceable.

(l) If a portion of the amount in the escrow is for accessories, then that portion of the amount shall not be released until the accessories are actually installed.

(m) Upon opening escrow on a used manufactured home or mobilehome which is subject to local property taxation, and subject to registration under this part, the escrow officer may forward to the tax collector of the county in which the used manufactured home or mobilehome is located, a written demand for a tax clearance certificate, if no liability exists, or a conditional tax clearance certificate if a tax liability exists, to be provided on a form prescribed by the office of the Controller. The conditional tax clearance certificate shall state the amount of the tax liability due, if any, and the final date that amount may be paid out of the proceeds of escrow before a further tax liability may be incurred.

(1) Within five working days of receipt of the written demand for a conditional tax clearance certificate or a tax clearance certificate, the county tax collector shall forward the conditional tax clearance certificate or a tax clearance certificate showing no tax liability exists to the requesting escrow officer. In the event the tax clearance certificate's or conditional tax clearance certificate's final due date expires within 30 days of date of issuance, an additional conditional tax clearance certificate or a tax clearance certificate shall be completed which has a final due date of at least 30 days beyond the date of issuance.

(2) If the tax collector on which the written demand for a tax clearance certificate or a conditional tax clearance certificate was made fails to comply with that demand within 30 days from the date the demand was mailed, the escrow officer may close the escrow and submit a statement of facts certifying that the written demand was made on the tax collector and the tax collector failed to comply with that written demand within 30 days. This statement of facts may be accepted by the department in lieu of a conditional tax clearance certificate or a tax clearance certificate, as prescribed by subdivision (a) of Section 18092.7, and the transfer of ownership may be completed.

(3) The escrow officer may satisfy the terms of the conditional tax clearance certificate by paying the amount of tax liability shown on the form by the tax collector out of the proceeds of escrow on or before the date

indicated on the form and by certifying in the space provided on the form that all terms and conditions of the conditional tax clearance certificate have been complied with.

(n) This section creates a civil cause of action against a buyer or dealer or other seller who violates this section, and upon prevailing, the plaintiff in the action shall be awarded actual damages, plus an amount not in excess of two thousand dollars ($2,000). In addition, attorney's fees and court costs shall also be awarded a plaintiff who prevails in the action.

(Added by Ch. 1047, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 1346, Stats. of 1987, eff. 9/29/87, operative 1/1/88.)
(Amended by Ch. 1339, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 1209, Stats. of 1989, eff. 10/1/89.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

18035.1. Receipt for deposit; contents

(a) As a part of the documents executed for every transaction by or through a dealer to sell or lease with the option to buy a new or used manufactured home or mobilehome, the dealer and purchaser shall sign a receipt for deposit, a copy of which shall be provided to the purchaser and a copy shall be retained by the dealer for not less than three years. It shall state at least the following in type not less than 6-point type size:

(1) A statement that the purchaser shall receive a copy of the purchase contract and receipt for deposit.

(2) A statement that all portions of the purchase documents and receipt for deposit shall be completed prior to obtaining the purchaser's signature.

(3) A statement of the specific amounts of the deposit, downpayment, or other category of funds required to be placed in escrow prior to closing, and a warning that the deposit may be withheld in escrow in case of a dispute between the purchaser and the dealer.

(4) A statement that the amounts of the deposit and downpayment shall be agreed upon by the purchaser and dealer and shall have been entered on the purchase documents and receipt of deposit prior to the purchaser's signing.

(5) Sections 18035, 18035.1, and 18035.3 of this code and Section 1797.3 of the Civil Code reprinted in their entirety.

(6) A statement that any oral promises or commitments that have been made are not binding unless they appear in writing on the purchase documents.

(7) A warning that a warranty document complying with Section 1797.3 of the Civil Code shall be provided to the purchaser of a new manufactured home or mobilehome immediately after signing the purchase documents.

(8) A statement that the terms and duration of any other warranty, not required by law, offered by the dealer shall be in writing.

(9) A statement that, if the purchaser has any complaints with respect to sales practices, delivery, warranty, or other matters related to the manufactured home or mobilehome, he or she may seek administrative relief from the department or legal relief in a court of competent jurisdiction.

(10) A statement that the sale will not be complete until the escrow for the sale closes.

(b) For the sale of a manufactured home or mobilehome not subject to registration by the department, the dealer shall provide a statement of fact, in type not less than 6-point type size, containing the information specified in paragraphs (6), (7), (8), (9), and (10) of subdivision (a) as part of the purchase documents.

(c) Where the sale of a new or used manufactured home or mobilehome subject to registration under this part does not involve a dealer, the department, by regulation, may
require the seller and buyer to execute a receipt for deposit containing whatever information of the nature described in this section, the department deems appropriate.

(Added by Ch. 1047, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)
(Amended by Ch. 799, Stats. of 1996, eff. 1/1/97).

18035.2. Sales involving foundation system installation; documentation requirements; escrow account; contents of escrow instructions

(a) For every sale by a dealer of a new or used manufactured home or mobilehome to be installed on a foundation system pursuant to subdivision (a) of Section 18551, the dealer shall execute in writing and obtain the buyer's signature on a purchase order, conditional sale contract, or other document evidencing the purchase, and provide a statement of fact complying with subdivision (b) of Section 18035.1, contemporaneous with or prior to the receipt of any cash or cash equivalent from the buyer and shall establish an escrow account with an escrow agent. The escrow shall not be subject to Section 18035. The parties shall provide for escrow instructions that identify the fixed amounts of the deposit and balances due prior to closing, consistent with the amounts set forth in the document evidencing the purchase and related services. Escrow disbursements and closing shall be consistent with the mutually agreed terms and conditions of the documents evidencing the purchase and related services. Disbursements of funds from escrow prior to delivery and installation of the unit, any accessory structures, and related services shall only be as mutually agreed upon in writing by the dealer and buyer.

(b) For every sale by a dealer of a new manufactured home or mobilehome installed or to be installed on a foundation system pursuant to subdivision (a) of Section 18551, the escrow instructions shall provide all of the following:

(1) That the original manufacturer's certificate of origin be placed in escrow.

(2) That, in the alternative:

(A) The lien of any inventory creditor on the manufactured home or mobilehome shall be satisfied by payment from the escrow account.

(B) That the inventory creditor shall consent in writing to other than full payment.

For purposes of this paragraph, "inventory creditor" includes any person who is identified as a creditor on the manufacturer's certificate of origin or any person who places the original certificate of origin in escrow and claims in writing to the escrow agent to have a purchase money security interest in the manufactured home or mobilehome as contemplated by Section 9103 of the Commercial Code.

(3) That the escrow agent shall obtain from the manufacturer a true and correct facsimile of the copy of the certificate of origin retained by the manufacturer pursuant to Section 18093.

(c) For every sale by a dealer of a new or used manufactured home or mobilehome that is subject to inspection pursuant to subdivision (a) of Section 18551, and for which it is stated, on the face of the document certifying or approving occupancy, that the issuance of the document is conditioned upon the payment of a fee, charge, dedication, or other requirement levied pursuant to Section 17620 of the Education Code, the escrow instructions shall provide that the payment of that fee, charge, dedication, or other requirement be made to the appropriate school district upon the close of escrow.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1346, Stats. of 1987, eff. 9/29/87.)
(Amended by Ch. 1209, Stats. of 1989, eff. 10/1/89.)
(Amended by Ch. 542, Stats. of 1998, eff. 1/1/99.)
(Amended by Ch. 713, Stats. of 2002, eff. 1/1/03.)

18035.25. Failure to correct defective work by installation contractor certified by dealer; disciplinary action; limitation on filing accusation

Notwithstanding any other provision of this part to the contrary, it is a ground for disciplinary action, and not a criminal offense, for a dealer to fail to correct, or cause to be corrected, any defects in the installation of a manufactured home or mobilehome performed by a licensed contractor whom the dealer had certified to the purchaser as the installation contractor pursuant to subdivision (c) of Section 7027 of the Business and

Professions Code. Any accusation filed against a licensee for a violation of this section shall be filed within three years after the occurrence of the act or omission alleged as the ground for disciplinary action.
(Added by Ch. 851, Stats. of 1986, eff. 1/1/87.)

18035.3. Purchase documents; contents; disciplinary action for failure to provide disclosures

(a) For every sale by a dealer of a new or used manufactured home or mobilehome, either the purchase order, conditional sale contract, or other document evidencing the purchase thereof, or any attachment to such a purchase document signed and dated by the purchaser, shall contain the following:

(1) A description of the manufactured home or mobilehome, a description and the cash price of each accessory, structure, or service included with the purchase, and the total cash price for the purchase. The statement shall also state whether the purchase price includes or excludes the towbar, wheels, wheel hubs, tires, and axles and, if they are not included in the purchase price, the price of each shall be listed.

(2) The amount, if any, charged by the dealer for documentary preparation and, if a documentary preparation charge is imposed, a notice advising the purchaser that the charge is not a governmental fee.

(3) A notice in type no smaller than 8-point that complaints concerning the purchase shall be referred to the dealer and, if the complaint is not resolved, may be referred to the Department of Housing and Community Development, Division of Codes and Standards, Occupational Licensing. The notice shall contain the current address and telephone number of the department.

(4) A notice, in at least 10-point bold type reading as follows:

(A) Do NOT sign the purchase agreement before you read it or if it contains any blank spaces to be filled in.

(B) You are entitled to a completely filled-in copy of that agreement and, if purchasing a manufactured home or mobilehome covered by a warranty, a copy of the warranty.

(5) The name, business address, and contractor's license number of the licensed contractor whom the dealer certifies as performing the installation of the manufactured home or mobilehome pursuant to subdivision (c) of Section 7026.2 of the Business and Professions Code.

(6) The disclosures required by this subdivision need not be contained in the same document.

(b) A failure to disclose pursuant to this section shall not be the basis for rescission of a conditional sales contract.

(c) Notwithstanding any other provision of this part to the contrary, a failure to provide the disclosures specified in paragraph (5) of subdivision (a) is a ground for disciplinary action and not a criminal offense.

(d) If the dealer is also licensed as a real estate broker, the sale of a manufactured home or mobilehome being installed on a foundation system pursuant to Section 18551 may be included in the purchase document for the underlying real property, if the requirements of this section are met.
(Added by Ch. 1528, Stats. of 1984, operative 1/1/85.)
(Amended by Ch. 851, Stats. of 1986, eff. 1/1/87.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 669, Stats. of 1994, eff. 1/1/94.)
(Amended by Ch. 689, Stats. of 1998, eff. 1/1/99.)

18035.4. Application of Sections 18035, 18035.1, and 18035.2

Sections 18035, 18035.1, and 18035.2 shall not apply to the sale of manufactured homes or mobilehomes to:
(a) The federal government.
(b) The state.
(c) Any agency or political subdivision of the state.
(d) Any city, county, or city and county.
(Added by Ch 1339, Stats. of 1987, eff. 1/1/88.)

18035.5. Documentation and statement regarding security interests; furnishing by secured party; forfeiture and liability for noncompliance; fee

(a) As used in this section:

(1) "Secured party" means a legal owner or junior lienholder.

(2) "Entitled party" means a registered owner or any person holding a security interest or other lien or encumbrance which is subordinate to the security interest of the secured party or an escrow agent in conjunction with an escrow involving the sale or transfer of an interest in a manufactured home, mobilehome, or commercial coach subject to registration under this part.

(b) A secured party shall, on the written demand of an entitled person, or the authorized agent of the entitled person, prepare and deliver to the person demanding it, a true, correct, and complete copy of the conditional sale contract or the promissory note and security agreement and any subsequent modification thereto, and a written statement indicating all of the following:

(1) The amount of the unpaid balance of the obligation owing to the secured party and the interest rate, together with the total amounts, if any, of all overdue installments of either principal or interest, or both.

(2) The amounts of periodic payments, if any.

(3) The date on which the obligation is due in whole or in part.

(4) The date to which taxes and special assessments have been paid to the extent that information is known to the secured party.

(5) The amount of hazard insurance in effect and the term and premium of that insurance to the extent that information is known to the secured party.

(6) The amount in an account, if any, maintained for the accumulation of funds with which to pay taxes and insurance premiums.

(7) The nature and, if known, the amount of any additional charges, costs, or expenses paid or incurred by the secured party which have become a lien on the manufactured home, mobilehome, or commercial coach involved.

(8) If applicable, a statement indicating that subsequently incurred obligations will be secured by the manufactured home, mobilehome, or commercial coach and, if there is a maximum amount that may thereafter become secured, the maximum amount that may thereafter become secured.

(c) The secured party may, before delivering a statement, require reasonable proof that the person making the demand is, in fact, an entitled person, in which event the secured party shall not be subject to the penalties of this section until 21 days after receipt of the proof herein provided for. A statement in writing signed by the entitled person appointing an authorized agent when delivered personally to the secured party or delivered by registered return receipt mail shall constitute reasonable proof as to the identity of an agent. Similar delivery of a policy of title insurance, preliminary report issued by a title company, original or photographic copy of a sales agreement covering the manufactured home, mobilehome, or commercial coach or certified copy of letters testamentary, guardianship, or conservatorship shall constitute reasonable proof as to the identity of a successor in interest, provided the person demanding a statement is named as successor in interest in the document.

(d) Delivery of the statement by the secured party, as herein referred to, shall mean depositing or causing to be deposited in the United States mail an envelope, with postage prepaid, containing a copy of the statement, addressed to the person whose name and address is set forth in the demand therefor.

(e) If a secured party for a period of 21 days after receipt of the written demand willfully fails to prepare and deliver the statement, the secured party is liable to the entitled person for all damages which may be sustained by reason of the refusal and, whether or not actual damages are sustained, the secured party shall forfeit to the entitled person the sum of three hundred dollars ($300). Each such failure to prepare and deliver such a statement, occurring at a time when, pursuant to this section, the secured party is required to prepare and deliver the statement, creates a separate cause of action, but a judgment awarding an entitled person such forfeiture, or damages and forfeiture, for any such failure to prepare and deliver a statement bars recovery of such damages and forfeiture for any other failure to prepare and deliver a statement, with respect to the same obligation, in compliance with a demand therefor made within six months before or after the demand as to which the award was made.

(f) If the secured party has more than one branch, office, or other place of business, then the demand shall be made to the branch or office at which the payments of the obligation are made, and the statement, unless it specifies otherwise, shall be deemed to apply only to the unpaid balance owing to or payable at that branch office or place of business.

(g) The secured party may make a charge not to exceed fifty dollars ($50) for furnishing the required statement, whether or not the security agreement covering the manufactured home, mobilehome, or commercial coach so provides.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)

18036. Contract rescinded for inability of buyer to obtain financing

In the event a buyer of a manufactured home or mobilehome obligates himself or herself to purchase, or receive possession of, a manufactured home or mobilehome pursuant to a contract or purchase order, and the seller knows that the buyer intends to obtain financing from a third party without the assistance of the seller, and the buyer is unable to obtain the financing within 30 days of the execution of the contract or purchase order, the contract or purchase order shall be deemed rescinded and all consideration thereupon, other than escrow fees, shall be returned by the respective parties without demand.

(Added by Ch. 1047, Stats. of 1981, eff. 1/1/82.)

(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18036.5. Conditional sales contracts; required disclosures; action for noncompliance; extent of liability; limitations

(a) As used in this section:

(1) "Act" means the federal Truth in Lending Act, as amended (15 U.S.C., Sec. 1601, et seq.).

(2) "Regulation Z" means any rule, regulation, or interpretation promulgated by the Board of Governors of the Federal Reserve System under the act and any interpretation or approval issued by an official or employee of the Federal Reserve System duly authorized by the board under the act to issue these interpretations or approvals.

(b) A conditional sale contract relating to a new or used manufactured home or mobilehome subject to registration under this part shall contain all the disclosures required by Regulation Z if Regulation Z otherwise applies to the transaction. Any disclosure violation corrected pursuant to subdivision (d) shall not be the basis of any recovery by the buyer.

(c) With respect to a violation which is not corrected as provided in subdivision (d), the seller shall be liable to the buyer in an amount equal to the sum of:

(1) Any actual damage sustained by such person as a result of the failure;

(2) (A) In the case of an individual action twice the amount of any finance charge in connection with the transaction, except that the liability under this subparagraph shall not be less than one hundred dollars ($100) or greater than one thousand dollars ($1,000); or

(B) In the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same seller shall not be more than the lesser of five hundred thousand dollars ($500,000) or 1 percent of the net worth of the seller; and

(3) In the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the seller, the resources of the seller, the number of persons adversely affected, and the extent to which the seller's failure of compliance was intentional. In connection with the disclosures referred to in Section 128 of the act, a seller shall have a liability determined under paragraph (2) of this subdivision only for failing to comply with the requirements of paragraph (2) (insofar as it requires a disclosure of the "amount financed"), (3), (4), (5), (6), or (9) of Section 128 (a) of the act. With respect to any failure to make disclosures required under this section, liability shall be imposed only upon the seller required to make disclosure, except as provided in subdivision (k).

(d) A seller or assignee has no liability under this section for any failure to comply with any requirement imposed under this section if within 60 days after discovering an error, whether through the seller's or assignee's own procedures or pursuant to procedures permissible under the act, and prior to the institution of an action under

this section or the receipt of written notice of the error from the buyer, the seller or assignee notifies the buyer concerned of the error and makes whatever adjustments as are necessary to assure that the buyer will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

(e) A seller or assignee may not be held liable in any action brought under this section if the seller or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error not withstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of a bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors, except that an error of legal judgment with respect to a person's obligations under this section is not a bona fide error.

(f) When there are multiple buyers in a transaction, there shall be no more than one recovery of damages under paragraph (2) of subdivision (c).

(g) Any action under this section may be brought within one year from the date of the occurrence of the violation. This subdivision does not bar a person from asserting a violation of this section in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by law. No action may be brought under this section if an action relating to the transaction or a defense thereto has been brought or asserted under the act.

(h) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board of Governors of the Federal Reserve System or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board of Governors of the Federal Reserve System to issue such interpretations or approvals under such procedures as the Board of Governors of the Federal Reserve System may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded or determined by judicial or other authority to be invalid for any reason.

(i) The multiple failure to disclose to any person any information required under this section shall entitle the buyer to a single recovery.

(j) A buyer may not take any action to offset any amount for which a seller or assignee is potentially liable to such buyer under paragraph (2) of subdivision (c) against any amount owed by such buyer, unless the amount of the seller's or assignee's liability under this section has been determined by judgment of a court of competent jurisdiction in an action to which such buyer was a party. This subdivision does not bar a buyer then in default on the obligation from asserting a violation of this section as an original action, or as a defense or counterclaim to an action to collect amounts owed by the buyer brought by a person liable under this title.

(k) Except as otherwise specifically provided in this section, any civil action for a violation of this section which may be brought against a seller may be maintained against any assignee of such seller only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, provided, however, that no civil action may be brought against such assignee for such violation if the assignment was involuntary. For purposes of this section, a violation apparent on the face of the disclosure statement includes, but is not limited to, (1) a disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) a disclosure which does not use the terms required to be used in Regulation Z.

(l) In any action or proceeding by or against any assignee of the seller without knowledge to the contrary by the assignee when the assignee acquires the obligation, written acknowledgment of receipt by a buyer to whom disclosures are required to be given pursuant to this section shall be conclusive proof of the delivery thereof and, except as provided in subdivision (k), of compliance with this section. This subdivision does not affect the rights of the buyer in any action against the original seller.

(m) No final judgment shall be entered in an action brought pursuant to this section in favor of a buyer until the later of (1) the expiration of one year after the occurrence of the violation, or (2) the entry of judgment in an action for the violation brought under Section 130 of the act and filed within such one-year period. A buyer who has recovered any amount by way of judgment, settlement, or otherwise under Section 130 or 131 of the act shall not been entitled to any damages or other relief for the violation under this section.

(Added by Ch 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)

(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)

18037. Good faith holder acquiring conditional sale contract from seller making disclosure violations; buyer's remedies

Notwithstanding any agreement to the contrary, the holder of a conditional sale contract for which Regulation Z disclosures are required pursuant to Section 18036.5 is subject to all equities and defenses of the buyer against the seller, except as provided by Section 18036.5. However, the assignee's liability may not exceed the amount of the debt owing to the assignee at the time of assignment. The assignee shall have recourse against the seller to the extent of any liability incurred by the assignee pursuant to this section whether the assignment was with or without recourse except to the extent of any written agreement between the seller and assignee which expressly references this section and modifies its effect.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)

18037.5. Disposal of repossessed or surrendered manufactured home, mobilehome, truck camper, or floating home; notice of default; notice of belief of abandonment; rights of secured party upon default; application of proceeds; accounting

(a) In the event of default under the provisions of any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home, mobilehome, truck camper or floating home subject to registration under this part which is not inventory of a dealer, including the right to repossess the property, notwithstanding any contrary provisions in the security agreement or conditional sale contract or in any other agreement entered into prior to default, the secured party may foreclose its security interest only by satisfying the requirements of this section.

(1) Unless the registered owner of the manufactured home, mobilehome, truck camper or floating home has abandoned the property or has voluntarily surrendered possession of the property to the foreclosing creditor, the foreclosing creditor shall deposit or cause to be deposited in the United States mail an envelope addressed to each registered owner as shown on the current registration of the manufactured home, mobilehome, truck camper or floating home, registered or certified with postage prepaid, containing a notice in substantially the following form and in at least 10-point type, which notice shall be signed by the foreclosing creditor:

NOTICE OF DEFAULT

To:_____
(names of all registered owners)

You (if the registered owner is not the person who is in default, substitute name of defaulting person(s)) are in default under the terms of the

_____
(identify security agreement by title or caption and date)

in that _____
(describe default)

This default gives the creditor named below the right to sell your manufactured home, mobilehome, truck camper or floating home which is registered with the Department of Housing and Community Development under registration number(s)

_____, located at
(give registration number(s))

_____
(give location of property as shown on current registration)

unless the default is promptly cured.

You may cure the default by_____
(describe conditions

_____
precedent to reinstatement required to cure default)

or by entirely repaying the outstanding secured indebtedness on or before

_____
(state final date available for cure, which date shall be no earlier than 45 days after mailing of the notice)

To cure the default you may also be required to reimburse the creditor for its reasonable attorney's fees and legal expenses and for any other sums to which the creditor may have become entitled under the terms of your credit agreement after the date of this notice. You may entirely repay the outstanding obligation by paying the creditor

_____
(state dollar amount required to obtain release of security interest, and
if the amount may increase due to passage of time, state that fact)

plus any amount necessary to reimburse the creditor for its reasonable attorney's fees and legal expenses and any other sums to which the creditor may have become entitled after the date of this notice under the terms of your agreement.

(2) Within five days following the mailing of the notice of default required by paragraph (1), the foreclosing creditor shall forward a copy thereof to the legal owner shown on the current registration card, if different than the foreclosing creditor, and to each junior lienholder shown on the current registration card, if different than the foreclosing creditor, and, effective July 1, 1985, to the department. The notice shall be forwarded to each party in the same manner as provided for mailing the original notice to the registered owner.

(3) In the event of default under the provisions of any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home, mobilehome, truck camper or floating home, each registered owner and each junior lienholder having a security interest which is subordinate to the security interest of the foreclosing creditor shall

have the right to cure the default by the methods and in the manner prescribed in the notice within 45 days after mailing of the notice to the registered owner required by paragraph (1).

(4) If the default is not cured within the time indicated on the notice required by paragraph (1), or if the property has been abandoned by the registered owner or voluntarily surrendered by the registered owner to the foreclosing creditor, the creditor may proceed to sell the property at private or public sale pursuant to the provisions of Section 9504 of the Commercial Code, except as provided in paragraph (5) and subdivision (c). The notice of sale required by Section 9504 of the Commercial Code shall not be mailed or delivered before expiration of the period for the right to cure the default, as stated in the notice required by paragraph (1), unless the property has been abandoned by the registered owner or voluntarily surrendered by the registered owner to the foreclosing creditor.

(5) Notwithstanding any contrary provisions of Section 9504 of the Commercial Code, the foreclosing creditor shall deposit or cause to be deposited in the United States mail, registered or certified with postage prepaid, an envelope containing the notice of sale addressed to each party to whom the notice of default was mailed pursuant to paragraph (2). The notice of sale shall be given at least 10 days before the date fixed for a public sale or on or after which any private sale is to be made.

(6) For purposes of this subdivision, a manufactured home, mobilehome, truck camper or floating home shall be deemed abandoned if the foreclosing creditor gives written notice of its belief of abandonment to the registered owner as provided in this paragraph and the registered owner fails to give the foreclosing creditor written notice, prior to the appropriate date specified in the foreclosing creditor's notice, stating that the registered owner has not abandoned and does not intend to abandon the manufactured home, mobilehome, truck camper or floating home and stating an address at which the registered owner may be served by certified mail with a summons in connection with any legal action which the foreclosing creditor may appropriately initiate. The foreclosing creditor may give a notice of belief of abandonment only where it reasonably believes that the registered owner has abandoned the manufactured home, mobilehome, truck camper or floating home. The notice of belief of abandonment shall be personally delivered to the registered owner or sent by registered or certified mail, with postage prepaid, to the registered owner at his or her last known address and, if there is reason to believe that the notice sent to that address will not be received by the registered owner, to any other address, if any, known to the foreclosing creditor where the registered owner may reasonably be expected to receive the notice. The notice of belief of abandonment shall be in substantially the following form in at least 10-point type:

NOTICE OF BELIEF OF ABANDONMENT

To: _____
(names of all registered owners)

This notice is given pursuant to Section 18037.5 of the Health and Safety Code concerning your manufactured home, mobilehome, truck camper or floating home located at

_____
(address of manufactured home, mobilehome, truck camper or floating home as shown on current registration)

You_____
(if the registered owner is not the person who is in default, substitute name of defaulting person(s)) are in default under the terms of the

_____
(identify security agreement or conditional sale contract by title or caption and date)

in that _____.
(describe default)

This default gives the foreclosing creditor named below the right to sell your manufactured home, mobilehome, truck camper or floating home which is registered with the Department of Housing and Community Development under number(s) _____
(give registration number(s))

unless the default is promptly cured. Unless the foreclosing creditor receives a written notice from you to the contrary by

_____
(insert a date not less than 15 days after this notice is served personally or, if mailed, not less than 18 days after this notice is deposited in the mail)

your manufactured home, mobilehome, truck camper, or floating home will be deemed abandoned, which means that the foreclosing creditor may sell your manufactured home, mobilehome, truck camper or floating home sooner than would otherwise be permitted by law. The written notice you must send to the foreclosing creditor shall be sent to

_____
(address of foreclosing creditor)

and shall state both of the following:

1. Your intent not to abandon the manufactured home, mobilehome, truck camper or floating home.
2. An address at which you may be served by certified mail with a summons in connection with any legal action which the foreclosing creditor may appropriately initiate.

_____
(name of foreclosing creditor)

_____
(signature of foreclosing creditor)

(b) In the event of a default under the provisions of any security agreement relating to a loan or a conditional sale contract in which the collateral is a manufactured home, mobilehome, truck camper or floating home subject to registration under this part which is inventory of a dealer or a commercial coach, the secured party may repossess and dispose of the collateral in accordance with the provisions of the security agreement or conditional sale contract and applicable law, including the provisions of Division 9 (commencing with Section 9101) of the Commercial Code. Upon repossession of a manufactured home, mobilehome, truck camper or floating home subject to registration under this part which is inventory of a dealer or a commercial coach subject to registration under this part, the secured creditor shall prepare and forward to the department a notice of repossession on the form prescribed by the department.

(c) The proceeds of the sale of a manufactured home, mobilehome, commercial coach, truck camper or floating home shall be applied, in the following order, to:

(1) The reasonable and necessary expenses incurred for preparing for and conducting the sale and, if the foreclosing creditor has obtained possession of the collateral prior to the disposition, the reasonable and necessary expenses for the retaking and holding of the collateral and to the extent provided for in the agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the foreclosing creditor in retaking the property from any person not a party to the credit contract.

(2) The satisfaction of the indebtedness secured by the security interest of the foreclosing creditor under which the disposition is made.

(3) The satisfaction of indebtedness secured by any subordinate liens or encumbrances on the property in the order of their priority as provided in Section 18105, if with respect to a junior creditor written notification of demand therefor is received before distribution of the proceeds is completed, and to the satisfaction of any subordinate attachment lien or execution lien pursuant to subdivision (b) of Section 701.040 of the Code of Civil Procedure if notice of the levy of attachment or execution is received before distribution of the proceeds is completed. If requested by the foreclosing creditor, the holder of a subordinate lien or encumbrance shall furnish reasonable proof of his or her interest, and unless it does so, the foreclosing creditor need not comply with its demand.

(4) The satisfaction of indebtedness secured by all senior liens or encumbrances in the order of their priority as provided in Section 18105, if with respect to a senior creditor written demand therefor is received by the foreclosing creditor before distribution of the proceeds is completed. If requested by the foreclosing creditor, the holder of a senior lien or encumbrance shall furnish reasonable proof of his or her interest, and unless he or she does so, the foreclosing creditor need not comply with his or her demand.

(5) To the registered owner within 45 days after the sale is conducted if a surplus remains.

(d) Unless automatically provided to the registered owner within 45 days after the sale of a manufactured home, mobilehome, truck camper or floating home if a request for an accounting is made within one year of the sale, the foreclosing creditor shall provide to the registered owner a written accounting containing the gross sales proceeds and its allocation pursuant to subdivision (c). In the event any surplus is paid to the registered owner pursuant to paragraph (5) of subdivision (c), the foreclosing creditor shall furnish such an accounting whether or not requested by the registered owner.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18038.7. Deficiency judgment

No deficiency judgment shall lie in any event, after the sale of any manufactured home, mobilehome, commercial coach, truck camper or floating home subject to registration pursuant to this part, for failure of the purchaser to complete his or her sale contract given to the seller to secure payment of the balance of the purchase price of the manufactured home, mobilehome, commercial coach, truck camper, or floating home. This section shall not apply in the event there is substantial damage to the manufactured home, mobilehome, commercial coach, truck camper, or floating home other than wear and tear from normal usage.

In addition, no deficiency judgment shall lie in any event under a deed of trust or mortgage or note on a floating home serving as a dwelling for not more than four families given to a lender to secure payment of a loan which was in fact used to pay for all or part of the purchase price of that dwelling occupied, entirely or in part, by the purchaser.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82)
(Amended by Ch. 1216, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88)
(Amended by Ch. 942, Stats. of 1991, eff. 1/1/92)

18039. Waiver of buyer's rights invalid

No agreement entered into pursuant to this chapter shall contain any provision by which the buyer waives his or her rights under this chapter, and any waiver shall be deemed contrary to public policy and shall be void and unenforceable.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18039.1. Conversion to real property; law applicable to default and sale

Notwithstanding any other provision of law to the contrary, if a manufactured home or mobilehome is affixed to a permanent foundation pursuant to Section 18551, or security for the manufactured home or mobilehome loan includes the real property it is affixed to or installed upon, procedures for notice of default and sale shall be governed by Chapter 2 (commencing with Section 2920) of Title 14 of the Civil Code and shall not be governed by the provisions of this chapter.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18039.5. Transactions exempt from chapter; application of other acts to transactions subject to chapter

(a) The provisions of this chapter, except Section 18037.5, shall not apply to any loan or credit sale secured by a manufactured home or mobilehome subject to registration under this part unless the loan or credit sale was made under circumstances which required disclosures under Regulation Z, as defined by Section 18036.5.

(b) In no respect shall the sale or financing of a manufactured home or mobilehome subject to this chapter and of any goods or services sold in conjunction with the sale of the manufactured home or mobilehome be subject to the Retail Installment Sales Act, Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code or the Automobile Sales Finance Act, Chapter 2b (commencing with Section 2981) of Title 14 of Part 4 of Division 3 of the Civil Code.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)

CHAPTER 6. MULTIPLE LISTING BETWEEN DEALERS OF MANUFACTURED HOMES, MOBILEHOMES OR COMMERCIAL COACHES

18040. Sale of manufactured home, mobilehome, or commercial coach not previously installed on a foundation system; powers of dealers

(a) With respect to the sale of any manufactured home, mobilehome, or commercial coach that has not been previously installed on a foundation system pursuant to Section 18551, a dealer may solicit or obtain listings, engage in the multiple listing only with other dealers, or engage in payments only to other dealers or groups of

dealers, pursuant to cooperative brokering and referral arrangements or agreements on the sale of only a manufactured home, mobilehome, or commercial coach which has been titled by the department.

(b) With respect to the resale of any manufactured home or mobilehome that has not been previously installed on a foundation system pursuant to subdivision (a) of Section 18551, a dealer may solicit or obtain listings, engage in multiple listing, or engage in payments with other dealers, groups of dealers, or with real estate licensees licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch 423, Stats. Of 1997, eff 1/1/98)

18040.5. Suspension or revocation of dealer's license

The department, after notice and hearing, may suspend or revoke a dealer's license upon determining that the dealership has committed any of the acts or omissions specified in Section 18062.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

CHAPTER 7. OCCUPATIONAL LICENSES

ARTICLE 1. GENERAL REQUIREMENTS

18045. Necessity of license or temporary permit in good standing

It shall be unlawful for any person to act as a licensee within this state without having first procured a license or temporary permit issued by the department pursuant to this chapter, or when a license or temporary permit has been canceled, suspended, revoked, invalidated, expired, or the terms and conditions of an agreement for a stipulated penalty entered into pursuant to Section 18064.5 have not been fulfilled.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)

18045.5. Established place of business

(a) The department shall not issue a manufacturer, distributor, or dealer license to any applicant therefor who does not have an established place of business.

(b) In the case of a dealer or distributor, the established place of business shall have an office located within the State of California. In the case of a manufacturer, the established place of business shall have a manufacturing area defined by department regulations situated on the same property. When a room or rooms in a hotel, roominghouse, apartment house building, or a part of any single-unit or multiple-unit dwelling house is used as an office or offices of an established place of business, the room or rooms shall be devoted exclusively to, and occupied for, the office or offices of the licensee, shall be located on the ground floor, and shall provide a direct entrance into the room or rooms from the exterior of the building.

(c) The established place of business shall be open for inspection of the premises, pertinent records, and manufactured homes, mobilehomes, or commercial coaches by any department representative during business hours. If records are kept at a location other than the principal dealer business location, that other location shall be open for inspection of the premises and pertinent records during normal business hours.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 199, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 793, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 1144, Stats. of 1989, eff. 9/30/89.)

(Amended by Ch. 814, Stats. of 2003, eff. 1/1/04.)

18045.6. Manufacturer, distributor, and dealer regulations

(a) (1) If the manufacturer, distributor, or dealer changes the site or location of his or her established place of business, the manufacturer, distributor, or dealer shall immediately, upon making the change, so notify the department. If a manufacturer, distributor, or dealer for any reason whatsoever, ceases to be in possession of an established place of business from and on which he or she conducts the business for which the manufacturer, distributor, or dealer is licensed, he or she shall immediately notify the department and, upon demand by the department, shall deliver to the department the manufacturer's, distributor's, or dealer's license and all relevant records in his or her possession.

(2) The department may place a manufacturer, distributor, or dealer license on an inactive status upon application of the licensee. An inactive license shall remain valid for six months or for the remaining term of the original license, whichever is less.

(b) If the dealer changes to, or adds, another franchise for the sale of new manufactured homes, mobilehomes, or commercial coaches, or cancels, or, for any cause whatever, otherwise loses a franchise for the sale of new manufactured homes, mobilehomes, or commercial coaches, he or she shall immediately so notify the department.

(c) A dealer's established place of business shall have posted in a place conspicuous to the public the license issued by the department to the dealer and to each salesperson employed by the dealer.

(d) (1) Notwithstanding Section 18050 and this section, a dealer may display manufactured homes, mobilehomes, or commercial coaches at a fair, exposition, or similar exhibit for no more than 30 days. As used in this section, "mobilehome fair or exposition" means a display of manufactured homes, mobilehomes, or commercial coaches not limited to one dealer and not in a mobilehome park.

(2) New manufactured homes or mobilehomes, installed pursuant to Section 18613, may also be displayed and sold within a mobilehome park or mobilehome subdivision by dealers. A display home may be used and equipped only for the sale of the displayed home and shall not be used as an established place of business, unless licensed as an established place of business.

(3) Dealers and salespersons may negotiate listing agreements for the sale of a used manufactured home or mobilehome which has been titled by the department, and may negotiate and execute offers to purchase and purchase documents for the sale of a new or used manufactured home or mobilehome other than at the established place of business.

(e) All manufactured homes, mobilehomes, or commercial coaches displayed pursuant to subdivision (d) shall be identified by a sign or device providing information relating to the dealer's name and the location and address of the dealer's established place of business and any other information that is required by the department.

(f) The requirements for an office specified in subdivision (b) of Section 18045.5 shall not apply to a display location authorized by subdivision (d), unless licensed as an established place of business.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 199, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 442, Stats. of 1986, eff. 1/1/87.)
(Amended by Ch. 793, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 608, Stats. of 1992, eff. 1/1/93.)

18045.8. Temporary permits; cancellation

(a) Notwithstanding Section 18045.5, for an office at a dealer's established place of business, the department may issue a temporary permit as provided in Section 18052.

(b) When a dealer's license applicant has satisfied all other requirements for a dealer's license, as provided in this part and the regulations adopted pursuant thereto, except for the office, and the applicant proposes to purchase a new manufactured home, mobilehome, or commercial coach for use as the required office, the temporary permit shall be canceled automatically if the dealer's license applicant does not purchase a new

manufactured home, mobilehome, or commercial coach and establish it as the required office, or otherwise establish a complying office, within 60 days of the temporary permit issuance date.
(Added by Ch. 442, Stats. of 1986, eff. 1/1/87.)

18046. Inspection and Disclosure Requirements

(a) An "agent" for the purposes of this section and Section 18025, means a dealer or salesperson licensed pursuant to this part, or a real estate broker or salesperson licensed pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code.

(b) A "seller" for the purposes of this section and Section 18025 means the lawful owner of the manufactured home or mobilehome offering the home for sale. For purposes of this section and Section 18025, the exemptions enumerated by Section 1102.2 of the Civil Code shall be applicable to the transfer of a manufactured home or mobilehome.

(c) The sale of used manufactured homes or mobilehomes by a real estate broker or salesperson licensed under Division 4 (commencing with Section 10000) of the Business and Professions Code shall be subject to Section 2079 of the Civil Code.

(d) It is the duty of a dealer or salesperson, licensed under this chapter, to a prospective buyer of a used manufactured home or mobile home, subject to registration pursuant to this part, to conduct a reasonably competent and diligent visual inspection of the home offered for sale and to disclose to that prospective buyer all facts materially affecting the value or desirability of the home that an investigation would reveal, if that dealer or salesperson has a written contract with the seller to find or obtain a buyer or is a dealer or salesperson who acts in cooperation with others to find and obtain a buyer. Where a transfer disclosure statement is required pursuant to subdivision (b) of Section 1102 of the Civil Code, a dealer or salesperson shall discharge that duty by completing the agent's portion of the transfer disclosure statement that a seller prepares and delivers to a prospective buyer pursuant to subdivision (b) of Section 1102 of the Civil Code. If no transfer disclosure statement is required, but the transaction is not exempt under Section 1102.2 of the Civil Code, a dealer shall discharge that duty by completing and delivering to the prospective buyer an exact reproduction of Sections III, IV, and V of the transfer disclosure statement required pursuant to subdivision (b) of Section 1102 of the Civil Code.
(Added by Ch. 812, Stats. of 1996, eff. 1/1/97.)
(Amended by Ch. 517, Stats. of 1999, eff. 1/1/00.)

18046.1 Standard of Care

The standard of care owed by a dealer to a purchaser under this part is the degree of care that a reasonably prudent dealer would exercise and is measured by the degree of knowledge through education, experience, and examination required to obtain a license under this chapter.
(Added by Ch. 812, Stats. of 1996, eff. 1/1/97.)

ARTICLE 2. APPLICATIONS AND RENEWALS

18050. Application; investigation

(a) Every applicant for an occupational license shall make application to the department for a license containing a general distinguishing number.

(b) The applicant shall submit all information as may be reasonably required by the department in carrying out the provisions of this chapter, including, but not limited to, proof of successful completion within the previous six months of the appropriate department examination and proof of his or her status as a bona fide manufacturer, distributor, dealer, dealer branch, or salesperson.

(c) Every applicant shall submit an application to the department on the forms prescribed by the department. The applicant shall provide the department with information as to the applicant's character, honesty, integrity, and reputation, as the department may consider necessary. The department, by regulation, shall prescribe what information is required of the applicant for the purposes of this subdivision.

(d) Upon receipt of a complete application for a license which is accompanied by the appropriate fee, the department shall, within 120 days, make a thorough investigation of the information contained in the application.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)

18050.5. Refusal to issue license; grounds

The department may, for a reasonable cause shown, refuse to issue a license to an applicant when it determines any of the following:

(a) The applicant was previously the holder of a license, which license was revoked for cause and never reissued, or which license was suspended for cause and the terms of suspension have not been fulfilled.

(b) The applicant was previously a limited or general partner, stockholder, director, general manager, or officer of a partnership or corporation whose license was revoked for cause and never reissued or was suspended for cause and the terms of suspension have not been fulfilled.

(c) If the applicant is a partnership or corporation, of which one or more of the limited or general partners, stockholders, directors or officers was previously the holder or a limited or general partner, stockholder, director or officer of a partnership or corporation whose license was revoked for cause and never reissued or was suspended for cause and the terms of suspension have not been fulfilled, or by reason of the facts and circumstances touching the organization, control, and management of the partnership or corporation business the policy of the business will be directed, controlled, or managed by individuals, who, by reason of their conviction of violations of the provisions of this part, would be ineligible for a license and by licensing the corporation or partnership the purposes of this part would likely be defeated.

(d) The applicant, or one of the limited or general partners, if the applicant be a partnership, or one or more of the officers or directors of the corporation, if the corporation be the applicant, or one or more of the stockholders, if the policy of the business will be directed, controlled, or managed by that stockholder or stockholders, has ever been convicted of a felony or a crime involving moral turpitude. A conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section.

(e) The information contained in the application is incorrect.

(f) Upon investigation, the business history required by Section 18050 contains incomplete or incorrect information, or reflects substantial business irregularities.

(g) The decision of the department to cancel, suspend, or revoke a license has been entered, and the applicant was the licensee, or a copartner, officer, director, or stockholder of that licensee.

(h) The existence of any of the causes specified in Section 18058 as a cause to suspend or revoke the license issued to a licensee.

(i) An applicant for a dealer's license has failed to effectively endorse an authorization for disclosure of an account or accounts relating to the operation of the dealership, as provided for in Section 7473 of the Government Code.

(j) The applicant has outstanding an unsatisfied final judgment rendered in connection with an activity licensed under this part.

(k) The applicant or licensee has failed to pay over funds or property received in the course of employment to a dealer entitled thereto.

(l) The applicant has acted as a manufactured home, mobilehome, or commercial coach salesperson or engaged in this activity for, or on behalf of, more than a single person whose business does not have identical ownership and structure. The activity shall be for a licensed dealer. Nothing contained in this section shall be deemed to restrict the number of dealerships of which a person may be an owner, officer, or director, nor to

preclude a manufactured home, mobilehome, or commercial coach salesperson from working at more than one location of a single dealer, if the business of the dealer has identical ownership and structure.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18050.7. Initial dealer's license; education and experience requirements

In addition to any other requirements imposed by this part or regulations of the department, the department shall not grant an initial manufactured home or mobilehome dealer's license to any applicant who has not satisfied all of the education and experience requirements contained in this section. If the applicant for a manufactured home or mobilehome dealer's license is a partnership, corporation, or other business entity, each person designated to participate in the direction, control, or management of the sales operation of the entity shall meet all of the education and experience requirements contained in this section prior to issuance of a manufactured home or mobilehome dealer's license by the department.

(a) The applicant either shall have held a valid manufactured home or mobilehome salesperson's license issued by the department for at least two years within the five-year period immediately preceding the application for an initial manufactured home or mobilehome dealer's license, or shall meet any of the following criteria:

(1) Has acquired a four-year degree from an accredited college or university.

(2) Has held a valid manufactured home or mobilehome salesperson's license issued by the department for one year in the past three years and acquired an associate of arts or associate of science degree from an accredited college.

(3) Has been the officer of the corporation, owner or partner of, or has held a management position relating to finance, marketing, administration, or general management with, a manufacturer of manufactured housing in any state for two years within the five years immediately preceding application for an initial manufactured home or mobilehome dealer's license.

(4) Holds a management position with a housing authority, redevelopment agency, or nonprofit housing corporation which is developing individual lots, a subdivision, or a park for the placement of manufactured homes or mobilehomes.

(5) Has been an escrow, title, or loan officer of a land title company, bank, savings and loan association, or mortgage company in a capacity directly related to financing or conveying title to manufactured housing for two years within the five years immediately preceding application for an initial manufactured home or mobilehome dealer's license.

(6) Has been a subdivider, developer, or contractor in any state for at least two years within the five years immediately preceding application for an initial manufactured home or mobilehome dealer's license, during which time the applicant developed or sold 10 lots or the equivalent.

(7) Has been the officer of a corporation, the owner or partner of a mobilehome park or mobilehome park management company in any state for at least two years within the five years immediately preceding the application for an initial manufactured home or mobilehome dealer's license.

(8) Has held a manufactured home or mobilehome dealer's license from a state other than California for at least four years within the five years immediately preceding the application for an initial manufactured home or mobilehome dealer's license, and has completed 24 hours of continuing education class in California, in addition to the preliminary education requirement of subdivision (b).

(9) Has previously held a valid manufactured home or mobilehome dealer's license issued by the department, or was a person designated to participate in the direction, control, or management of the sales operations of a partnership, corporation, or other business entity that previously held a valid manufactured home or mobilehome dealer's license issued by the department and the license has never been revoked for cause, and never reissued, or suspended for cause and the terms of suspension have not been fulfilled.

(10) Has any combination of the above experience that would provide at least two years of experience within the five years immediately preceding the application for an initial manufactured home or mobilehome dealer's license. The two years of experience shall not be concurrent.

(b) The applicant shall have met the applicable preliminary education requirements for the manufactured home or mobilehome dealer's license under paragraph (5) of subdivision (b) of Section 18056.2.

(c) The department may adopt regulations, as necessary, to implement this section.
(Added by Ch. 1127, Stats.. of 1988, eff. 1/1/89)
(Amended by Ch. 506, Stats.. of 1991, eff. 1/1/92)
(Amended by Ch. 555, Stats. of 2000, eff. 1/1/01)

18051. Probationary license

(a) Except where the provisions of this part require the refusal to issue a license, the department may issue a probationary license subject to conditions to be observed by the licensee in the exercise of the privilege granted. The conditions to be attached to the exercise of the privilege shall not appear on the face of the probationary license, but shall, in the judgment of the department, be in the public interest and suitable to the qualifications of the applicant as disclosed by the application and investigation by the department of the information contained therein.

(b) Within 60 days after issuance of a probationary license, the applicant may demand, in writing, a hearing before the director or his or her representative.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18052. Temporary Permit

(a) Pending the satisfaction of the department that the applicant meets the requirements under this article, it may issue a temporary permit to any person applying for a license for a period not to exceed 120 days while the department is completing its investigation and determination of all facts relative to the qualifications of the applicant to the license. The department may cancel a temporary permit when it determines or has reasonable cause to believe that the application is incorrect, fraudulent, or incomplete, or that the temporary permit was issued in error. The temporary permit shall be invalid immediately when canceled by the department or when the applicant's license has been issued or refused.

(b) Upon refusal of the department to issue a license to an applicant, the applicant may demand, in writing, a hearing before the director or his or her representative within 60 days after notice of refusal and receipt of a statement of issues.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 199, Stats. of 1985, eff. 1/1/86.)

18052.5. Certificate of convenience

The department may issue a certificate of convenience to the executor, executrix, administrator, or administratrix of the estate of a deceased holder of a validly outstanding license issued under this part, or, if no executor, executrix, administrator, or administratrix has been appointed and until a certified copy of an order making the appointment is filed with the department, to the surviving spouse or another heir otherwise entitled to conduct the business of the deceased. The certificate shall permit that person to exercise the privileges granted by the license for a period of one year from and after the date of death. The department may issue necessary one-year renewals of that certificate pending, but not later than, disposal of the business and qualification of the vendee of the business or the surviving spouse, heir, or other persons for the license under the provisions of this part. The department may restrict or condition the certificate of convenience or the license and attach to the exercise of the privileges thereunder those terms and conditions as it determines are necessary for the protection of the public.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18052.6. 90-day salesperson certificate; report

(a) Notwithstanding any of the provisions of this chapter, the department may, on a one-time-only basis, issue a 90-day certificate to an applicant for an original salesperson's license. The certificate shall permit that person to exercise the privileges granted by the license for a period not to exceed 90 days from the date of issuance. Any person, while acting under the authority of the 90-day certificate, shall not execute any documents, contracts, or listing agreements, or accept any cash or cash equivalent, for the sale or lease of a new or used manufactured home.

(b) Prior to the expiration of the 90-day certificate, the holder shall complete all other requirements prescribed under this chapter, in order to continue as a salesperson past the expiration date of the 90-day certificate.

(c) The department may restrict or condition the 90-day certificate, and attach to the exercise of the privileges thereunder, those terms and conditions as it determines are necessary for the protection of the public.

(d) The department may establish a fee to cover the costs for the issuance of the 90-day certificate.

(e) The department shall report to the legislature the number of 90-day certificates issued and the name and address of the employing dealer of the salesperson holding the certificate during the year 1990.

(Added by Ch. 875, Stats. of 1989, eff. 1/1/90.)

18052.7. 90-day salesperson certificate; maximum number of employees; supervision; liability

No dealer shall employ more than three salespersons licensed pursuant to a 90-day certificate at his or her established place of business at any one time. In the case where a dealer has more than one established place of business, the dealer may employ up to three salespersons licensed pursuant to a 90-day certificate at each place of business. If a dealer employs a salesperson licensed pursuant to a 90-day certificate, the dealer shall designate a responsible managing employee who shall directly supervise those salespersons at each established place of business at which they are employed. The dealer shall bear full legal responsibility for all actions of employed salespersons licensed pursuant to a 90-day certificate.

(Added by Ch. 875, Stats. of 1989, eff. 1/1/90.)

18053. Reapplication after denial; time

A person whose license has been revoked or whose application for a license has been denied shall not reapply for a license for a period of at least one year from the effective date of the decision revoking the license or denying the application, except, if the decision was entered under the authority of subdivision (a), (b), (g), or (j) of Section 18050.5 or subdivision (b) of Section 18060, a reapplication, accompanied by evidence satisfactory to the department that the grounds for that decision no longer exist, may be made earlier than that one-year period.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18053.5. Examination of salespersons; prior licensees; examination of managing employee for dealer's license

(a) Except as otherwise provided in this section, every applicant for a manufactured home, mobilehome, or commercial coach dealer's or sales person's license shall be required to take and successfully complete a written examination, prepared and administered by the department. The examination shall include, but not be limited to, subjects relating to manufactured homes, mobilehomes, and commercial coaches, laws relating to contracts for the sale of manufactured homes, mobilehomes, and commercial coaches, laws covering truth in lending, and departmental and warranty requirements.

(b) The department may administer an oral examination in lieu of the written examination required by subdivision (a) under the following conditions:

(1) To any person who applies for a manufactured home, mobilehome, or commercial coach salesperson's license.

(2) To any person who applies for a manufactured home, mobilehome, or commercial coach dealer's license if the person is not the sole owner of the dealership and there are other persons within the ownership structure who meet the requirements of subdivision (a).

(3) To any person with a physical handicap if the handicap makes the taking of a written examination unreasonable.

(c) No person, who, on July 1, 1976, held a then valid salesperson's license issued pursuant to the Vehicle Code and who has, continuously, for the same employer, been a salesperson of manufactured homes, mobilehomes, or commercial coaches, shall be required to take the examination specified in subdivision (a).

(d) No person, who, on July 1, 1976, held a then valid salesperson's license issued pursuant to the Vehicle Code and who has continuously been a manufactured home, mobilehome, or commercial coach dealer, shall be required to take the examination specified in subdivision (a), regardless of whether the person subsequently makes an application to do business under a different name or form of business organization. However, a salesperson of manufactured homes, mobilehomes, or commercial coaches who makes an application for a manufactured home, mobilehome, or commercial coach dealer's license shall be required to take and successfully complete the examination specified in subdivision (a).

(e) If the applicant for a manufactured home, mobilehome or commercial coach dealer's license is a corporation or partnership, only those persons who will participate in the direction, control, or management, or any combination thereof, of the sales operations of the business, or who act in the capacity of a manufactured home, mobilehome, or commercial coach salesperson, shall be required to take and successfully complete the examination specified in subdivision (a). However, if no officer or director of the corporation or a partner, or the partners thereof participates in the direction, control, or management, or any combination thereof, of the sales operations of the business, or acts in the capacity of a manufactured home, mobilehome, or commercial coach salesperson, the corporation or partnership shall designate and maintain a responsible managing employee who is a licensed manufactured home, mobilehome, or commercial coach salesperson and who shall be required to take, and successfully complete, the examination specified in subdivision (a) for a dealer's license before a dealer's license may be issued.

(f) Every person who applies to the department to take the examination required under this section for a dealer's or salesperson's license shall pay to the department a fee established by the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 552, Stats. of 1986, eff. 1/1/87.)

18054. Issuance of licenses and other documents; duplicates; return or cancellation, suspension or revocation

(a) The department, upon granting a license, shall issue to the applicant a license with a size and format established by the department containing at least the applicant's name and address, the general distinguishing number assigned to the applicant and expiration date. For salespersons, the license shall also state the name and address of the employing dealer. The department may issue other forms of identification to licensees.

(b) The department shall also furnish books and forms as it may determine necessary. All books, forms, and licenses shall remain the property of the department and may be taken up at any time for inspection.

(c) A licensee shall promptly obtain a replacement license when the original is either lost or mutilated, and, in the case of a salesperson, when changing his or her name, employment, or residence address.

(d) Whenever the department cancels, suspends, or revokes a license, the licensee or person in possession shall immediately return the license, documents, transportation decals, report of sales books, certificates, and other evidence of licensure to the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 730, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 608, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

18054.7. Duration of occupational license; time for renewal or reinstatement

(a) Every occupational license issued to a manufacturer, distributor, dealer, or salesperson shall expire on the last day of the 24th month following the date of issuance of the temporary permit, pursuant to Section 18052.

(b) Every occupational license renewed by a manufacturer, distributor, dealer, or salesperson shall be for a term of 24 months.

(c) Applications to renew an occupational license held by a manufacturer, distributor, dealer, or salesperson shall be received by the department or postmarked during the month of expiration. An expired occupational license may be reinstated upon application for reinstatement to the department within 60 days of expiration. The application for reinstatement shall be accompanied with the payment of all renewal fees and a reinstatement fee equal to 50 percent of the renewal fee.

(d) Holders of an expired occupational license shall discontinue all activities of a licensee until a new license or temporary permit is obtained from the department, except that an applicant for renewal may continue to operate with an expired occupational license, provided all other requirements of rules, regulations, and laws governing their activities are met, until the application for renewal is approved or denied.

(Added by Ch. 730, Stats. of 1982, eff. 1/1/83, operative 1/1/84.)
(Amended by Ch. 552, Stats. of 1986, eff. 8/22/86.)
(Amended by Ch. 373, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

18055. Fees and penalties

(a) The department may require that fees shall be paid to the department for the issuance or renewal of a license to do business as a licensee. The fees shall reimburse the department for costs incurred in administration and enforcement of this chapter. The department may refuse to renew a license if a licensee has failed to pay any fees or penalties due the department pursuant to this part.

(b) Any person required to be licensed under this chapter who fails to make application for a license when required shall, in addition to the fees required pursuant to subdivision (a), pay a penalty of 50 percent of the license fee.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

ARTICLE 2.5. CONTINUING EDUCATION

18056. Legislative findings; adoption of regulations

(a) The Legislature has determined that it is in the public interest for consumer protection and service that all manufactured housing dealers and salespersons licensed under the provisions of this part comply with the continuing education requirements adopted by department regulations pursuant to this article. The provisions of this article shall not apply to those persons licensed only to sell commercial coaches.

(b) The department shall adopt regulations implementing this article as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, the adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 552, Stats. of 1986, eff. 8/22/86.)

18056.1. Assistance and advice of experts

In carrying out its duties under this article, the department shall take reasonable steps to solicit the assistance and advice of persons who are experts in the areas of mobilehome and manufactured housing and in education in the areas of mobilehome and manufactured housing, including the needs and benefits of continuing education as provided for in this article.

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

18056.2. Completion of approved educational courses; regulations; contents

(a) Any person licensed as a dealer or salesperson to sell manufactured homes or mobilehomes shall have completed approved educational courses, seminars, or conferences, or their equivalent, during the period preceding license renewal on the following basis:

(1) For the first license renewal period subsequent to issuance of the license: 24 hours.

(2) For the second license renewal period subsequent to issuance of the license: 12 hours.

(3) For the third and subsequent license renewal periods subsequent to the issuances of the license: six hours.

(b) The regulations shall prescribe all of the following:

(1) A basis and method of qualifying educational programs, including course content and topic requirements, and instructors, the certification of attendance at which, or challenging the course of which, will satisfy the requirements of this article.

(2) A procedure for evaluation of petitions based on a claim of equivalency with the requirements of subdivision (a), and a reasonable standard by which activity would be judged equivalent, including, but not limited to, instruction in manufactured housing educational programs, law, manufactured housing technical programs, or research.

(3) A system of control and reporting qualifying attendance.

(4) A statement of the conditions of exemption from the continuing education requirements established under this article, as well as a method of applying and qualifying for the exemption, for reason of health, military service, or other compelling cause.

(5) Criteria for the content, availability, and procedures for no less than six hours of preliminary education courses or programs which shall be attended and successfully concluded by applicants for new dealers' or salespersons' licenses before the applicants take the licensing examinations.

(c) In exercising the authority under this article, the department shall establish standards which will assure reasonable currency of knowledge as a basis for a level of manufactured housing practice which will provide a high level of consumer protection and service. The standards shall include, where qualified, generally accredited educational institutions, private vocational schools, correspondence institutions, educational programs and seminars of professional societies and organizations, other organized educational programs or technical subjects, or equivalent offerings.

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 123, Stats. of 1985, eff. 7/1/85.)
(Amended by Ch. 552, Stats. of 1986, eff. 8/22/86.)
(Amended by Ch. 1077, Stats. of 1987, eff. 1/1/88.)

18056.3. Regulations; amendment or repeal

The department may amend or repeal any regulation adopted pursuant to this article in the same manner as provided for adoption of regulations, except that no amendment or repeal shall operate to deprive any licensee of the right to submit qualifying education completed pursuant to the amended or repealed regulation during his or her current license term, as a basis for license renewal.

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

18056.4. Renewal of license; completion of educational requirements

On or after January 1, 1987, no dealer's or salesperson's license shall be issued or renewed unless the department finds that the applicant has completed the preliminary or continuing education required by this article. Any denial of license issuance or renewal is subject to Article 2 (commencing with Section 18050).

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 123, Stats. of 1985, eff. 7/1/85.)

18056.5. Extension of license pending completion of educational requirements

When the department finds that the evidence submitted in good faith by an applicant for a renewal license does not in fact qualify, it may extend the license for 90 days to allow the applicant to submit additional evidence to comply with this article. When the renewal license is issued during a grace period, it shall expire at the regular time otherwise provided for in this part.

(Added by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

ARTICLE 3. INFRACTIONS AND PENALTIES

18058. Suspension or revocation of license, grounds

It is unlawful, and a violation of this part, if a person to whom a license is issued is any of the following:

(a) Not lawfully entitled thereto.

(b) Has violated any of the provisions of this part or of Section 18613 or 18551, or any rule, order, or regulation issued pursuant thereto.

(c) Has committed or omitted any of the acts or omissions set forth in Sections 18058.5 through 18063.5, inclusive.

The department, after notice and hearing, may suspend or revoke the license issued to a licensee upon determining that these acts or omissions occurred or are in existence.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18058.1. Service of process by registered mail; closed place of business or salesperson no longer residing at address last filed

(a) Any manufacturer or dealer licensed under this part that has closed its place of business, or any salesperson licensed under this part no longer residing at the address last filed with the department, may be served with process issued pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code by registered mail at that place of business in the case of a manufacturer or dealer, or at the last address filed with the department in the case of a salesperson, unless the manufacturer, dealer, or salesperson has notified the department in writing of another address where service may be made.

(b) This section shall apply to any manufacturer, dealer, or salesperson who is licensed under this part or whose license is renewed under this part, on or after the effective date of this section.

(Added by Ch. 1144, Stats. of 1989, eff. 9/30/89.)

18058.5. Applications

With respect to applications, it is unlawful to file an application for the license thereafter issued using a false or fictitious name not registered with the proper authorities, or to knowingly make any false statement or to knowingly conceal any material fact in the application for the license.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18059. Taxation, fees, title, and registration

With respect to taxation, fees, title, and registration, it is unlawful to do any of the following:

(a) Used a false or fictitious name, knowingly make any false statement, or knowingly conceal any material fact in any application for title or registration of a manufactured home, mobilehome, or commercial coach, or otherwise commit a fraud in that application.

(b) Fail to deliver to a transferee lawfully entitled thereto a properly endorsed title or registration.

(c) Violate any of the terms or provisions of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code or rules and regulations adopted pursuant thereto or adopted pursuant to Section 18015 of this part.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18059.5. Escrows and sales practices

With respect to escrows and sales practices, it is unlawful to do any of the following:

(a) Violate any of the terms or provisions of Chapter 5 (commencing with Section 18035) relating to purchase documents, receipts for deposit, escrow, and sales practices, or any rule, regulation, or order issued by the department pursuant thereto.

(b) Intentionally withhold or provide false information to an escrow company or to any person or firm holding or acquiring an ownership or security interest in the manufactured home or mobilehome being sold or purchased.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)

18060. Business operations

With respect to business operations, it is unlawful to do any of the following:

(a) Make, or knowingly or negligently permit, any illegal use of any special permits, or report of sales books issued to or in favor of a licensee.

(b) Submit a check, draft, or money order to the department for any obligation or fee due the department which is thereafter dishonored or refused payment upon presentation.

(c) Fail to notify the department, within 10 days, of any change in the ownership or corporate structure of the licensee, or of the employment or termination of a mobilehome or commercial coach salesperson.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 506, Stats. of 1991, eff. 1/1/92.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

18060.5. Business practices

With respect to business practices, it is unlawful to do any of the following:

(a) Knowingly purchase, sell, or otherwise acquire or dispose of a stolen manufactured home, mobilehome, or commercial coach.

(b) Violate any of the terms or provisions of regulations promulgated under the authority of Section 18015.

(c) Cause the state or any person to suffer any loss or damage by reason of any fraud or deceit practiced on them or fraudulent representations made to any person in the sale or purchase of a manufactured home, mobilehome, or commercial coach or parts or accessories thereof.

(d) Violate any of the terms and conditions of Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(e) Move a manufactured home, mobilehome, or commercial coach subject to registration pursuant to this part from a mobilehome park or other site of installation to another location without obtaining from the legal owner written consent for the move as prescribed in Section 18099.5.

(f) Include as an added cost to the selling price of a manufactured home, mobilehome, or commercial coach, an amount for licensing or transfer of title of the manufactured home, mobilehome, or commercial coach, which amount is not due to the state unless, prior to the sale, the amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of those fees. However, a dealer may collect from the second purchaser of a manufactured home, mobilehome, or commercial coach, a prorated fee based upon the number of months remaining in the registration year for that manufactured home, mobilehome, or commercial coach, if the manufactured home, mobilehome, or commercial coach was previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this part and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the manufactured home, mobilehome, or commercial coach.

(g) Participate in the sale of a manufactured home, mobilehome, or commercial coach reported to the Department of Motor Vehicles Section 5900 of the Vehicle Code or to the department pursuant to this part without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(h) Fail to exercise reasonable supervision over the activities of employees who negotiate or promote the sale of manufactured homes, mobilehomes, or commercial coaches.

(i) Display for sale, offer for sale, or sell, a manufactured home, mobilehome, or commercial coach, representing that manufactured home, mobilehome, or commercial coach to be of a year model different from the year model designated at the time of manufacture or first assembly as a completed manufactured home, mobilehome or commercial coach.

(j) Directly or indirectly authorize or advise another licensee to change the year model of a manufactured home, mobilehome, or commercial coach in the inventory of the other licensee.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)
(Amended by Ch. 706, Stats. of 1983, eff. 9/11/83.)
(Amended by Ch. 1342, Stats. of 1984, eff 9/26/84, operative 1/1/85.)

18061. Advertising

With respect to advertising, it is unlawful:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or by any other manner or means whatsoever, any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading, or to so make or disseminate or cause to be so disseminated any statement as part of a plan or scheme with the intent not to sell any manufactured home, mobilehome, or commercial coach or service so advertised at the price therein, or as so advertised.

(b) To advertise or offer for sale or exchange in any manner, any manufactured home, mobilehome, or commercial coach not actually for sale at the premises of the dealer or available to the dealer through a listing agreement executed by the seller or from a manufacturer or distributor at the time of the advertisement or offer. However, this subdivision does not apply to advertising or offering for sale or exchange any used manufactured home, used mobilehome, or used commercial coach, where the advertising or offering for sale is not contrary to any terms of a contract between the seller of the manufactured home, mobilehome, or commercial coach and the owner of the mobilehome park, and which manufactured home, mobilehome, or commercial coach is either in place on a lot rented or leased for human habitation within an established mobilehome park, or is otherwise located, pursuant to a local zoning ordinance or permit, on a lot where its presence has been authorized or its continued presence and use would be authorized for a total and uninterrupted period of at least one year.

(c) To fail, within 48 hours, in writing, to withdraw any advertisement of a manufactured home, mobilehome, or commercial coach that has been sold or withdrawn from sale.

(d) To advertise or represent a manufactured home, mobilehome, or commercial coach as a new manufactured home, mobilehome, or commercial coach if the manufactured home, mobilehome, or commercial coach has been previously installed as a model without also advertising that it was a model.

(e) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on his or her behalf, or at his or her established place of business, that no downpayment is required in connection with the sale of a manufactured home, mobilehome, or commercial coach when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the manufactured home, mobilehome, or commercial coach.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)

18061.5. Unlawful acts

It is unlawful to do any of the following:

(a) Willfully violate any law, or any rule or regulation adopted by the department, relating to manufactured homes, mobilehomes, or commercial coaches or the sale of manufactured homes, mobilehomes, or commercial coaches.

(b) Fail to comply within a reasonable time with any written order of the department or any law enforcement agency.

(c) Fail to meet the terms and conditions of a compromise agreement effected under the provisions of Section 18064.5.

(d) Cause or allow the existence of any of the conditions specified in Section 18050.5 as a cause for refusal to issue a license.

(e) Lend a license to any other person or knowingly permit the use thereof by another.

(f) Display or represent any license not issued to the person as being his or her license.

(g) Fail or refuse to surrender to the department, upon its lawful demand, any license, or report of sales books, which is suspended, revoked, or canceled.

(h) Permit any unlawful use of a license, or report of sale books, issued to a licensee.

(i) Photograph, photostat, duplicate, or in any way reproduce any license or facsimile thereof in such a manner that it could be mistaken for a valid license, or display or possess any photograph, photostat, duplicate, reproduction, or facsimile unless authorized by the provisions of this part.

(j) Accept or encourage sales arranged or negotiated by unlicensed persons or salespersons while not employed by the dealer. For the purposes of this section, employment by a dealer shall mean employment reported to the department pursuant to Section 18060.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 394, Stats. of 1996, eff. 1/1/97.)

18062. Unlawful acts of dealer

It is unlawful for a dealer to do any of the following:

(a) Enter into a listing agreement that does not include a specified date upon which the agreement is to terminate.

(b) Claim or take any secret or undisclosed amount of compensation, commission, fee, or profit prior to, or at the time that a contractual agreement is signed whereby all parties involved, after negotiation, have come to terms. However, this section shall not be construed to require the disclosure of any exclusive financial arrangements agreed upon between the dealer and any financial institution with regard to financial arrangements applicable solely to them.

(c) Exercise any provision which allows the dealer an option to purchase the manufactured home, mobilehome or commercial coach that is the subject of an agreement whereby a consumer authorizes or employs the dealer to arrange for its sale, purchase, or exchange, unless the dealer has, prior to exercising the option, revealed in writing to the consumer the full amount of the dealer's profit in exercising the option and obtained the written consent of the consumer approving the amount of the profit.

(d) Fail to disclose any liens or encumbrances of which the dealer had knowledge on a manufactured home, mobilehomes or commercial coach.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)

18062.2. Additional Unlawful acts of dealer

It is also unlawful for a dealer to do any of the following:

(a) Engage in the business for which the dealer is licensed without at all times maintaining an established place of business.

(b) Employ any person as a salesperson who is not licensed pursuant to this part, or whose license or 90-day certificate is not displayed on the premises of the dealer as provided in Section 18063.

(c) Permit the use of the dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of manufactured homes, mobilehomes, or commercial coaches, or to permit the use of the dealer's license, supplies, or books to operate a secondary location to be used by any other person, if, the licensee has no financial or equitable interest or investment in the manufactured homes, mobilehomes, or commercial coaches sold by, or the business of, or secondary location used by, the person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of manufactured homes, mobilehomes, or commercial coaches.

(d) Advertise any specific manufactured home, mobilehome, or commercial coach for sale without identifying the manufactured home, mobilehome, or commercial coach by its serial number or by the number on its federal label or insignia of approval issued by the department.

(e) Advertise the total price of a manufactured home, mobilehome, or commercial coach without including all costs to the purchaser at time of delivery at the dealer's premises, except sales tax, title and registration fees, finance charges, and any dealer documentary preparation charge. The dealer documentary preparation charge shall not exceed twenty dollars ($20).

(f) Exclude from the advertisement of a manufactured home, mobilehome, or commercial coach for sale information to the effect that there will be added to the advertised total price at the time of sale, charges for sales tax, title and registration fees, escrow fees, and any dealer documentary preparation charge.

(g) Represent the dealer documentary preparation charge as a governmental fee.

(h) Refuse to sell the manufactured home, mobilehome, or commercial coach to any person at the advertised total price for that manufactured home, mobilehome, or commercial coach, exclusive of sales tax, title fee, finance charges, and dealer documentary preparation charge, which charge shall not exceed twenty dollars ($20), while it remains unsold, unless the advertisement states the advertised total price is good only for a specified time and that time has elapsed.

(i) Not post the salesperson's license in a place conspicuous to the public on the premises where they are actually engaged in the selling of manufactured homes, mobilehomes, and commercial coaches for the employing dealer. The license shall be displayed continuously during their employment. If a salesperson's employment is terminated, the dealer shall return the license to the salesperson.

(j) Offer for sale, rent, or lease within this state a new manufactured home, mobilehome, or commercial coach whose manufacturer is not licensed under this part.

(k) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 706, Stats. of 1983, eff. 9/11/83.)
(Amended by Ch. 199, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 830, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 875, Stats. of 1989, eff. 1/1/90.)

(Amended by Ch. 689, Stats. of 1998, eff. 1/1/99.)

18062.5. Coercion of dealer by manufacturer or distributor

It is unlawful for any manufacturer or distributor to coerce or attempt to coerce any dealer in this state to do any of the following:

(a) Order or accept delivery of any manufactured home, mobilehome, or commercial coach, part or accessory thereof, appliance, equipment or any other commodity not required by law which shall not have been voluntarily ordered by the dealer.

(b) Order or accept delivery of any manufactured home, mobilehome, or commercial coach with special features, appliances, accessories or equipment not included in the list price of the manufactured home, mobilehome, or commercial coach as publicly advertised by the manufacturer or distributor.

(c) Order for any person any parts, accessories, equipment, machinery, tools, appliances, or any commodity whatsoever.

(d) Participate in an advertising campaign or contest, any promotional campaign, promotional materials, training materials, showroom or other display decorations or materials at the sole expense of the dealer.

(e) Enter into any agreement with the manufacturer or distributor or to do any other act prejudicial to the dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and manufacturer or distributor. Notice in good faith to any dealer of the dealer's violation of any terms or provisions of the franchise or contractual agreement shall not constitute a violation of this section.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18062.8. Unlawful acts of manufacturer or distributor

It is unlawful for any manufacturer or distributor licensed under this part to do any of the following:

(a) Refuse or fail to deliver, in reasonable quantities and within a reasonable time after receipt of an order from a dealer having a franchise for the retail sale of any new manufactured home, mobilehome, or commercial coach sold or distributed by the manufacturer or distributor, any new manufactured home, mobilehome, or commercial coach or parts or accessories to new manufactured homes, mobilehomes, or commercial coaches that are covered by the franchise, if the mobilehome or commercial coach, parts or accessories are publicly advertised as being available for delivery or actually being delivered. This subdivision is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer or distributor.

(b) Prevent or require or attempt to prevent or require, by contract or otherwise, any change in the capital structure of a dealership, if the dealer at all times meets any reasonable capital standards agreed to by the dealer and the manufacturer or distributor, and also provided that no change in capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor.

(c) Prevent or require, or attempt to prevent or require, a dealer to change the executive management of a dealership, other than the principal dealership operator or operators, if the franchise was granted the dealer in reliance upon the personal qualifications of that person or persons.

(d) Prevent or require, or attempt to prevent or require, by contract or otherwise, any dealer, or any officer, partner, or stockholder of any dealership, to participate in the sale or transfer of any part of the interest of any of them to any other person or persons. No dealer, officer, partner, or stockholder shall, however, have the right to sell, transfer, or assign the franchise, or any right thereunder, without the consent of the manufacturer or distributor if the consent is not unreasonably withheld.

(e) Prevent, or attempt to prevent, a dealer from receiving fair and reasonable compensation for the value of the franchised business. There shall be no transfer or assignment of the dealer's franchise without the consent of the manufacturer or distributor, if the consent is not unreasonably withheld.

(f) Obtain money, goods, services, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and any other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the dealer.

(g) Require a dealer to prospectively assent to a release, assignment, novation, waiver, or estoppel which would relieve any person from liability imposed by this part or to require any controversy between a dealer and a manufacturer or distributor to be referred to any person other than the department, if the referral would be binding on the dealer. This subdivision shall not, however, prohibit arbitration before an independent arbitrator.

(h) Increase prices of manufactured homes, mobilehomes, or commercial coaches that the dealer had ordered for private retail consumers prior to the dealer's receipt of the written official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer. Price reductions shall apply to all manufactured homes, mobilehomes, and commercial coaches in the dealer's inventory which were subject to the price reduction. A price difference applicable to new model or series manufactured homes, mobilehomes, or commercial coaches at the time of the introduction of new models or series shall not be considered a price increase or price decrease. Price changes caused by either of the following shall not be subject to this subdivision:

(1) The addition to a manufactured home, mobilehome, or commercial coach of required or optional equipment pursuant to state or federal law.

(2) Revaluation of the United States dollar in the case of foreign-made manufactured homes, mobilehomes, or commercial coaches.

(i) Fail to pay to a dealer, within a reasonable time following receipt of a valid claim by a dealer thereof, any payment agreed to be made by the manufacturer or distributor to the dealer by reason of the fact that a new manufactured home, mobilehome, or commercial coach of a prior year model is in the dealer's inventory at the time of introduction of new model manufactured homes, mobilehomes, or commercial coaches. A manufacturer or distributor shall not authorize or enable any new model to be delivered by dealers at retail more than 30 days prior to the eligibility date of the model change allowance payment for prior year model manufactured homes, mobilehomes, or commercial coaches.

(j) Deny the surviving spouse or heirs designated by a deceased owner of a dealership, the opportunity to participate in the ownership of the dealership or successor dealership under a valid franchise for a reasonable time after the death of the owner.

(k) Offer any refunds or other types of inducements to any dealer or other person for the purchase of new manufactured homes, mobilehomes, or commercial coaches of a certain make and model to be sold to the state or any political subdivision thereof without making the same offer to all other dealers in the same make and model within the relevant market area.

(l) Employ a person as a distributor who has not been licensed pursuant to this chapter.

(m) Deny any dealer the right of free association with any other dealer for any lawful purpose.

(n) Compete with a dealer in the same make and model operating under an agreement or franchise from a manufacturer or distributor in the relevant market area. A manufacturer or distributor shall not, however, be deemed to be competing when operating a dealership either temporarily for a reasonable period, or in a bona fide retail operation that is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions.

(o) Unfairly discriminate among its franchisees with respect to warranty reimbursement or authority granted its franchisees to make warranty adjustments with retail customers.

(p) Sell manufactured homes, mobilehomes, or commercial coaches to persons not licensed under this part for resale, except as authorized pursuant to Sections 18015.7 or 18062.9.

(q) Fail to exercise reasonable supervision over the activities of employees who negotiate or promote the sale of manufactured homes, mobilehomes, or commercial coaches.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1162, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 458, Stats. of 1993, eff. 1/1/94.)
(Amended by Ch. 185, Stats. of 1995, eff. 1/1/96.)

(Amended by Ch. 124, Stats. of 1996, eff. 1/1/97.)

18062.9. Manufactured home sales to a licensed contractor

A manufactured home manufacturer may sell a manufactured home, as defined in Section 18007, directly to a licensed California general building contractor, as defined in Section 7057 of the Business and Professions Code, when all of the following conditions are met:

(a) The sale is for five or more manufactured homes in a calendar year.

(b) The manufactured homes are delivered directly to a building site and installed on a foundation system in accordance with Section 18551.

(c) The manufactured homes are installed within a single subdivision, as defined in Section 66424 of the Government Code, consisting of five or more parcels, and therefore require a tentative and final map pursuant to Section 66426 of the Government Code.

(Added by Ch. 458, Stats. of 1993, eff. 1/1/94.)

18063. Unlawful acts of salesperson

It is unlawful for a salesperson to do any of the following:

(a) At the time of employment, not deliver to his or her employing dealer his or her salesperson's license or 90-day certificate.

(b) Fail to report in writing to the department every change of residence within five days of the change.

(c) Act or attempt to act as a salesperson while not employed by a dealer. For purposes of this subdivision, "employment by a dealer" means employment reported to the department pursuant to subdivision (c) Section 18060.

(d) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/30/84.)
(Amended by Ch. 830, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 875, Stats. of 1989, eff. 1/1/90.)
(Amended by Ch. 471, Stats. of 2000, eff. 1/1/01.)

18064. Temporary suspension of license

The department may, pending a hearing, temporarily suspend the license issued to a licensee for a period not to exceed 30 days if the director finds that the action is required in the public interest. In any such case, a hearing shall be held and a decision thereon issued within 30 days after notice of the temporary suspension.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18064.2. Order to desist and refrain; hearing

(a) If the director determines through an investigation that a person has engaged or is engaging in an activity which is a violation of this part, or which is a violation of a regulation of the department adopted for the purpose of implementing this part, and if the director finds that the action is required in the public interest, he or she may direct the person to desist and refrain from that activity by issuance of an order specifying the nature of the activity and the factual and legal basis for his or her determination. The respondent to whom the order is directed shall immediately, upon receipt of the order, cease the activity described in the order.

(b) The respondent may, within 30 days after service of the order to desist and refrain, file a written request for a hearing to contest the order.

(c) If a written request for hearing is received within 30 days of the date of service of the order, a hearing shall be held. The hearing shall be commenced within 30 days after receipt of respondent's request unless the respondent agrees to a postponement. If the hearing is not held and a decision rendered by the director within 30

days after receipt of respondent's request for a hearing, or the date to which continued with respondent's consent, the order shall be deemed rescinded.

(d) If a person served with an order issued pursuant to this section fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the director and shall not be subject to review by any court or agency.

(Added by Ch. 707, Stats. of 1987, eff. 1/1/88.)

18064.5. Stipulated penalty; compromise and settlement; agreements

(a) The director may, following the filing of an accusation against a licensee under this part and prior to conducting a hearing, exercise an option, with the consent of the licensee, to enter into and adopt a stipulated penalty whereby the licensee agrees to accept the terms and conditions of the penalty without hearing or appeal by any party thereto.

(b) Except when the accusation alleges injury to, or fraud against, the public or the state, the director may, following the filing of an accusation against a licensee or prior to adopting any recommendation resulting from a hearing, exercise an option, with the consent of the licensee, to impose and require the payment of a monetary penalty of a minimum and maximum amount for each violation alleged and stipulated to by the licensee, as established by a schedule under regulations adopted by the department and costs of investigation and prosecution, without further hearing or appeal, and without any other form of penalty against the licensee which may otherwise have been imposed for the same offense or offenses had the matter proceeded to hearing or had the director adopted the decision of the hearing officer.

(c) If the accusation alleges injury to, or fraud against, an individual purchaser or potential purchaser, the director may enter into an agreement pursuant to subdivision (b), but such a compromise and settlement shall include, in addition to the monetary penalty set forth by regulation, compensation for the injury or fraud, including all costs of investigation and prosecution.

(d) Each compromise settlement agreement and each monetary penalty agreement entered into pursuant to this section shall be signed by the respondent licensee, the director, and the accuser, or by their authorized representatives, and filed with the Office of Administrative Hearings, together with the department's notice of withdrawal of the accusation upon which the action was initiated if the compromise settlement agreement or monetary payment agreement is entered into before the hearing.

(e) Failure of the respondent to honor the terms and conditions of any agreement entered into under this section shall render the agreement null and void, and shall be cause for action pursuant to Section 18058 in the same manner as the department may have otherwise proceeded, notwithstanding the agreement.

(f) The amount of the penalty provided for in subdivision (b) shall not exceed five hundred dollars ($500) per violation and shall be based upon the nature of the violation and the seriousness of the violation against the purposes and provisions of this part.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18065. Automatic cancellation of licenses and permits

The licenses or permits provided for in this part shall be automatically canceled upon any of the following events:

(a) The abandonment of the established place of business of the licensee or the change thereof without notice to the department as provided in this part.

(b) The voluntary or involuntary surrender for any cause by the licensee of the license. However, the surrender or cessation of business by the licensee, or the suspension of the corporate charter of the licensee by the state, shall not prevent the filing of an accusation for revocation or suspension of the surrendered license as provided in Section 18058 or the department's decision that the license should be suspended or revoked. Furthermore, this determination may be considered in granting or refusing to grant any subsequent license authorized by this part to the licensee, copartner, or any officer, director, or stockholder of the prior licensee.

(c) Notification that the person designated as licensee has changed.

(d) Suspension or cancellation of the corporate charter of the licensee by the state.

(e) Failure of a licensee to file an application for renewal for the license or permit before the date of expiration of the current license or permit.

(f) Submittal of a check, draft, or money order to the department for a license or license renewal fees due the department which is thereafter dishonored or refused payment upon presentation and which fees and penalty are not thereafter paid by cash, money order, or cashier's check prior to the expiration of the license.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1528, Stats. of 1984, eff. 9/29/84.)
(Amended by Ch. 506, Stats. of 1991, eff. 1/1/92.)

18065.5. Authority to limit scope of revocation or suspension

The revocation or suspension of a license may be limited to one or more municipalities or counties or any other defined area, or may be revoked or suspended in a defined area only as to certain aspects of its business, or as to a specified licensee or licensees.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18066. Effect of suspension, expiration, or cancellation of license on right to file accusation for revocation or suspension

The suspension, expiration or cancellation of a license provided for in this part shall not prevent the filing of an accusation for the revocation or suspension of the suspended, expired, or canceled license as provided in Section 18058, and the department's decision that the license should be suspended or revoked. This determination may be considered in granting or refusing to grant any subsequent license authorized by this part to the licensee.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 506, Stats. of 1991, eff. 1/1/92.)

18066.5. Refund of excess payment for transfer fees

If a purchaser of a manufactured home, mobilehome, or commercial coach pays to the dealer an amount for transfer of title of the manufactured home, mobilehome, or commercial coach, which amount is in excess of the actual fees due for the transfer, or which amount is in excess of the amount which has been paid, prior to the sale, by the dealer to the state in order to avoid penalties that would have accrued because of late payment of the fees, the dealer shall return the excess amount to the purchaser, whether or not the purchaser requests the return of the excess amount.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

CHAPTER 7.5 MANUFACTURED HOME RECOVERY FUND

18070. Creation; purposes; investment income; appropriation

(a) (1) There is hereby created in the State Treasury the Manufactured Home Recovery Fund. The money in the fund shall be used only for the purposes of this chapter, including payment of the department's administrative costs incurred pursuant to this chapter. The department's costs may include any investigative costs incurred under this chapter, costs incurred to render a decision pursuant to Section 18070.3, and costs incurred in defending a decision on appeal.

(2) The Legislature finds and declares that the financial hardship endured by someone who is buying or selling a manufactured home for the purpose of using it for a primary residence is more profound than the hardship of someone who is selling or purchasing a manufactured home for investment purposes. It is, therefore, the intent of the Legislature in enacting this chapter that any claims for primary residences submitted, pursuant to this chapter, by a claimant for payment from the fund shall be given priority over claims submitted for investment purposes. The distinctions made in this chapter between claims made for personal residential purposes and claims made for investment purposes shall reflect the priorities set forth in this paragraph.

(b) The money in the fund may be invested pursuant to Chapter 3 (commencing with Section 16430) of Part 2 of Division 4 of Title 2 of the Government Code. All income derived from investments of the fund shall be returned to the fund by the Treasurer as the income is earned.

(c) Notwithstanding Section 13340 of the Government Code, the money in the fund is hereby continuously appropriated to make the payments and distributions required by this chapter.

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1206, Stats. of 1992, eff. 1/1/93.)

18070.1. Fees; dealers and salespersons

(a) On and after January 1, 1985, before a dealer's license is issued or renewed, each applicant shall pay a fee of two hundred fifty dollars ($250).

(b)(1) The fee required by subdivision (a) shall not be collected more than once. In addition, each dealer shall pay a fee of one hundred dollars ($100) for each additional business location operated by the dealer and for each new business location.

(2) In addition, before a salesperson's license is issued or renewed, each applicant shall pay a fee of twenty-five dollars ($25). This fee shall not be collected more than once.

(c) For each sale of a manufactured home reported to the department, a fee not to exceed ten dollars ($10) shall be collected by the department for deposit in the Manufactured Home Recovery Fund prior to the issuance of a new registration.

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1206, Stats. of 1992, eff. 1/1/93.)

18070.2. Time for collection of fees and filing of claims; date of sale; fee reductions and increases

(a) Fees for the establishment and operation of the Manufactured Home Recovery Fund shall be collected on or after January 1, 1985. Claims against the fund arising from sales which occur after January 1, 1985, may not be submitted to the department before January 1, 1986. For purposes of this section, the date of sale shall be either of the following:

(1) The date escrow closes for sales by dealers which are subject to Section 18035 or 18035.2.

(2) For all other sales, the date when the purchaser has paid the purchase price or, in lieu thereof, has signed a security agreement or purchase contract and has taken physical possession or delivery of the manufactured home.

(b) Notwithstanding any other provision of law, whenever the balance in the Manufactured Home Recovery Fund exceeds one million dollars ($1,000,000) on January 1 of any year, the department may reduce the fee provided for in subdivision (c) of Section 18070.1. The department may again increase the fee up to a maximum of ten dollars ($10) whenever the balance in the fund falls below one million dollars ($1,000,000).

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1289, Stats. of 1988, eff. 9/26/88.)
(Amended by Ch. 1206, Stats. of 1992, eff. 1/1/93.)

18070.3. Claims, payment; conditions; review; order and warrant

(a) When any person (1) who has purchased a manufactured home for a personal or family residential or investment purpose or (2) who has sold a manufactured home for a personal or family residential or investment purpose, obtains (A) a final judgment in any court of competent jurisdiction against any manufactured home dealer, salesperson, or other seller or purchaser, and the judgment is based on the grounds of failure to honor warranties or guarantees, or for fraud, or for willful misrepresentation of the kind or quality of the product sold or purchased, or for conversion, arising directly out of any transaction which occurs on or after January 1, 1985, the person, upon termination of all proceedings, including appeals, may file a claim with the department for an order directing payment out of the fund of the amount of actual and direct loss in the transaction.

(b) If any person either purchases a manufactured home used for a personal or family residential or investment purpose from, or sells a manufactured home used for a personal or family residential or investment purpose to, a licensee who is or has been the subject of a bankruptcy proceeding, the person may file a claim with the department for an order directing payment out of the fund of the actual and direct loss in the transaction based on the licensee's failure to honor warranties or guarantees, or for fraud, or for willful misrepresentation of the kind or quality of product purchased or sold, or for conversion, arising directly out of any transaction that occurs on or after January 1, 1985.

(c) No person applying for recovery from the fund shall apply for judgment on any bond issued prior to January 1, 1985.

(d) "Actual and direct loss," for purposes of this chapter, includes:

(1) The amount of the actual and direct loss, plus court costs and reasonable attorney fees incurred in pursuit of the judgment, not to exceed 15 percent of the amount of the judgment, if the claim is based on a judgment.

(2) Only the amount of the actual and direct loss, if the claim is not based on a judgment.

(e) (1) The total amount of the claim shall not exceed the amount of actual and direct loss that remains unreimbursed from any source.

(2) The maximum payment ordered under this section, with respect to any one sales transaction on a new or used manufactured home, shall be the amount of the judgment plus attorney's fees or, in the case of a bankrupt licensee, the amount of the actual and direct loss, as determined by the department based on information in the possession of the department and information provided by the claimant or claimants. In no event shall the actual payments exceed seventy-five thousand dollars ($75,000).

(3) Notwithstanding any other provision of this chapter, a person who purchases or sells a manufactured home for an investment purpose may receive payment from the fund for that purpose only once. A person who has received payment from the fund for the purchase or sale of a manufactured home for an investment purpose shall henceforth be ineligible to make a claim under this chapter, either as a natural person or as a member of a partnership, as an officer or director of a corporation, as a member of a marital community, or in any other capacity.

(f) For the purposes of this chapter:

(1) "Claimant" does not include a person holding a lien on, or a person possessing a secondary interest in, a manufactured home.

(2) "Conversion" means the unlawful appropriation of the property of another.

(g) Prior to payment of any claim against the fund, the claimant or claimants shall have first:

(1) If the claim is based on a final judgment, executed judgment against all the assets of the judgment debtor or presented evidence satisfactory to the department that the debtor is judgment proof.

(2) If the claim is not based on a final judgment, presented evidence satisfactory to the department that the licensee is or has been the subject of bankruptcy proceedings and, for purposes of any civil litigation or claims in bankruptcy proceedings, has assigned to the department any interest in the actual and direct loss described in subdivision (d) in the amount that the claimant or claimants recover from the fund.

(h) A claim against the fund shall be filed with the department in accordance with the following:

(1) If the claim is based on a final judgment, within one year from the date of the judgment.

(2) If the claim is not based on a final judgment, within one year from the termination of bankruptcy proceedings or one year from the date of sale as determined by subdivision (a) of Section 18070.2, whichever event occurs later.

(i) When any person files a claim for an order directing payment from the fund, the department shall conduct a review of the application and other pertinent information in its possession, and it may issue an order directing payment out of the fund as provided in subdivisions (a) to (h), inclusive, subject to the limitations of subdivisions (a) to (h), inclusive, if the claimant or claimants show all of the following:

(1) That he or she is not a spouse of the judgment debtor, the bankrupt licensee, or a person representing the spouse.

(2) That he or she is making an application within the time specified in subdivision (h).

(3) That the claimant has satisfied the applicable requirements of subdivision (g).

(4) That, if the claimant is a seller of a manufactured home used by the seller for personal, family, or household purposes, the claimant made a good faith effort to adequately secure the debt resulting from the sale of the manufactured home and with respect to which the claim is made. For purposes of this paragraph, a good faith effort to secure the debt may be demonstrated by, but shall not be limited to, providing the department with a promissory note signed by the debtor and which, pursuant to the terms thereof, is secured by collateral with a reasonable value at least equal to the debt evidenced by the promissory note.

(j) Upon an order of the department directing that payment be made out of the fund, the Controller is authorized to draw a warrant for the payment of the amount of the claim approved by the department pursuant to this section.

(k) In dispersing moneys from the fund, the department is authorized to give priority to claimants who have attempted to purchase or sell a manufactured home for a personal or family residential purpose.

(l) Prior to July 1, 1995, the department shall completely process and render determinations upon all claims to the fund that were received by the department prior to January 1, 1993. All claims to the fund that are received on or after January 1, 1993, shall be processed, and a determination made, within one year of the original date of application.

(m) The department, upon request by a Member of the Legislature, shall provide the following information: the number of claims to the fund, number of claims processed and decided within one year of their application date, the amount of fund money paid to claimants, and the amount of fund money allocated for the department's costs.

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1289, Stats. of 1988, eff. 9/24/88.)
(Amended by Ch. 1285, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 1144, Stats. of 1989, eff. 9/30/89.)
(Amended by Ch. 1206, Stats. of 1992, eff. 1/1/93.)
(Amended by Ch. 555, Stats. of 2000, eff. 1/1/00)

18070.4. Liability of judgment debtor; effect of discharge in bankruptcy

The judgment debtor shall be liable for repayment in full for the amount arising from claims against the debtor which are paid from the fund, with interest at the prevailing prime rate. A discharge in bankruptcy shall not relieve a person from the disabilities and penalties of this section.

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)

18070.5. Subrogation of department to rights of judgment creditor

When the department has caused payment to be made from the fund to a judgment creditor, the department shall be subrogated to the rights of the judgment creditor.

(Added by Ch. 1442, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1285, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 689, Stats. of 1998, eff. 1/1/99.)

CHAPTER 8. REGISTRATION AND TITLING OF MANUFACTURED HOMES, MOBILEHOMES AND COMMERCIAL COACHES

ARTICLE 1. APPLICATION AND SCOPE

18075. Applicability; regulations; fee schedule

(a) Except as provided in Section 18075.7, all manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes shall be subject to the provisions of this code for the purposes of titling and registration.

(b) The department may adopt and amend, as necessary, regulations to implement, interpret, and make specific the provisions of this chapter. The department shall provide for an orderly and economical transfer of registrations and titles for manufactured homes, mobilehomes, commercial coaches, and floating homes previously issued by the Department of Motor Vehicles to those issued by the department. Any registration, title, or decal issued by the Department of Motor Vehicles shall be valid until renewed, replaced, transferred, suspended, or revoked.

(c) The department may, but shall not be required to, establish a schedule of fees to pay the costs of work related to administration and enforcement of this chapter, except where the fees are expressly stated herein.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18075.5. Annual registration; exceptions; regulations

Manufactured homes, mobilehomes, commercial coaches, and floating homes sold or used within this state shall be subject to annual registration with the department and payment of registration fees prescribed by Section 18114 except as follows:

(a) Manufactured homes, mobilehomes, and floating homes subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code, and not installed on foundation systems pursuant to Section 18551, shall be subject to registration and payment of fees and penalties prescribed by Section 18114 at the time of original registration with the department, and upon subsequent sale, resale, or transfer of title. For purposes of this section, a transfer of title includes, but is not limited to, any change, addition, or deletion of one or more registered owners, legal owners, or junior lienholders.

(b) Manufactured homes, mobilehomes, and commercial coaches installed or to be installed on foundation systems pursuant to subdivision (a) of Section 18551 shall be exempt from registration so long as they remain affixed to the foundation system. In the event that the manufactured home, mobilehome, or commercial coach, is removed from a foundation system for any purpose other than dismantling or reinstallation on a foundation system, it shall be immediately subject to registration with the department.

(c) Except as otherwise provided in subdivisions (d) and (e), registration of a manufactured home, mobilehome, or commercial coach previously registered in another state is due 20 days after the date of entry into California and is delinquent if application is not made and any fees due are not paid within 40 days after that date of entry.

(d) Any member of the armed forces, whether a resident or nonresident, shall also be entitled to exemption from registration with respect to a manufactured home or mobilehome owned by the person upon which there is displayed a valid registration issued for the manufactured home or mobilehome by the owner's home state of residence or by a foreign jurisdiction where the owner was regularly assigned and stationed for duty by competent military orders at the time the registration was issued. Competent military orders shall not include military orders for leave, for temporary duty, nor for any other assignment of any nature requiring the owner's presence outside the foreign jurisdiction where the owner was regularly assigned and stationed for duty.

(e) Any person who enters California for the purpose of establishing or reestablishing residence or accepting gainful employment following his or her discharge from the armed forces of this country may occupy a manufactured home or mobilehome owned by that person at the time of his or her discharge and registered to him or her in a foreign jurisdiction where his or her military orders required his or her presence without registering the manufactured home or mobilehome in this state until the expiration of the registration period current at the time of his or her discharge and entrance into California.

(f) Any new and previously unregistered, unoccupied manufactured home, mobilehome, or commercial coach which is part of an inventory held for sale by a manufacturer or dealer in the course of business.

The department may adopt regulations for exempting additional classes of manufactured homes, mobilehomes, and commercial coaches from registration under a temporary or one-trip permit system which permits the lawful transportation and use of manufactured homes, mobilehomes, and commercial coaches not otherwise subject to registration.

(g) Floating homes, which are subject to local property taxation, as prescribed by Section 229 of the Revenue and Taxation Code, shall be subject to registration at the time of sale and upon any subsequent sale, resale, or transfer of title. Floating homes are subject to the fees prescribed by subdivision (c) of Section 18114 upon registration or reregistration.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1216, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 199, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 799, Stats. of 1996, eff. 1/1/97.)
(Amended by Ch. 520, Stats. of 1999, eff. 1/1/00.)

18075.55. Floating homes; registration and titling; definition

(a) Floating homes subject to real property taxation pursuant to Section 229 of the Revenue and Taxation Code shall be subject to registration and titling by the department only at the time of sale, resale, or transfer of title.

(b) Ownership registration and title to a floating home may be held by two or more co-owners in the manner specified in Sections 18080 and 18081.

(c) Upon receipt of a registration card, every registered owner shall maintain the card or a copy thereof with the floating home for which it is issued.

(d) "Floating home," as used in this section, means a floating structure which is all of the following:

(1) It is designed and built to be used, or is modified to be used, as a stationary waterborne residential dwelling.

(2) It has no mode of power of its own.

(3) It is dependent for utilities upon a continuous utility linkage to a source originating on shore.

(4) It has a permanent continuous hookup to a shoreside sewage system.

This section does not affect existing law regarding residential use of tide and submerged lands.

(Added by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18075.6. Use as office by manufacturers, distributors or dealers; registration; report

Unless installed on a foundation system pursuant to Section 18551, any manufactured home, mobilehome, or commercial coach used as an office at a manufacturer's, distributor's, or dealer's established place of business is subject to registration by the department and shall be reported pursuant to Section 18080.5.

(Added by Ch. 199, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)

18075.7. Registration of truck campers; exemption

On and after January 1, 1986, every truck camper may, at the owner's request, be registered with the department at the time of sale, resale, or transfer of title. The department shall issue certificates of title and registration cards for any truck camper registered under this part.

Any truck camper permanently attached to a vehicle and registered as a "house car" under the Vehicle Code is exempt under this part.

(Added by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18076. Manufactured homes, mobilehomes, commercial coaches, and truck campers owned or leased by government entities; registration; exemption from fees

(a) Manufactured homes, mobilehomes, commercial coaches, or truck campers owned or leased by the United States, by any foreign government, by a consul or other official representative or any foreign government, by the state, by a political subdivision of the state, or by any city, county, or city and county, or public corporation shall be subject to registration under this code by the person having custody thereof, but shall not be subject to the registration fees specified in this code or the Revenue and Taxation Code, and that person shall display upon the manufactured home, mobilehome, commercial coach, or truck camper a decal bearing distinguishing marks or symbols which shall be furnished by the department free of charge.

(b) Any manufactured home, mobilehome, or commercial coach purchased by a city, county, city and county, or any other public agency pursuant to the exception established in Section 18015.7 shall be subject to the registration as specified in Section 18085, but shall not be subject to the registration fees specified in this code or the Revenue and Taxation Code. Application for registration shall be made to the department within 20 days from the date the transaction is completed. For purposes of this section, a transaction shall be deemed completed when the purchaser has signed a purchase contract or security agreement or paid any purchase price and has taken physical possession or delivery of the manufactured home, mobilehome, or commercial coach.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 185, Stats. of 1995, eff. 1/1/96.)

18076.5. Administration of licensing and taxation; exceptions

Commencing July 1, 1981, the department shall administer the annual licensing and taxation of all manufactured homes and mobilehomes not subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code and not installed on a foundation system pursuant to Section 18551, and all commercial coaches.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18077. License fees collected shall be deposited in the state treasury to the credit of the general fund

All manufactured home, mobilehome, or commercial coach license fees collected by the department pursuant to Section 18115 shall be deposited in the State Treasury to the credit of the General Fund.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 699, Stats. of 1992, eff. 1/1/93.)

18077.5. Report to county auditors; time of report to controller

On or after the first day of January and the first day of July of each year, the department shall report to the auditor of each county the address at which each manufactured home, mobilehome, or commercial coach has situs within the county on which license fees under this article have been paid to the department during the six-month period immediately preceding January 1st and July 1st, respectively, and the amount paid on each manufactured home, mobilehome, or commercial coach. At the time the department reports to the county auditors, it shall also report to the Controller the information described in the preceding paragraph, or a summary thereof, for each of the counties.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18079. Property tax postponement program

The department shall implement property tax postponement programs on behalf of eligible mobilehome owners, as provided by law.
(Added by Ch. 1051, Stats. of 1983, eff. 1/1/84.)

ARTICLE 2. GENERAL DEFINITIONS AND REQUIREMENTS

18080. Co-ownership

Ownership registration and title to a manufactured home, mobilehome, commercial coach, or truck camper, or floating home subject to registration may be held by two or more co-owners as follows:

(a) A manufactured home, mobilehome, commercial coach, truck camper, or floating home may be registered in the names of two or more persons as joint tenants. Upon the death of a joint tenant, the interest of the decedent shall pass to the survivor or survivors. The signature of each joint tenant or survivor or survivors, as the case may be, shall be required to transfer or encumber the title to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(b) A manufactured home, mobilehome, commercial coach, truck camper, or floating home may be registered in the names of two or more persons as tenants in common. If the names of the tenants in common are separated by the word "and", each tenant in common may transfer his or her individual interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home without the signature of the other tenant or tenants in common. However, the signature of each tenant in common shall be required to transfer full interest in the title to a new registered owner. If the names of the tenants in common are separated by the word "or", any one of the tenants in common may transfer full interest in the title to the manufactured home, mobilehome, commercial coach, truck camper, or floating home to a new registered owner without the signature of the other tenant or tenants in common. The signature of each tenant in common is required in all cases to encumber the title to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(c) A manufactured home, mobilehome, or commercial coach, truck camper, or floating home may be registered as community property in the names of a husband and wife. The signature of each spouse shall be required to transfer or encumber the title to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(d) All manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes registered, on or before January 1, 1985, in the names of two or more persons as tenants in common, as provided in subdivision (b), shall be considered to be the same as if the names of the tenants in common were separated by the word "or," as provided in subdivision (b).

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1346, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18080.1. Registration; name in which held

The registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home may be held in the name of a company, an estate, a trust, a conservatorship, a guardianship, or an individual owner's name, as follows:

(a) In the case of an individual owner, the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall be registered in the true name of the individual owner only. Complimentary or professional titles may be added to the true name only if the individual is commonly addressed by that title.

(b) In the case of a guardianship or conservatorship, the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall be registered in the name of the person or persons designated as the conservators or guardians, as evidenced by documentation of that status deemed adequate by the department. The name shall be followed by the word "guardian" or "conservator," whichever is appropriate. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signatures of all designated conservators or guardians.

(c) In the case of a trust, the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall be registered in the name of the trust as evidenced by documentation of that status deemed adequate by the department. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signature or signatures of the authorized trustee or trustees designated in the trust.

(d) In the case of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered in the name of a company, the application for registration shall be countersigned by an officer or authorized agent of the company. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signature of an officer or authorized agent of the company.

(e) In the case of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered to an estate, the application for registration shall be signed by the appointed executor or administrator of the estate as evidenced by documentation of that status deemed adequate by the department. Transfer of ownership or encumbrance of a manufactured home, mobilehome, commercial coach, truck camper, or floating home so registered shall require the signature of the appointed executor or administrator.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 471, Stats. of 2000, eff. 1/1/01.)

18080.2. Registration held in beneficiary form

(a) Ownership registration and title to a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration may be held in beneficiary form that includes a direction to transfer ownership of the manufactured home, mobilehome, commercial coach, truck camper, or floating home to a designated beneficiary on death of the owner if both of the following requirements are satisfied:

(l) Only one owner is designated.

(2) Only one TOD beneficiary is designated.

(b) Ownership registration and title issued in beneficiary form shall include, after the name of the owner, the words "transfer on death to" or the abbreviation "TOD" followed by the name of the beneficiary.

(c) During the lifetime of the owner, the signature or consent of the beneficiary is not required for any transaction relating to the manufactured home, mobilehome, commercial coach, truck camper, or floating home for which ownership registration and title in beneficiary form has been issued.

(d) The fee for transfer of title of a mobilehome to a TOD beneficiary is twenty-five dollars ($25).

(e) The fee for registering ownership of a manufactured home, mobilehome, commercial coach, truck camper, or floating home in beneficiary form is twenty-five dollars ($25).
(Added by Ch. 1055, Stats. of 1991, eff. 1/1/92.)

18080.3. Sections of manufactured homes and mobilehomes as single unit

(a) For the purposes of registration of manufactured homes and mobilehomes pursuant to this chapter, a manufactured home or mobilehome shall include as a single unit with one registration, two or more sections that are manufactured, fabricated, or altered for use as a single manufactured home or mobilehome.
(b) Each transportable section of a commercial coach shall be registered and titled separately.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18080.4. Registration cards; maintaining with property

(a) Every registered owner, upon receipt of a registration card, shall maintain the card or a copy thereof with the manufactured home, mobilehome, commercial coach, truck camper, or floating home for which it is issued.
(b) This section does not apply when a registration card is necessarily removed from the manufactured home, mobilehome, commercial coach, truck camper, or floating home for the purpose of application for renewal, amendment, or transfer of registration.
(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93.)

18080.5. Report of sale, lease, or rental form; submittal for dealer transactions; terms and conditions; notice of transfer; completion and consummation of transaction

(a) A numbered report of sale, lease, or rental form issued by the department shall be submitted each time the following transactions occur by or through a dealer:
(1) Whenever a manufactured home, mobilehome or commercial coach previously registered pursuant to this part is sold, leased with an option to buy, or otherwise transferred.
(2) Whenever a manufactured home, mobilehome or commercial coach not previously registered in this state is sold, rented, leased, leased with an option to buy, or otherwise transferred.
(b) The numbered report of sale, lease, or rental forms shall be used and distributed in accordance with the following terms and conditions:
(1) A copy of the form shall be delivered to the purchaser.
(2) All fees and penalties due for the transaction that were required to be reported with the report of sale, lease, or rental form shall be paid to the department within 10 calendar days from the date the transaction is completed, as specified by subdivision (e). Penalties due for noncompliance with this paragraph shall be paid by the dealer. The dealer shall not charge the consumer for those penalties.
(3) Notice of the registration or transfer of a manufactured home or mobilehome shall be reported pursuant to subdivision (d).
(4) The original report of sale, lease, or rental form, together with all required documents to report the transaction or make application to register or transfer a manufactured home, mobilehome, or commercial coach, shall be forwarded to the department. Any application shall be submitted within 10 calendar days from the date the transaction was required to be reported, as defined by subdivision (e).
(c) A manufactured home, mobilehome, or commercial coach displaying a copy of the report of sale, lease, or rental may be occupied without registration decals or registration card until the registration decals and registration card are received by the purchaser.

(d) In addition to the other requirements of this section, every dealer upon transferring by sale, lease, or otherwise any manufactured home or mobilehome shall, not later than the 10th calendar day thereafter, not counting the date of sale, give written notice of the transfer to the assessor of the county where the manufactured home or mobilehome is to be installed. The written notice shall be upon forms provided by the department containing any information that the department may require, after consultation with the assessors. Filing of a copy of the notice with the assessor in accordance with this section shall be in lieu of filing a change of ownership statement pursuant to Sections 480 and 482 of the Revenue and Taxation Code.

(e) For the purposes of this section, a transaction by or through a dealer shall be deemed completed and consummated and any fees and the required report of sale, lease, or rental is due when any of the following occurs:

(1) The purchaser of any commercial coach has signed a purchase contract or security agreement or paid any purchase price, the lessee of a new commercial coach has signed a lease agreement or lease with an option to buy or paid any purchase price, or the lessee of a used commercial coach has either signed a lease with an option to buy or paid any purchase price, and the purchaser or lessee has taken physical possession or delivery of the commercial coach.

(2) For sales subject to Section 18035, when all the amounts other than escrow fees and amounts for uninstalled or undelivered accessories are disbursed from the escrow account.

(3) For sales subject to Section 18035.2, when the installation has been completed and a certificate of occupancy has been issued.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 765, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18080.7. Security interests; forwarding documentation; perfection; permanent title record; issuance of registration card; law governing

(a) Each person acquiring or retaining a security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part, unless the collateral is inventory, shall forward or cause to be forwarded to the department the application for original registration contemplated by Section 18085 with respect to a security interest acquired or retained at or before original registration, or the certificate of title or current registration card with appropriate insertions and signatures as respectively contemplated by Section 18100.5 with respect to a security interest acquired or retained at a time subsequent to original registration, together with the filing fee prescribed by department regulations.

(b) A security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part, unless the collateral is inventory, is perfected when it has attached as contemplated by subdivision (a) and by subdivision (2) of Section 9203 of the Commercial Code and when the department has received the items required by subdivision (a), whichever occurs later, except as otherwise provided by Section 9305 of the Commercial Code. The department may adopt regulations authorizing its acceptance of a statement of lien by means of electronic facsimile. If the department adopts these regulations, a security interest may also be perfected when it has attached and when the department has received the electronic facsimile, whichever occurs later, subject to the receipt by the department of the items required by subdivision (a), other that the fee, within 10 days of the date of its receipt of the electronic facsimile, provided that the fee required by subdivision (a) is paid in a timely fashion pursuant to these regulations.

(c) Except as otherwise provided in subdivision (b) of Section 18100.5, upon receipt of the items required by subdivision (a), the department shall establish or amend the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home to reflect the interest of the secured party as of that date or, if within the preceding 10-day period the department has received an electronic facsimile of the statement of lien, as of the date of receipt of the electronic facsimile, provided that the fee required by subdivision (a) is paid in a timely fashion and the department actually receives the statement of lien within 10 days of its receipt of the electronic facsimile.

(d) Upon establishing or amending the permanent title record, the department shall issue to the registered owner a current registration card indicating the interest of the secured party and shall forward a copy of that registration card to all persons holding a record security interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(e) Except as otherwise provided in subdivision (b) of Section 18100.5, the department shall not refuse to establish or amend the permanent title record to indicate a security interest which is authorized by law to be recorded and which would otherwise satisfy statutory requirements for departmental documentation and recordation on the basis of lack of knowledge as to the attachment of the security interest prior to its receipt of the statement of lien or an electronic facsimile thereof.

(f) The department shall designate the holder of a perfected security interest as either the legal owner or a junior lienholder as provided in this article, Article 3 (commencing with Section 18085), or Article 4 (commencing with Section 18098), as applicable.

(g) The failure of a secured party to perfect a security interest for which there has been attachment shall not impair or affect in any way its enforceability against the registered owner or debtor with respect to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(h) Except as otherwise provided in this part, a security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration with the department is governed by Division 9 (commencing with Section 9101) of the Commercial Code.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18080.9. Mobilehomes: final money judgment

(a) An owner of a mobilehome park who obtains a final money judgment for unpaid rent against the registered owner of a manufactured home or mobilehome registered with the department may, subject to subdivision (b), perfect a lien against the manufactured home or mobilehome pursuant to Section 18080.7 by filing a form prescribed by the department. The priority of the lien shall be determined in accordance with Article 3 (commencing with Section 18085) and Article 4 (commencing with Section 18098). For purposes of a sale conducted pursuant to Section 18037.5, an owner of a mobilehome park filing a lien pursuant to this section shall be treated as a junior lienholder.

(b) Notwithstanding any other provision of law, the department shall accept, for the purposes of the perfection of a lien pursuant to this section, a certified copy of either the final money judgment or an abstract of the final money judgment in lieu of the certificate of title, registration card, or signatures otherwise required by subdivision (a) of Section 18080.7.

(c) Upon satisfaction of the final money judgment, a lien perfected pursuant to this section shall be released in accordance with Section 18100.5.

(d) A lien created pursuant to this section shall not be subject to execution, pursuant to Chapter 3 (commencing with Section 699.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure or in any other manner.

(e) If the final money judgment for unpaid rent against a registered owner covers any portion of the period for which a legal owner or junior lienholder is required to pay past due obligations of the registered owner pursuant to Section 798.56a of the Civil Code, the amount of the lien created by this section shall be reduced by the amount required to be paid by the legal owner or junior lienholder pursuant to Section 798.56a of the Civil Code.

(f) A surrender of ownership interest by the registered owner of a mobilehome or manufactured home to the legal owner shall operate as a matter of law to divest the registered owner of any claim to possession or title to the mobilehome or manufactured home and shall be effective upon acceptance of that surrender by the legal owner. Any judgment lien filed pursuant to this section on a mobilehome or manufactured home that is thereafter surrendered to the legal owner shall be extinguished by any of the following:

(1) If the proceeds of the sale of the surrendered mobilehome or manufactured home by the legal owner to a third party after the surrender is effective are not sufficient to satisfy the amount due to the legal owner by the

registered owner under a security agreement, promissory note, or other debt instrument secured by the mobilehome or manufactured home.

(2) If the proceeds of the sale of the surrendered mobilehome or manufactured home by the legal owner to a third party after the surrender is effective are sufficient to satisfy the amount due the legal owner by the registered owner under a security agreement, promissory note, or other debt instrument secured by the mobilehome or manufactured home, but there are no surplus funds available for payment to the junior lienholder.

(3) Upon payment of any surplus proceeds owed to the junior lienholder if the proceeds of the sale of the surrendered mobilehome or manufactured home by the legal owner to a third party after the surrender is effective exceed the amount due to the legal owner from the registered owner under the security agreement, promissory note, or other debt instrument secured by the mobilehome or manufactured home.

(g) The completion of a foreclosure on a mobilehome or manufactured home pursuant to the provisions of Section 18037.5 shall divest the registered owner of title to the mobilehome or manufactured home by operation of law. The foreclosure shall (A) make of any judgment lien created pursuant to this section invalid and unenforceable, and (B) extinguish and bar any levy upon a judgment lien perfected pursuant to this section. Except to the extent that surplus proceeds from the foreclosure sale were paid to the judgment creditor under the judgment lien perfected pursuant to this section, nothing in this subdivision shall be deemed to extinguish, satisfy, or reduce in any way the final money judgment owed by the former registered owner for unpaid rent.

(h) If the money judgment has been satisfied and the judgment creditor fails without just cause to comply with Section 18100.5 within 20 days from the date the judgment creditor's lien is satisfied, the judgment creditor is liable for all damages sustained by reason of that failure and shall also forfeit one hundred dollars ($100) to the person who sustained those damages. In any action to enforce this provision, the court shall award reasonable attorney's fees to the prevailing party. Where the prevailing party is someone other than the judgment creditor, the court shall order the department to remove the lien from the manufactured home or mobilehome record. A copy of the court order may be submitted to the department as evidence that the judgment creditor's lien has been satisfied.

(Added by Ch. 446, Stats. of 1995, eff. 1/1/96.)
(Amended by Ch. 124, Stats of 1996, eff. 1/1/97.)

18081. Information on current registration and title status; confidentiality of home address

(a) Any person may request, and the department shall furnish, information regarding the current registration and title status of a manufactured home, mobilehome, commercial coach, truck camper, or floating home. The department shall provide forms for these requests, shall establish a standard format for providing the information, and may charge fees to pay the cost of furnishing this information.

(b) Upon receipt of a properly executed request for information and the payment of prescribed fees, the department shall provide the information within five working days by first-class mail to the address indicated on the request. The department may adopt procedures for providing the information by electronic facsimile in addition to mailing that information.

(c) Notwithstanding subdivisions (a) and (b), the home address of the registered owner appearing in the information on current registration and title status maintained by the department is confidential if the owner requests confidentiality of that information, and shall not be disclosed to any person, except a court, a law enforcement agency, the State Board of Equalization, or any governmental agency to which, under any provision of law, information is required to be furnished from records maintained by the department.

(d) The owner requesting confidentiality of his or her home address shall provide the department with a mailing address which is not confidential, which will be open to public inspection, and which may be used for mailings by the department. The owner requesting confidentiality shall declare to the department, under penalty of perjury, that the address provided is a valid, existing and accurate mailing address and shall consent to receive service of process pursuant to subdivision (b) of Section 415.20 and subdivision (a) of Section 415.30 and Section 416.90 of the Code of Civil Procedure at the address.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

(Amended by Ch. 1213, Stats. of 1989, eff. 1/1/90.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)

18081.3. Bulk information on registration and title status

(a) Notwithstanding the provisions of Section 18081 or any other provision of law, the department may, for statistical or commercial purposes and upon payment of fees prescribed by the department, provide bulk information regarding the registration and title status of manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes.

(b) For the purpose of this section, bulk information includes all or part of the information maintained by the department in its registration and title master file data base, except the name or names of the registered owner of the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(Added by Ch. 493, Stats. of 1990, eff. 8/10/90.)

18081.5. Manufactured home, mobilehome, or floating home, report of transfer to assessor

The transferee of a manufactured home, mobilehome, or floating home subject to local property taxation shall report the change in ownership information to the assessor in the county where the manufactured home, mobilehome, or floating home is sited, as provided in Article 2.5 (commencing with Section 480) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code, unless it is reported pursuant to subdivision (d) of Section 18080.5.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)

18084.7. Registration and titling and taxation prior to original registration

Manufactured homes, mobilehomes, and commercial coaches shall not be subject to registration or titling under this part or to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code prior to the original registration of the manufactured home, mobilehome, or commercial coach. Upon original registration and issuance of title, whether in the name of a consumer, a dealership, or some other party, the manufactured home, mobilehome, or commercial coach thereafter is subject to all registration and titling requirements of this part and to the provisions of Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

ARTICLE 3. APPLICATIONS FOR ORIGINAL REGISTRATION AND TITLE

18085. Application; procedure; form and contents

(a) Application for the original registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home required to be registered under this part shall be made to the department upon the appropriate forms approved by the department, and shall be accompanied by the filing fee prescribed by the department. If the application is for the original registration of a manufactured home, mobilehome, or commercial coach, or of a truck camper manufactured on or after January 1, 1986, the application shall include the original manufacturer's certificate of origin in the form prescribed by Sections 18093 and 18093.5. If the original certificate of origin is not in existence, a duplicate thereof shall be obtained from the manufacturer and

submitted with the application for original registration. Any duplicate copy shall be conspicuously marked by the manufacturer as a duplicate copy.

(b) The application shall include, but not be limited to, all of the following:

(1) The true name and mailing address of the registered owner, the legal owner, if any, and junior lienholders, if any.

(2) The name of the county in which the registered owner resides.

(3) The situs address of the manufactured home, mobilehome, or commercial coach, or the residence address of a truck camper owner, or floating home owner to include the county of residence.

(4) A description of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, including all of the following:

(A) The manufacturer's name and identification number.

(B) The date of manufacture.

(C) The serial number or numbers.

(D) The federal label number or numbers affixed pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.) or department insignia number or numbers affixed pursuant to Section 18026.

(E) The date first sold or leased to a purchaser or lessee for purposes other than resale.

(F) Any other information as may be reasonably required by the department to enable it to determine whether the manufactured home, mobilehome, commercial coach, truck camper, or floating home is lawfully entitled to registration.

(c) If the application is for a floating home or a truck camper for which no certificate of origin has been issued pursuant to Section 18093.5, other evidence of ownership may be accepted at the sole discretion of the department in lieu of the manufacturer's certificate of origin.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18085.5. Necessity that manufactured home, mobilehome, commercial coach, truck camper or floating home be in state

The department shall not accept an application for the original registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home unless the manufactured home, mobilehome, commercial coach, truck camper, or floating home at the time of application is within the state or unless the provisions of this part have been complied with.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18086. Manufactured home, mobilehome, commercial coach, or truck camper not within state; refund of fees

The department may accept an application for registration of a manufactured home, mobilehome, commercial coach, or truck camper which is not within the state, but which is to be registered to a resident of this state, at the time all documents and fees, as determined by the department in accordance with the provisions of this chapter, are submitted to the department. Any fees submitted pursuant to this section shall not be subject to refund based upon the fact that the manufactured home, mobilehome, commercial coach, or truck camper is not and has not been within this state.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18086.5. Undertaking or bond; right of action; liability of surety; return or surrender

(a) In the absence of the regularly required supporting evidence of ownership and upon application for registration or transfer of a manufactured home, mobilehome, commercial coach, truck camper, or floating home the department may accept an undertaking or bond which shall be conditioned to protect the department and all officers and employees thereof and any subsequent purchaser of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, any person acquiring a lien or security interest thereon, or the successor in interest of that purchaser or that person against any loss or damage on account of any defect in or undisclosed claim upon the right, title, and interest of the applicant or other person in and to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(b) Any interested person shall have a right of action to recover on any bond or undertaking for any breach of the conditions for which the bond was deposited, but the aggregate liability of the surety to all persons shall in no event exceed the amount of the bond. In the event the manufactured home, mobilehome, commercial coach, truck camper, or floating home is no longer subject to registration in this state and the currently valid certificate of title is surrendered to the department, the bond or undertaking shall be returned and surrendered at the end of three years or, prior thereto, at the discretion of the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18087. Previous out of state registration

Upon application for registration of a manufactured home, mobilehome, commercial coach, or truck camper previously registered outside this state, the application shall be certified by the applicant and shall state that the manufactured home, mobilehome, commercial coach, or truck camper previously has been registered outside this state, the time and place of the last registration of the manufactured home, mobilehome, commercial coach, or truck camper outside this state, the name and address of the governmental officer, agency, or authority making the registration, and any further information relative to its previous registration as may reasonably be required by the department, including the time and place of original registration, if known, and if different from the last foreign registration.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18087.5. Previous out of state registration; surrender of evidence of foreign registration; return of unexpired plates to state of issue

(a) The applicant for registration under this part of a manufactured home, mobilehome, commercial coach, or truck camper previously registered outside this state shall surrender to the department all unexpired license plates, seals, certificates, or other evidence of foreign registration which are in the applicant's possession or under the applicant's control. The department may require a certification from the jurisdiction of last registry when the applicant fails to surrender the last issued unexpired license plates.

(b) Upon application made at the time of their surrender to the department and upon payment of a fee of three dollars ($3), the department shall return the unexpired license plates to the official in charge of the registration of manufactured homes, mobilehomes or commercial coaches, or truck campers in the state of issue of the license plates.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18088. Foreign certificate of title

(a) Upon application for registration of a manufactured home, mobilehome, commercial coach, or truck camper previously registered outside this state, the department shall grant full faith and credit to the currently valid certificate of title describing the manufactured home, mobilehome, commercial coach, or truck camper, the ownership thereof, and any liens thereon, issued by the state in which the vehicle was last registered, except there shall be a notation upon the certificate of title of any and all liens and encumbrances other than those dependent upon possession.

(b) In the absence of knowledge by the department that any certificate of title issued by another state is forged, fraudulent, or void, the acceptance thereof by the department shall be a sufficient determination of the genuineness and regularity of the certificate and of the truth of the recitals therein, and no liability shall be incurred by any officer or employee of the department by reason of so accepting a certificate of title.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18088.5. Liens or encumbrances shown on foreign certificate of title; inclusion on new certificate of title

If a certificate of title issued by another state shows any lien or encumbrance upon the manufactured home, mobilehome, commercial coach, or truck camper therein described, the department, upon registering the manufactured home, mobilehome, commercial coach, or truck camper in this state and upon issuing a certificate of title, shall include therein the name of the legal owner and lienholders, if any, unless documents submitted with the foreign certificates of title establish that the lien or encumbrance has been fully satisfied.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18089. Ownership or existence of foreign liens in doubt; registration card with distinctive markings; withholding certificate of title

In the event application is made in this state for registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home and the department is not satisfied as to the ownership of the manufactured home, mobilehome, commercial coach, truck camper, or floating home or the existence of foreign liens thereon, then the department may register the manufactured home, mobilehome, commercial coach, truck camper, or floating home and issue a registration card with distinctive markings, but shall withhold issuance of a California certificate of title, unless the applicant presents documents sufficient to reasonably satisfy the department of the applicant's ownership of the manufactured home, mobilehome, commercial coach, truck camper, or floating home and the absence of any liens thereon or posts a bond pursuant to subdivision (a) of Section 18086.5.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18089.5. Refusal to register if previously registered out of state; return of documents

In the event the department refuses to grant an application for registration in this state of a manufactured home, mobilehome, commercial coach, truck camper, or floating home previously registered in another state, the

department shall immediately return to the applicant all documents submitted by the applicant with the application.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18090. Previous out of state registration; notice of application for in state registration

The department shall forthwith mail a notice of the filing of any application for registration of a manufactured home, mobilehome, commercial coach, or truck camper previously registered outside this state upon written request of the governmental officer, agency, or authority which made the last registration of the manufactured home, mobilehome, commercial coach, or truck camper outside of this state. The notice shall contain the same data as required on the application filed with the department. This section shall not apply to manufactured homes, mobilehomes, commercial coaches, or truck campers last registered in a foreign province or country.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18090.5. Permanent title record; certificate of title; registration card, designation of security interests and junior lienholders

(a) Except as otherwise provided in Section 18089, the department, upon the original registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home, shall establish a permanent title record for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and shall issue a certificate of title to the legal owner and a registration card to the registered owner.

(b) The department shall designate on the permanent title record as the legal owner the holder, if any, of the perfected security interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home. If there is more than one perfected security interest, the holder of the security interest designated in the application for the original registration as the legal owner shall be the legal owner.

(c) The department shall designate on the permanent title record as junior lienholders those holders, if any, of perfected security interests in the manufactured home, mobilehome, commercial coach, truck camper, or floating home other than the legal owner. If there is more than one junior lienholder, they shall be listed on the permanent title record in the same order as is designated in the application for the original registration. A copy of the registration card shall be sent to each junior lienholder and the creditor identified on the manufacturer's certificate of origin.

(d) If an application for registration specifies more than one secured creditor and the department is unable to determine from the application which creditor is to be the legal owner, or the seniority order in which junior lienholders are to be designated, the department shall so notify the applicant for registration and all secured creditors and shall withhold registration or transfer of registration until the department receives the designation.

(e) The certificate of title and the registration card issued pursuant to this section shall show the name and address of all registered owners, the legal owner, if any, and all junior lienholders, if any, with the junior lienholders listed in the same order as designated on the permanent title record.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18091. Certificate of title; contents

The certificate of title issued by the department shall contain, but not be limited to, all of the following:

(a) Information substantially similar to that required on the registration application as provided in Section 18085.

(b) Provision for transfer of the title or interest of a registered owner, legal owner, or junior lienholder, as applicable.

(c) Provision for application for transfer of registration by the transferee.

(d) A statement to the effect that the certificate of title may not reflect all liens filed with the department against the title and that current title status may be confirmed through the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18091.5. Registration card; contents

The registration card for a manufactured home, mobilehome, commercial coach, truck camper, or floating home shall contain all of the following:

(a) The date issued.

(b) The information required by Section 18085 in the application for registration.

(c) The registration number assigned to the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(d) The date of expiration, where applicable.

(e) Any other information as the department prescribes by regulation.

The department may modify the form, arrangement, and information appearing on the registration card and may provide for standardization and abbreviations whenever the efficiency of the department will be promoted thereby, except that general delivery or post office boxes shall not be permitted as the address of the registered owner unless there is no other address.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18092. Decals

(a) Every manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration shall be issued a registration decal. The design of the decal shall be determined by the director and the decal shall be issued by the department. The decal shall be at least 2 2 inches high and 2 2 inches wide.

(b) The decals shall be applied to the outside of the mobilehome or commercial coach in a location within 15 inches of the lower front right-hand side which is clearly visible and these decals shall be maintained in a condition so as to be clearly legible. The decals shall be applied to the lower rear left-hand side of the truck camper.

For a floating home, the decal shall be applied in an area six inches from the main entry door on the side opposite the hinged side of the door at a point not less than two feet from either the top or bottom of the door and on the outside surface.

(c) The director, after consultation with county assessors, shall prescribe a registration decal for manufactured homes and mobilehomes subject to registration which clearly indicates, by color or otherwise, whether or not the manufactured home or mobilehome is subject to annual registration with the department or is subject to local property taxation, and this decal shall have provisions for indicating the current status of any registration fee.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18092.5. Refusal to register or to renew or transfer registration; grounds

The department may refuse registration or the renewal or transfer of registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home in the following instances:

(a) If the department is not satisfied that the applicant is entitled thereto under this part.

(b) If the applicant has failed to furnish the department with information required in the application or reasonable additional information required by the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18092.7. Withholding registration or transfer pending tax clearance; tax collector's failure to respond to demand for conditional clearance

(a) The department shall withhold the registration or transfer of registration of any manufactured home, mobilehome, or floating home which is subject to local property taxation, other than a new manufactured home, mobilehome, or floating home for which application is being made for an original registration, until the applicant presents a tax clearance certificate or a conditional tax clearance certificate issued pursuant to Section 2189.8 or 5832 of the Revenue and Taxation Code by the tax collector of the county where the manufactured home, mobilehome, or floating home is located. Any conditional tax clearance certificate presented shall indicate that the tax liability has been satisfied pursuant to paragraph (3) of subdivision (m) of Section 18035.

(b) In lieu of the tax clearance certificate or conditional tax clearance certificate required by subdivision (a), the department may accept a certification signed by the escrow officer under penalty of perjury that the tax collector of the county where the manufactured home is located has failed to respond to the written demand for a conditional tax clearance certificate as prescribed by subdivision (l) of Section 18035.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1420, Stats. of 1986, eff. 1/1/87.)
(Amended by Ch. 1339, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18093. Certificate of origin; form; contents; copies

(a) At the time of release of a new manufactured home, mobilehome, or commercial coach to any person, the manufacturer shall prepare a certificate of origin, in quadruplicate, on numbered forms prepared by the department which shall contain all of the following:

(1) The name and address of the manufacturer or fabricator.

(2) The manufacturer's identification number.

(3) The trade name of the manufactured home, mobilehome, or commercial coach.

(4) The model name or number of the manufactured home, mobilehome, or commercial coach.

(5) The shipping weight of the unit or separate sections of the unit in the case of multisection manufactured homes, mobilehomes, or commercial coaches.

(6) The length and width of the unit or separate sections of the unit in the case of multisection manufactured homes, mobilehomes, or commercial coaches.

(7) The serial number of the unit or separate sections of the unit in the case of multisection manufactured homes, mobilehomes, or commercial coaches.

(8) The date of manufacture.

(9) The United States Department of Housing and Urban Development label number or department insignia number affixed to the unit or separate sections of the unit in the case of multisection manufactured homes, mobilehomes, or commercial coaches, as applicable.

(10) The date that the ownership was transferred from the manufacturer or fabricator and to whom the ownership is transferred.

(11) A certification of facts signed by a responsible agent of the manufacturer or fabricator.

(12) The name and business address of any person known to the manufacturer or fabricator who, as to the purchaser, has a purchase money security interest in the manufactured home, mobilehome, commercial coach, or truck camper as contemplated by Section 9107 of the Commercial Code.

(13) Any other information as the department may reasonably require.

(b) The manufacturer or fabricator shall forward the original and duplicate copies of the certificate of origin by first-class mail as follows:

(1) The original shall be forwarded to the purchase money creditor unless there is none in which event the original shall be forwarded to the purchaser.

(2) The first copy shall be forwarded to the department at the address printed on the form.

(3) The second copy shall accompany the manufactured home, mobilehome, or commercial coach to its destination.

(4) The third copy shall be retained by the manufacturer or fabricator for its permanent records.

(c) The department may establish regulations for the distribution, maintenance, accessibility, and surrender of certificates of origin required by this section.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18093.5. Registration of truck camper; manufacturer's certificate or origin

The manufacturer of a truck camper, the owner or purchaser of which chooses to register it pursuant to Section 18075.7, shall prepare a certificate of origin containing all of the information required by Section 18093 and provide the purchaser with an original copy.

(Added by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

ARTICLE 4. AMENDMENTS, TRANSFERS, AND TRANSACTIONS

18098. New address; notice to department; penalty or liability; changing of registration card

(a) Whenever any person, after making application for the registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home required to be registered under this part, or after obtaining registration or being recorded on the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home registration as registered owner, legal owner, or junior lienholder, moves or acquires a new permanent address, that person shall, within 10 days thereafter, notify the department of both the old and new address.

(b) No penalty shall arise from the failure of any person to notify the department pursuant to this section.

(c) Neither the department nor any person shall be subject to any civil liability with respect to any notification required by statute or regulation to be mailed to a registered owner at his or her address if sent as required by law to the address last reported to the department as required by subdivision (a).

(d) Any registered owner who notifies the department pursuant to subdivision (a) shall mark out the former address shown on the face of the registration card issued for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and indelibly write or type the new address on the face of the card adjacent to the former address and shall initial this change.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 383, Stats. of 1988, eff. 1/1/89.)

18099. Change of situs address of commercial coach; notice to department; marking registration card

Any registered owner of a commercial coach required to be registered under this part who moves, permits to be moved, or causes to be moved, the commercial coach from the situs location indicated on the registration card shall notify the department within 10 days thereafter of both the old and new address of situs. The registered owner shall mark out the situs address shown on the card and indelibly write or type the new situs address on the registration card and shall initial this change.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18099.5. Change of situs; consent of legal owner and junior lienholder

(a) Except as otherwise provided in subdivision (b), no person shall move, permit to be moved, or cause to be moved, any manufactured home, mobilehome, or floating home from the situs indicated on the registration card, without first obtaining the written consent of the legal owner and of each junior lienholder, if any. The written consent shall be obtained on forms approved by the department. In the event that there is no legal owner and no junior lienholder, the registered owner shall complete the written consent form. The original copy of each written consent form shall accompany the manufactured home, mobilehome, or floating home to its new situs in lieu of a registration card.

(b) If the person proposing to move a manufactured home, mobilehome, or floating home required to be registered under this part shall have requested the consent required by subdivision (a) delivered to a secured party or mailed to such person by certified mail, return receipt requested, and the secured party has within 30 days neither given nor withheld its consent. The person proposing to move the manufactured home, mobilehome, or floating home shall notify the department on a form approved by the department of such event and a copy of such form shall accompany the manufactured home, mobilehome, or floating home to its new situs.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18100. Change of situs location; amendment of registration card

Any registered owner, legal owner, or junior lienholder who moves, permits to be moved, or causes to be moved, a manufactured home, mobilehome, or floating home subject to registration under this part shall apply to the department within 10 days therefrom for an amended registration card upon forms provided by the department and with fees for an amended registration card as prescribed by the department. The application shall include, but not be limited to, all of the following:

(a) A copy of the written consent form required by Section 18099.5.

(b) Any information which the department may require relating to the new situs location.

(c) The current registration card.

In the event that the new situs location cannot be determined at the time of application, the application shall so indicate and the department shall hold the application in suspense until this information is received. The applicant or the applicant's agent shall, immediately upon determining a new situs address where the manufactured home, mobilehome, or floating home is to be installed for occupancy, notify the department of the new situs address. Upon receipt of the completed application the department shall issue an amended registration card for the manufactured home, mobilehome, or floating home to the registered owner.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18100.5. Acquisition of release of interest; notice; duties of department; execution and delivery of certificate of title or registration card; statement of lien release; amendment of permanent title record; moratorium during escrow; liability of noncomplying secured party; involuntary transfers

(a) If the title or interest of a registered owner, legal owner, junior lienholder in a manufactured home, mobilehome, commercial coach, or truck camper, or floating home for which an original registration under this part has been obtained is transferred to another person, or, if all outstanding secured obligations previously held by a legal owner registered on the original or a subsequent registration or by a junior lienholder are satisfied and the person no longer has any obligation to extend credit, incur obligations, or otherwise give value to be secured by the manufactured home, mobilehome, commercial coach, truck camper, or floating home, or, if a security interest is taken in a manufactured home, mobilehome, commercial coach, truck camper, or floating home after the permanent title record has been established, the department shall be notified within 20 days and shall act as follows:

(1) If the title or interest of a registered owner or legal owner is being transferred, the transferor and the transferee of the title or interest shall execute in the manner prescribed by the department the certificate of title for the manufactured home, mobilehome, commercial coach, truck camper, or floating home. If the transfer is made by a registered owner and the transferee is to assume the underlying indebtedness secured by the manufactured home, mobilehome, commercial coach, truck camper, or floating home and owed to a legal owner, the legal owner shall state on the certificate of title that legal title and interest are to be retained. The certificate of title along with all other supporting documents shall be forwarded to the department with appropriate fees. The department shall appropriately amend the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, forward a new certificate of title reflecting the change to the permanent title record to the legal owner by first-class mail, and forward an amended registration card reflecting the change to the permanent title record to the registered owner with copies to all secured parties shown on the permanent title record. If there is no legal owner, the new certificate of title and amended registration card shall be forwarded to the registered owner.

(2) If the interest of a junior lienholder is being transferred, the transferor and the transferee shall execute in a manner prescribed by the department the registration card, and the card so executed shall be forwarded to the department with appropriate fees. The department shall appropriately amend the permanent title record and forward an amended registration card reflecting the change to the permanent title record to the registered owner with copies to all secured parties shown on the permanent title record.

(3) If a creditor acquires a security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home after the permanent title record has been established, the department shall amend the permanent title record to reflect the interest as that of a legal owner or as that of a junior lienholder, as appropriate. If the permanent title record already reflects the interest of one or more junior lienholders, the creditor then perfecting its interest pursuant to this section shall be designated as the most junior lienholder.

(4) If a legal owner no longer holds an outstanding obligation or a commitment to make advances, incur obligations, or otherwise give value to be secured by the manufactured home, mobilehome, commercial coach, or truck camper, or floating home, the legal owner shall indicate its release of lien by appropriately signing the certificate of title for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and forward the certificate of title to the department with appropriate fees. The department shall appropriately amend the permanent title record for the manufactured home, mobilehome, commercial coach, truck camper, or floating home, deliver a new certificate of title reflecting the change to the permanent title record to the new legal owner, if any, by first-class mail, and forward an amended registration card reflecting the change to the permanent title record to the registered owner with copies to all secured parties shown on the registration card. For purposes of this paragraph, the following person shall be designated as the new legal owner:

(A) The junior lienholder, if any.

(B) If there is more than one junior lienholder, the junior lienholder whose statement of lien was designated as the most senior junior lienholder on the permanent title record shall be the legal owner.

(5) If a junior lienholder no longer holds an outstanding obligation or a commitment to make advances, incur obligations, or otherwise give value to be secured by the manufactured home, mobilehome, commercial coach, truck camper, or floating home, the junior lienholder shall forward the properly executed and released junior lienholder registration card to the department with appropriate fees. The department shall appropriately amend the permanent title record for the manufactured home, mobilehome, commercial coach, truck camper, or

floating home and forward an amended registration card reflecting the change to the permanent title record to the registered owner with copies to all secured parties shown on the permanent title record.

(b) (1) Notwithstanding subdivision (d) of this section and subdivisions (c) and (e) of Section 18080.7, for the 120-day period beginning upon the receipt by the department of the notice of escrow and appropriate fee provided by paragraph (2) of subdivision (d) of Section 18035, or until the escrow is canceled or until the escrow closes and the resulting transfers of ownership interests and transfers or creation of legal owner and junior lienholder interests are acknowledged by the department as amendments to the permanent title record of the manufactured home, mobilehome, truck camper, or floating home, whichever is earlier, the department, except at its sole discretion, shall impose a moratorium on all of the following:

(A) On any other amendments to the permanent title record of the manufactured home, mobilehome, truck camper, or floating home for the purpose of transferring any ownership interest or transferring or creating any security interest in the manufactured home or mobilehome.

(B) On issuing any duplicate, substitute, or new certificate of title, registration card, or copy of a registration card regarding the manufactured home, mobilehome, or floating home.

(C) On subsequent notices of escrow openings.

(2) The department shall, upon receipt of the notice of escrow and the appropriate fee, forward to the escrow agent an acknowledgment of receipt and a true and correct copy of the permanent title record as of the commencement of the period of moratorium.

(c) If a secured party fails to comply with the provisions of subdivision (a) relating to releases of lien and the secured party thereafter receives a written demand from the registered owner that the secured party release its lien, the secured party shall be liable to the registered owner for all actual damages suffered by the registered owner by reason of the failure to release the lien unless the secured party, within 20 days of receipt of the demand, complies with the requirements of subdivision (a), except where the secured party has reasonable cause for noncompliance.

(d) Whenever the title or interest of the registered owner or legal owner in or to a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered under this part passes to another in a manner other than by voluntary transfer, the new registered owner or legal owner may obtain a transfer of registration upon application therefor and upon presentation of the last certificate of title, if available, and current registration card, if available, issued for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and any instruments or documents of authority or certified copies thereof as may be required by the department, or required by law, to evidence or effect the transfer of title or interest in that case. The department, when satisfied of the genuineness and regularity of the transfer, shall amend the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, issue a new current registration card and certificate of title, and forward copies of the current registration card to all junior lienholders.

(e) The department shall not transfer registration until the applicant complies with the requirements of Section 18092.7.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 765, Stats. of 1990, eff. 1/1/91.)

18101. Title of transfer effected

No transfer of the title of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered under this code shall be effective until the transferor has made proper endorsement and delivery of the certificate of title and delivery of the registration card to the transferee as provided in this code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18101.5. Dealer as transferee for resale not required to apply for transfer

When the transferee of a manufactured home, mobilehome, commercial coach, or truck camper is a dealer who holds it for resale and moves it upon the highways under transportation decals, the dealer is not required to make application for transfer, but upon transferring his or her title or interest to another person he or she shall comply with this chapter.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18102. Death of owner; transfer of registration

(a) If 40 days have elapsed since the death of a registered or legal owner of a manufactured home, mobilehome, commercial coach, truck camper, or floating home registered under this part, without the decedent leaving other property necessitating probate, and irrespective of the value of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, the following person or persons may secure a transfer of registration of the title or interest of the decedent:

(1) The sole person or all of the persons who succeeded to the property of the decedent under Sections 6401 and 6402 of the Probate Code, unless the manufactured home, mobilehome, commercial coach, truck camper, or floating home is, by will, otherwise bequeathed.

(2) The sole beneficiary or all of the beneficiaries who succeeded to the manufactured home, mobilehome, commercial coach, truck camper, or floating home under the will of the decedent, where the manufactured home, mobilehome, commercial coach, truck camper, or floating home is, by will, so bequeathed.

(b) The person authorized by subdivision (a) may secure a transfer of registration of the title or interest of the decedent upon presenting to the department all of the following:

(1) The appropriate certificate of title and registration card, if available.

(2) A certificate of the heir or beneficiary under penalty of perjury containing the following statements:

(A) The date and place of the decedent's death.

(B) The decedent left no other property necessitating probate and no probate proceeding is now being or has been conducted in this state for the decedent's estate.

(C) The declarant is entitled to the manufactured home, mobilehome, commercial coach, truck camper, or floating home either (I) as the sole person or all of the persons who succeeded to the property of the decedent under Sections 6401 and 6402 of the Probate Code if the decedent left no will or (ii) as the beneficiary or beneficiaries under the decedent's last will if the decedent left a will, and no one has a right to the decedent's manufactured home, mobilehome, commercial coach, truck camper, or floating home that is superior to that of the declarant.

(D) There are no unsecured creditors of the decedent or, if there are, the unsecured creditors of the decedent have been paid in full or their claims have been otherwise discharged.

(3) If required by the department, a certificate of the death of the decedent.

(4) If required by the department, the names and addresses of any other heirs or beneficiaries.

(c) If the department is presented with the documents specified in paragraphs (1) and (2) of subdivision (b), no liability shall be incurred by the department or any officer or employee of the department by reason of transfer of registration of the manufactured home, mobilehome, commercial coach, truck camper, or floating home pursuant to this section. The department or officer or employee of the department may rely in good faith on the statements in the certificate specified in paragraph (2) of subdivision (b) and has no duty to inquire into the truth of any statement in the certificate. The person who secures the transfer of the manufactured home, mobilehome, commercial coach, truck camper, or floating home pursuant to this section is subject to the provisions of Sections 13109 to 13113, inclusive, of the Probate Code to the same extent as a person to whom transfer of property is made under Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 982, Stats. of 1985, eff. 1/1/86.)
(Amended by Ch. 783, Stats. of 1986, operative 7/1/87.)

18102.2. Transfer of registration held in beneficiary form; death of owner

(a) On the death of the owner of a manufactured home, mobilehome, commercial coach, truck camper, or floating home owned in beneficiary form, the manufactured home, mobilehome, commercial coach, truck camper, or floating home belongs to the surviving beneficiary, if any. If there is no surviving beneficiary, the manufactured home, mobilehome, commercial coach, truck camper, or floating home belongs to the estate of the deceased owner.

(b) Ownership registration and title issued in beneficiary form may be revoked or the beneficiary changed at any time before the death of the owner by either of the following methods:

(1) By sale of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, with proper assignment and delivery of the certificate of title to another person.

(2) By application for a change in registered owner without designation of a beneficiary or with the designation of a different beneficiary.

(c) Except as provided in subdivision (b), designation of a beneficiary in ownership registration and title issued in beneficiary form may not be changed or revoked by will, by any other instrument, by a change of circumstances, or otherwise.

(d) The beneficiary's interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home at death of the owner is subject to any contract of sale, assignment, or security interest to which the owner was subject during his or her lifetime.

(e) The surviving beneficiary may secure a transfer of ownership for the manufactured home, mobilehome, commercial coach, truck camper, or floating home upon presenting to the department all of the following:

(1) The appropriate certificate of title.

(2) A certificate under penalty of perjury stating the date and place of the death of the owner and that the declarant is entitled to the manufactured home, mobilehome, commercial coach, truck camper, or floating home as the designated beneficiary.

(3) If required by the department, a certificate of the death of the owner.

(f) After the death of the owner, the surviving beneficiary may transfer his or her interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home to another person without securing transfer of ownership into his or her own name by appropriately signing the certificate of title for the manufactured home, mobilehome, commercial coach, truck camper, or floating home and delivering the document to the transferee for forwarding to the department with appropriate fees. The transferee may secure a transfer of ownership for the manufactured home, mobilehome, commercial coach, truck camper, or floating home, upon presenting to the department (1) the certificate of title signed by the beneficiary, (2) the certificate described in paragraph (2) of subdivision (e) executed by the beneficiary under penalty of perjury; and (3) if required by the department, a certificate of death of the owner.

(g) A transfer at death pursuant to this section is effective by reason of this section and shall not be deemed to be a testamentary disposition of property. The right of the designated beneficiary to the manufactured home, mobilehome, commercial coach, truck camper, or floating home shall not be denied, abridged, or affected on the grounds that the right has not been created by a writing executed in accordance with the laws of this state prescribing the requirements to effect a valid testamentary disposition of property.

(h) A transfer at death pursuant to this section is subject to Section 9653 of the Probate Code.

(i) If there is no surviving beneficiary, the person or persons described in Section 18102 may secure transfer of the manufactured home, mobilehome, commercial coach, truck camper, or floating home, as provided in that section.

(j) The department may prescribe forms for use pursuant to this section.

(Added by Ch. 1055, Stats. of 1991, eff. 1/1/92.)

18102.3. Transfer of registration held in beneficiary form; death of owner; department liability

(a) If the department makes a transfer pursuant to Section 18102.2, the department is discharged from all liability, whether or not the transfer is consistent with the beneficial ownership of the manufactured home, mobilehome, commercial coach, truck camper, or floating home transferred.

(b) The protection provided by subdivision (a) does not extend to a transfer made after the department has been served with a court order restraining the transfer. No other notice or information shown to have been available to the department shall affect its right to the protection afforded by subdivision (a).

(c) The protection provided by this section has no bearing on the rights of parties in disputes between themselves or their successors concerning the beneficial ownership of the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(d) The protection provided by this section is in addition to, and not exclusive of, any other protection provided to the department by any other provision of law.

(Added by Ch. 1055, Stats. of 1991, eff. 1/1/92.)

18102.5. Transfer of registration; certificate of title or registration card lost or unavailable

If application is made to the department for a transfer of registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home to a new registered or legal owner and if the applicant is unable to present the certificate of title or registration card issued for the manufactured home, mobilehome, commercial coach, truck camper, or floating home because it is lost or otherwise not available, the department may receive the application and investigate the circumstances of the case and may require the filing of certifications or other information. When the department is satisfied that the applicant is entitled to a transfer of registration, the department may transfer the registration of the manufactured home, mobilehome, commercial coach, truck camper, or floating home and issue a new certificate of title and registration card to the person or persons found to be entitled thereto.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18103. Transfer of registration; registration card in possession of department on application for renewal

Whenever application is made to the department for a transfer of registration of a manufactured home, mobilehome, commercial coach, truck camper, or floating home to a new registered or legal owner and the applicant is unable to present the registration card issued for the manufactured home, mobilehome, commercial coach, truck camper, or floating home because it is in the possession of the department upon an application for renewal of registration, the department may transfer the registration of the manufactured home, mobilehome, commercial coach, truck camper, or floating home upon production of the properly endorsed certificate of title to the manufactured home, mobilehome, commercial coach, truck camper, or floating home and a temporary receipt, on a form prescribed by the department containing any information that the department deems necessary, including, but not limited to, the registration decal number assigned to the manufactured home, mobilehome, commercial coach, truck camper, or floating home and the serial number of the manufactured home, mobilehome, commercial coach, truck camper, or floating home and accompanied by the amount of fees for renewal of the registration.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18105. Security interests; priorities; effect of notice; inventory; laws governing

(a) Except as otherwise provided in subdivision (e) or (g), the security interest of the legal owner has priority over conflicting security interests of junior lienholders and holders of security interests perfected pursuant to Section 9305 of the Commercial Code and of unperfected security interests in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part and its proceeds.

(b) Except as otherwise provided in subdivision (e) or (g), the security interest of a junior lienholder has priority over conflicting security interests of holders of security interests perfected pursuant to Section 9305 of the Commercial Code and of unperfected security interests in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part and its proceeds. Conflicting security interests of junior lienholders rank in the order designated on the permanent title record maintained by the department.

(c) Except as otherwise provided in subdivision (e) or (g), a security interest perfected pursuant to Section 9305 of the Commercial Code has priority over conflicting unperfected security interests in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part and its proceeds.

(d) Except as otherwise provided in subdivision (e) or (g), conflicting unperfected security interests in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part and its proceeds rank according to priority in time of attachment.

(e) (1) Except as otherwise provided in subdivision (g), the security interest of any secured party shall not have priority over any security interest of a party having a subordinate security interest by virtue of the preceding provisions of this section to the extent that the otherwise senior secured obligation was incurred subsequent to receipt by that creditor of actual or constructive notice of the existence of the otherwise junior security interest unless the obligation arose pursuant to the terms of a security agreement for the purpose of preserving the collateral or protecting the interest of the senior secured party therein or unless the otherwise senior secured obligation was incurred under a binding agreement that the credit would be extended by that creditor.

(2) For purposes of this subdivision receipt of a copy of the registration certificate which reflects the existence of a security interest shall constitute constructive notice of the existence of the security interest. In interpreting the provisions of this subdivision but for no other purposes, it is the intent of the Legislature that the priorities among conflicting security interests be determined in accordance with the rules of law applicable to priority as to interests in real property.

(f) Except as otherwise provided in subdivision (g), the security interest of the legal owner or a junior lienholder has priority over a conflicting security interest of a holder of a perfected security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part which is inventory, including the proceeds of the inventory. The rules of priority regarding conflicting security interests of holders of a perfected security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part which is inventory and of holders of security interests perfected pursuant to Section 9305 of the Commercial Code or unperfected security interests in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part shall be governed by Section 9312 of the Commercial Code.

(g) If the holders of two or more of the several security interests shall otherwise agree among themselves, the relative priorities among the holders of security interests who have so agreed shall be determined according to this agreement.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18105.5. Assignment of title or interest by legal owner or junior lienholder

A legal owner or junior lienholder may assign title or interest to a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part without the consent, and without affecting the interest of the registered owner or other lienholders.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18106. Lien creditor; definition; priority as against perfected and unperfected security interests

(a) As used in this section, "lien creditor" means a creditor who has acquired a lien on a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part by attachment, levy, or the like and includes an assignee for benefit of creditors from the time of assignment, and a trustee in bankruptcy from the date of the filing of the petition, or a receiver in equity from the time of appointment, as contemplated by subdivision (3) of Section 9301 of the Commercial Code.

(b) Except as provided in subdivision (c), an unperfected security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home subject to registration under this part is subordinate to the rights of a person who becomes a lien creditor before the security interest is perfected.

(c) If a security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home becomes perfected as contemplated by subdivision (a) of Section 18080.7, the security interest is senior to the rights of a lien creditor which arise between the time the security interest attaches and the time of perfection.

(d) A person who becomes a lien creditor while a security interest in a manufactured home, mobilehome, commercial coach, truck camper, or floating home is perfected by any of the means contemplated by subdivision (b) of Section 18080.7 takes subject to the perfected security interest only to the extent that it secures advances either made before that person becomes a lien creditor or made thereafter which would otherwise be senior to a competing security interest as provided in subdivision (e) of Section 18105.

(Added by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

ARTICLE 5. RENEWALS AND REPLACEMENTS

18108. Stolen, lost, mutilated or illegible registration card or decal; replacement

If any registration card or registration decal is stolen, lost, mutilated, or illegible, the registered owner of the manufactured home, mobilehome, commercial coach, truck camper, or floating home for which it was issued, as shown by the records of the department, shall immediately make application for, and may, upon the applicant furnishing information satisfactory to the department and paying the required fees, obtain a duplicate, substitute, or new registration under a new registration number, as determined by the department.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18108.5. Stolen, lost, mutilated or illegible certificate of title; duplicate

If any certificate of title is stolen, lost, mutilated, or illegible, the legal owner of the manufactured home, mobilehome, commercial coach, truck camper, or floating home for which it was issued, as shown by the records of the department, shall immediately make application for, and may, upon payment of required fees and the applicant furnishing information satisfactory to the department, obtain a duplicate certificate of title.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18109. Expiration and renewal of registration

Except as otherwise provided in this part, every registration card for a manufactured home, mobilehome, or commercial coach subject to annual registration shall expire at midnight on the expiration date indicated on the registration card and shall be renewed prior to that expiration. The department, upon presentation by the registered owner of the registration card or potential registration card last issued and receipt of the proper renewal fees, shall renew the registration of a manufactured home, mobilehome, or commercial coach.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 891, Stats. of 1987, eff. 1/1/88.)

18109.5. Certificate of title; renewal not required

Certificates of title shall not be required to be renewed annually, but shall remain valid until a new or amended certificate of title is issued upon a transfer of any interest of the registered owner or legal owner shown thereon.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

18110. Application for transfer when certificate of title stolen, lost, mutilated or illegible

When the required certificate of title is stolen, lost, mutilated, or illegible, application for transfer may be made upon a form provided by the department for a duplicate certificate of ownership. The transferor shall sign and address the application, as appropriate, and file it together with the proper fees for duplicate certificate of ownership and transfer.
(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

ARTICLE 6. FEES AND TAXES

18114. Registration fee; delinquent fee

(a) A registration fee of eleven dollars ($11) shall be due and payable to the department at the time of original registration or renewal of registration for each transportable section of a manufactured home, mobilehome, or commercial coach that is subject to annual renewal.

(b) For a manufactured home, mobilehome, or truck camper that is not subject to annual renewal, the registration fee of eleven dollars ($11) shall be due for each transportable section at the time of original registration and upon application for each subsequent change, addition, or deletion of registered owners, legal owners, or junior lienholders and shall be in addition to any other fees that may be required by the application.

(c) A registration fee of thirty dollars ($30) shall be charged for each original application for registration of a floating home and for each subsequent application to record a change, addition, or deletion of registered owners, legal owners, or junior lienholders of a floating home. This fee shall be in addition to any other fees that may be required by the application.

(d) A registration fee is delinquent if not paid in accordance with the following:

(1) On or before the expiration date of the previous registration year for all annual renewals.

(2) Ten days after the date of the transaction is complete, as defined in subdivision (e) of Section 18080.5, for all transactions by or through a dealer whenever a manufactured home, mobilehome, or commercial coach is

sold, rented, leased, leased with an option to buy, or otherwise transferred, except that for registration fees due because of annual renewal, the fee is delinquent after the expiration date of the previous registration year.

(3) Except for dealer transactions, 20 days after the registration fee became due for original registration required by subdivision (a), and for registration fees required by subdivisions (b) and (c).

(e) A penalty of three dollars ($3) shall be added for each registration fee that is delinquent. No penalty is due if the application and required registration fees were placed in the United States mail before midnight on the day before the fee became delinquent, as evidenced by postmark or affidavit by the applicant.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1393, Stats. of 1982, eff. 9/24/82, operative 1/1/83.)
(Amended by Ch. 1395, Stats. of 1982, eff. 9/24/82, operative 1/1/83.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 765, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 812, Stats. of 1990, eff. 1/1/91.)

18114.1. Mobilehomes or manufactured homes; annual fees; exemption

(a) In addition to the annual registration fee required by Section 18114, an annual fee of five dollars ($5) shall be paid to the department at the time of registration or renewal for each transportable section of a manufactured home or mobilehome registered pursuant to this part. All revenues derived from this fee shall be deposited in the Mobilehome Park Purchase Fund provided for in Chapter 11 (commencing with Section 50780) of Part 2 of Division 31.

(b) Any transportable section of a manufactured home or mobilehome registered pursuant to this part and located on a private parcel owned by the registered owner of the manufactured home or mobilehome shall be exempt from the fee imposed by subdivision (a), if the owner provides documentation or a written statement, signed under penalty of perjury, that establishes to the satisfaction of the department that the manufactured home or mobilehome is located on a private parcel owned by the registered owner of the manufactured home or mobilehome.

(c) Pursuant to subdivision (b), upon renewal of registration in 1989, or thereafter, once the registered owner provides documentation or a written statement to the department to establish the exemption, the department shall not require the owner to establish the exemption in each subsequent year upon renewal, unless the department receives evidence that the manufactured home or mobilehome is no longer located on a private parcel owned by the registered owner of the home. Renewal forms for registered owners of manufactured homes or mobilehomes who have established the exemption shall not reflector include the fee required pursuant to subdivision (a).

(Added by Ch. 734, Stats. of 1988, eff. 1/1/89.)

18114.5. Time for transferee to pay registration fees when renewal fee penalties have not accrued

When renewal fee penalties have not accrued with respect to a manufactured home, mobilehome, or commercial coach subject to this chapter and the manufactured home, mobilehome, or commercial coach is transferred, the transferee shall have a period of 20 days from the date of the transfer to pay any registration fees which become due without payment of any penalties that would otherwise be required.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18115. Vehicle license fee; payment; amount; modification or addition to manufactured home, mobilehome, or commercial coach

Commencing July 1, 1981, the vehicle license fee levied pursuant to Section 10751 of the Revenue and Taxation Code on manufactured homes and mobilehomes not subject to local property taxation pursuant to Part 13 (commencing with Section 5800) of Division 1 of Revenue and Taxation Code, or commercial coaches, shall

be paid to the department. The annual amount of the fee shall be a sum equal to 2 percent of the market value of the manufactured home, mobilehome, or commercial coach. The market value shall be determined by the department upon the basis of the original sales price of the manufactured home, mobilehome, or commercial coach when first sold to a consumer as a new manufactured home, mobilehome, or commercial coach. The annual amount of the fee charged to the owner of a manufactured home or mobilehome subject to a license fee which replaces a manufactured home or mobilehome destroyed, on or after January 1, 1982, as the result of a disaster declared by the Governor, and which meets the requirements of Chapter 2.6 (commencing with Section 172) of Part 1 of Division 1 of the Revenue and Taxation Code, shall be determined in accordance with Section 172.1 of the Revenue and Taxation Code. In the event any manufactured home, mobilehome, or commercial coach subject to this article is modified or added to at a cost of two hundred dollars ($200), or more, a copy of the building permit required for these modifications shall be entered in the permanent record of the manufactured home, mobilehome, or commercial coach and the department shall classify or reclassify the manufactured home, mobilehome, or commercial coach in its proper class as provided in Section 18115.5. These provisions shall not apply in the event that the modifications are necessary to enable a handicapped person to enter and use the manufactured home, mobilehome, or commercial coach.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1465, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18115.5. Classification; market value

(a) For the purposes of this article, a classification plan is established consisting of the following classes: a class from no dollar ($0) to and including forty-nine dollars and ninety-nine cents ($49.99); a class from fifty dollars ($50) to and including one hundred ninety-nine dollars and ninety-nine cents ($199.99); and thereafter a series of classes successively set up in brackets having a spread of two hundred dollars ($200), consisting of a number of classes as will permit classification of all manufactured homes, mobilehomes, or commercial coaches.

(b) The market value of a manufactured home, mobilehome, or commercial coach subject to this article for each registration year of its life, shall be a percentage of that sum, determined as follows:

Registration year	Percentage
First	85
Second	70
Third	55
Fourth	45
Fifth	40
Sixth	35
Seventh	30
Eighth	25
Ninth	24
10th	23
11th	22
12th	21
13th	20
14th	19
15th	18
16th	17
17th	16
18th each succeeding year	15

It is the intent of this section that the market value of any manufactured home, mobilehome, or commercial coach subject to this article shall be the same in each registration year of its life as it would be if

determined pursuant to Sections 10752.1, 10753, 10753.2, 10753.3, and 10753.4 of the Revenue and Taxation Code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18116. License fees; time of payment; delinquent fees; penalties; alteration or increase of fees

(a) The license fee is due and payable each year for renewal of registration, on or before midnight of the expiration date assigned by the department and noted on the registration card for all manufactured homes, mobilehomes, and commercial coaches which are not subject to local property taxation or otherwise exempt. The license fee is due and payable to the department in accordance with the following applicable time periods:

(1) As of the original date of sale, rental, or lease of a new commercial coach.

(2) Twenty days after the date of entry into California of a commercial coach previously registered in another state.

(3) Twenty days after the date of entry into California of a manufactured home or mobilehome sold as new prior to July 1, 1980, and previously registered in another state.

(b) License fees due for original registration of a new commercial coach are delinquent if not deposited with the department within 10 days of the original date of sale, rental, or lease. License fees due for renewal of registration for a manufactured home, mobilehome, or commercial coach are delinquent if not paid on or before midnight of the expiration date assigned by the department and noted on the registration card that was last issued. License fees due for a manufactured home, mobilehome, or commercial coach previously registered in another state are delinquent if not paid within 40 days after the date of entry into California. A penalty equal to 20 percent of the license fee due shall be added to any license fee due if it is allowed to become delinquent for a period of from 1 through 119 days. No penalty is due if the application and required license fees were placed in the United States mail before midnight on the day before the fees became delinquent, as evidenced by postmark or affidavit by the applicant.

(c) An added penalty of fifty dollars ($50) per transportable section shall be collected along with any other license fee and penalty due if the license fee for renewal of registration for a manufactured home or mobilehome is allowed to become delinquent for 120 days or more.

(d) An added penalty of two hundred dollars ($200) for each commercial coach shall be added to any license fee and penalty due if the license fee due for an original registration or for each subsequent renewal of registration is allowed to become delinquent for 120 days or more.

(e) It is the intent of the Legislature that license fees levied on manufactured homes, mobilehomes, or commercial coaches subject to this part shall not be altered or increased from the rates and levels of license fees established prior to January 1, 1981.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1216, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1760, Stats. of 1984, eff. 10/1/84.)
(Amended by Ch. 765, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 812, Stats. of 1990, eff. 1/1/91.)

18116.1. Nonpayment of fees and penalties; lien of state

(a) Nonpayment of the fees and penalties provided for in Sections 18114, 18114.1, and 18115, and in subdivisions (a), (b), (c), and (d) of Section 18116 that are due on a mobilehome, manufactured home, commercial coach, truck camper, or floating home shall constitute a lien in favor of the State of California in the amount owing.

(b) Notwithstanding any other provision of law, the lien provided for in subdivision (a) shall include all fees and penalties due and unpaid beginning with the fees for original registration that became delinquent for 120 days or more and continue to accrue to include all fees and penalties that subsequently become due and remain unpaid.

(c) Until the amount of a lien provided for in subdivision (a) or (b) is paid to the department, the department shall not do either of the following:

(1) Amend the permanent title record of the manufactured home, mobilehome, commercial coach, truck camper, or floating home which is the subject of the lien for the purpose of transferring any ownership interest or transferring or creating any security interest in the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(2) Issue any duplicate, substitute, or new certificate of title, registration card, or copy of a registration card with respect to the manufactured home, mobilehome, commercial coach, truck camper, or floating home which is the subject of the lien.

(Added by Ch. 1760, Stats. of 1984, eff. 10/1/84.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)
(Amended by Ch. 765, Stats. of 1987, eff. 1/1/88.)
(Amended by Ch. 506, Stats. of 1991, eff. 1/1/92.)

18116.2. Commercial coaches; unsatisfied liens; civil actions or seizure; notice; hearing; findings and recommendations; payment; lien in jeopardy; inventory; excess proceeds

(a) If the lien in favor of the State of California in the amount owing as provided by Section 18116.1 is against a commercial coach, and that lien has not been satisfied for a period of one year from the date the commercial coach became subject to the lien, the department may collect the amount of the lien on the commercial coach plus costs not to exceed four hundred fifty dollars ($450) by appropriate civil action or by seizure and sale of the commercial coach and its contents on which the lien has been placed or by seizure and sale of any other commercial coach owned by the owner of the commercial coach on which the lien has been placed.

(b) At least 10 days before the seizure, notice of the lien and of the intent to seize and sell the commercial coach and its contents shall be given by the department to the registered owner and legal owners, and any other persons known to be claiming an interest in the commercial coach or its contents, by registered mail addressed to those persons at the last known address appearing on the department's records.

(c) Any person receiving the notice of the lien and the intent to seize and sell the commercial coach and its contents may request a hearing to contest the existence or the amount of the lien. If no hearing is requested, the commercial coach and its contents shall be seized and sold.

(d) If a hearing is requested, a 10-day notice shall be given of the time and place of the hearing, which shall be held within the county of residence of the person requesting the hearing or of the registered owner. The hearing shall be conducted by a referee, who shall submit findings and recommendations to the director of the department or the director's authorized representative, who shall decide the matter. The decision shall be effective on notice thereof to the interested parties.

(e) At any time before seizure or sale, any registered owner, legal owner or person claiming an interest in the commercial coach or its contents may pay the department the amount of the lien, plus costs. In that event, the seizure and sale shall not be held and the commercial coach and its contents, if seized, shall be returned by the department to the person entitled to its possession. This payment shall not constitute a waiver of the right to a hearing.

(f) When the department or an authorized agent has reasonable cause to believe that the lien may be jeopardized within the 10-day notice of intent period, the commercial coach and its contents may be seized without prior notice to the registered owner or legal owner, upon obtaining authorization for the seizure from the director of the department or the director's authorized representative. In those cases, a notice of the lien and the intent to sell the commercial coach and its contents shall be given by the department to the registered and legal owners and anyone known to be claiming an interest in the commercial coach or its contents, within 48 hours after seizure, excluding Saturdays, Sundays and the holidays specified in Section 6700 of the Government Code. Any hearing to contest the lien and the seizure shall be requested within 10 days of the date that notice was placed in the United States mail.

(g) When a lien exists against one or more commercial coaches owned by the same person, persons, or company, the department may seize and sell a sufficient number of commercial coaches to satisfy the lien plus costs, in accordance with subdivision (a).

(h) Any state, municipality, or county law enforcement agency may assist with the seizure and impounding of the commercial coach.

(i) The department shall make a physical inventory of all the contents of a commercial coach that has been seized within 24 hours of the time of seizure. Copies of the inventory of contents shall be made available to any one rightfully entitled to that information.

(j) After deducting from the proceeds of sale, any amount due to satisfy the lien in favor of the state and the cost of the seizure and sale, any excess proceeds of sale shall be deposited in a special account. The registered owner, legal owner, or anyone claiming an interest in the mobilehome or its contents may file a claim to share in the excess proceeds of sale within one year from the date of sale. If any excess proceeds of sale remain in this special account after one year from the date of sale that money shall be transferred to the Mobilehome-Manufactured Home Revolving Fund.

(Added by Ch. 765, Stats. of 1987, eff. 1/1/88.)

18116.5. Exemption from use tax

Used manufactured homes, used mobilehomes, and used floating homes subject to local property taxation are exempt from the payment of use tax upon resale or transfer as provided in Section 6379 of the Revenue and Taxation Code.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18117. Manufactured home, mobilehome, commercial coach, or truck camper previously registered out of state; use tax

An application for registration under this part of a manufactured home, mobilehome, or commercial coach previously registered outside of this state shall be accompanied by payment of the amount required to be paid under Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code with respect to the use of the manufactured home, mobilehome, or commercial coach by the applicant.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 799, Stats. of 1996, eff. 1/1/97.)

18117.5. Transfer fee; time for payment

The transfer fee is delinquent if not paid within 20 days of receipt by the transferee of a properly executed certificate of title for the manufactured home, mobilehome, commercial coach, truck camper, or floating home.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1342, Stats. of 1984, eff. 9/26/84, operative 1/1/85.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)
(Amended by Ch. 1467, Stats. of 1985, eff. 10/2/85.)

18118. Application for change, addition, or deletion of registered owner's name or names; renewal fees

Whenever any application for a change, addition, or deletion of the registered owner's name or names is filed with the department during the 60 days immediately preceding the expiration date of the current registration of a manufactured home, mobilehome, or commercial coach, subject to annual renewal of registration, the application shall be accompanied by the full renewal fees for the ensuing registration year in addition to any other fees that may be due and payable.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 765, Stats. of 1987, 1/1/88.)

18119. Delinquency in payment of fee; notice; listing; transfer to local property taxation

(a) If the license fee has not been paid on or before the 60th day following the date on which the fee became delinquent, the department shall mail a notice to the registered owner, legal owner and each junior lienholder shown on the permanent title record as of that date, containing the following information:

(1) That the license fee is delinquent.

(2) That the manufactured home or mobilehome will become subject to a penalty of fifty dollars ($50) per transportable unit pursuant to subdivision (b) of Section 18116, if the fees and penalties are not paid on or before the 120th day after the date of delinquency.

(b) On or before the last day of each calendar month, the department shall furnish a listing of new registrations and transfers of title to manufactured homes and mobilehomes subject to local property taxation under Section 5801 of the Revenue and Taxation Code, and all voluntary transfers to local property taxation as provided for in subdivision (c), to the county assessor of the county in which the manufactured home or mobilehome is sited.

(c) The department shall transfer a manufactured home or mobilehome which is subject to vehicle license fee to local property taxation upon a request for the transfer, as prescribed by the department, executed by the registered owner, legal owner, and each junior lienholder. Transfer pursuant to this subdivision shall be final. Persons obtaining such a transfer thereby waive all entitlement to petition for reinstatement to the vehicle license fee, and are not entitled to the refund of any vehicle registration fees or vehicle license fees paid which apply to the period between the date of voluntary transfer and the expiration of the registration period for which the fees were paid.

(Added by Ch. 1465, Stats. of 1982, eff. 1/1/83.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1760, Stats. of 1984, eff. 10/1/84.)

ARTICLE 7. PENALTIES

18122. Suspension, revocation or cancellation; notice to holders of perfected security interests

Except as it may affect a security interest properly perfected other than pursuant to Section 9305 of the Commercial Code, the department may suspend, revoke, or cancel any certificate of title valid on its face for any violation of the provisions of this chapter relating to certificates of title. The department shall notify all persons or entities with perfected security interests at the time that such an action is taken.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)

18122.5. Failure to execute and deliver title and registration documents; dealer's satisfaction of delivery requirement

It is unlawful for any person to fail or neglect properly to endorse, date, and deliver the certificate of title and, when having possession, to fail to deliver the registration card to a transferee who is lawfully entitled to a transfer of registration. Except when the certificate of title is demanded in writing by a purchaser, a manufactured home, mobilehome, or commercial coach dealer, licensed, as provided by this part, shall satisfy the delivery requirement of this section by submitting appropriate documents and fees to the department for transfer of registration in accordance with this part and rules and regulations promulgated thereunder.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

18123. Collection of use tax; refund; transmittal; reimbursement for costs; computation

(a) The department shall withhold the registration or the transfer of registration of any manufactured home, mobilehome, commercial coach, or truck camper sold at retail to any applicant by any person, other than a manufactured home, mobilehome, commercial coach or truck camper manufacturer or dealer holding a license and certificate issued as provided for by this part, until the applicant pays to the department the use tax measured by the sales price of the manufactured home, mobilehome, commercial coach, or truck camper as required by the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), together with penalty, if any, unless the State Board of Equalization finds that no use tax is due. If the applicant so desires, he or she may pay the use tax and penalty, if any, to the department so as to secure immediate action upon his or her application for registration or transfer of registration, and thereafter he or she may apply through the department to the State Board of Equalization under the provisions of the Sales and Use Tax Law for a refund of the amount so paid.

(b) The department shall transmit to the State Board of Equalization all collections of use tax and penalty made under this section. This transmittal shall be made at least monthly, accompanied by a schedule, in the form the department and board may prescribe.

(c) The State Board of Equalization shall reimburse the department for its costs incurred in carrying out the provisions of this section. The reimbursement shall be effected under agreement between the agencies, approved by the Department of Finance.

(d) In computing any use tax or penalty thereon under the provisions of this section, a fraction of a dollar shall be disregarded, unless it exceeds fifty cents ($0.50), in which case it shall be treated as the next higher full dollar. Computation of any penalty shall be made from the tax after the same has been computed as provided in this section. Any tax or penalty in the amount of one dollar ($1) or less shall be one dollar ($1). Payment of tax and penalty on this basis shall be deemed full compliance with the requirements of the Sales and Use Tax Law insofar as the requirements are applicable to the use of manufactured homes, mobilehomes, commercial coaches, or truck campers to which this section relates.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1527, Stats. of 1984, eff. 1/1/85.)

18123.5. Dealer violations; administrative service fees; causes for discipline

(a) A dealer who violates paragraphs (1), (2), or (3) of subdivision (b) of Section 18080.5 shall pay to the department an administrative service fee of five dollars ($5) for each violation.

(b) A dealer who violates paragraph (4) of subdivision (b) of Section 18080.5, when selling, leasing, or renting a manufactured home, mobilehome, or commercial coach, shall pay to the department an administrative service fee as follows:

(1) If the application is submitted after 10 calendar days but within 20 calendar days from the date of sale, lease, or rental; ten dollars ($10).

(2) If the application is submitted after 20 calendar days but within 30 calendar days from the date of sale, lease, or rental; twenty dollars ($20).

(3) If the application is submitted after 30 calendar days but within 60 calendar days from the date of sale, lease, or rental; forty dollars ($40).

(4) If the application is submitted after 60 calendar days from the date of sale, lease, or rental; two hundred dollars ($200).

(c) Each violation of subdivision (b) of Section 18080.5 shall be, in addition to the obligation to pay the administrative service fee, a separate cause for discipline pursuant to Section 18058.

(d) Nonpayment of an administrative service fee within 10 days after written demand from the department shall be a separate cause for discipline pursuant to Section 18058.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 40, Stats. of 1982, eff. 2/17/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)

(Amended by Ch. 1124, Stats. of 1983, operative 7/1/84.)
(Amended by Ch. 1144, Stats. of 1989, eff. 9/30/89.)

18124. Seizure of documents or decals expired, revoked, suspended or canceled

The department, the Department of the California Highway Patrol, or any regularly employed and salaried police officer or deputy sheriff may take possession of any certificate, card, permit, transportation decal or registration decal issued under this part which has expired, been revoked, canceled, or suspended; which is fictitious, or which has been unlawfully or erroneously issued or affixed.

This section shall not be applicable to any insignia issued pursuant to Section 18026 or to any manufactured home or mobilehome label issued pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq). Any document or decal seized shall be expeditiously delivered to the department with a brief written explanation of the circumstances.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84.)
(Amended by Ch. 1023, Stats. of 1986, eff. 1/1/87.)

18124.5. Alteration, forgery, counterfeiting or falsifying documents or decals; felony; punishment

Every person who, with intent to defraud, alters, forges, counterfeits, or falsifies any certificate of title, registration card, certificate, registration decal, or permit provided for by this part or any comparable certificate of title, registration card, certificate, decal, insignia, or label, with intent to represent it as issued by the department or who alters, forges, counterfeits, or falsifies with fraudulent intent any endorsement of transfer on a certificate of title, or who with fraudulent intent displays or causes or permits to be displayed or has in his or her possession any blank, incomplete, canceled, suspended, revoked, altered, forged, counterfeit, or false certificate of title, registration card, certificate, registration decal, or permit or who utters, publishes, passes, or attempts to pass, as true and genuine, any of the above-named false, altered, forged, or counterfeited matters knowing it to be false, altered, forged, or counterfeited with intent to prejudice, damage, or defraud any person, or who, with fraudulent intent, provides false information regarding an allegedly lost, stolen, damaged, or otherwise unavailable certificate of ownership, certificate of title, registration card, or statement of lien, is guilty of a felony and upon conviction thereof shall be punished by imprisonment in the state prison or in the county jail for not more than one year.

(Added by Ch. 975, Stats. of 1981, eff. 1/1/82.)

CHAPTER 9. MOBILEHOME OMBUDSMAN

18150. Legislative finding and declaration

The Legislature finds and declares that increasing numbers of Californians live in manufactured homes and mobilehomes and that most of those manufactured home and mobilehome owners reside in mobilehome parks. Because of the growing number of problems and complaints dealing with various aspects of living in manufactured homes and mobilehomes, it is necessary to designate a Mobilehome Ombudsman within the Department of Housing and Community Development to better provide assistance to the public in handling and coordinating the resolution to those problems and complaints.

(Added by Ch. 986, Stats. of 1986, eff. 1/1/87.)

18151. Establishment of position; duties of ombudsman and limits on power

(a) The position of Mobilehome Ombudsman is hereby established in the Department of Housing and Community Development.

(b) Except as provided in subdivision (c), the ombudsman shall provide assistance in taking complaints, and helping to resolve and coordinate the resolution of those complaints, from the public relating to manufactured homes and mobilehomes, including, but not limited to, problems of titling and registration, installation, warranties, financing, other than financing by a supervised financial organization, as defined in Section 1801.6 of the Civil Code, sales, inspection of homes and parks, mobilehome accessories and improvements, and problems relating to the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code).

(c) The ombudsman shall not arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, or disputes arising from lease or rental agreements, but may provide information on these issues.

(d) The ombudsman shall refer any alleged violations of law or regulations within the Department of Housing and Community Development's jurisdiction to the Division of Codes and Standards within the Department of Housing and Community Development.

(Added by Ch. 986, Stats. of 1986, eff. 1/1/87.)
(Amended by Ch. 333, Stats. of 1988, eff. 1/1/89.)
(Amended by Ch. 189, Stats. of 1989, eff. 1/1/90.)

18152. Designation by governor

The Governor shall designate a deputy director in the Department of Housing and Community Development to serve as the Mobilehome Ombudsman.

(Added by Ch. 986, Stats. of 1986, eff. 1/1/87.)

18153. Procedures to deal with complaints; establishment; forms and materials; coordination of efforts with other agencies

The Mobilehome Ombudsman shall establish procedures to deal with complaints, including the publication of complaint forms and written materials which shall be made available to the public informing them of the functions of the Mobilehome Ombudsman and providing information on manufactured homes and mobilehomes. The ombudsman shall work with, and coordinate his or her efforts with, other divisions and sections of the department and with other agencies of state and local government.

(Added by Ch. 986, Stats. of 1986, eff. 1/1/87.)

CATEGORY II

CALIFORNIA HEALTH AND SAFETY CODE
Division 13, Part 2.1
[http://www.leginfo.ca.gov/calaw.html]

Mobilehome Parks Act

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DIVISION 13, PART 2.1 MOBILEHOME PARKS ACT

18550. Unlawful use of manufactured homes, mobilehomes, and recreational vehicles

It is unlawful for any person to use or cause, or permit to be used for occupancy, any of the following manufactured homes, mobilehomes, or recreational vehicles, wherever the manufactured homes, mobilehomes, or recreational vehicles are located:

(a) Any manufactured home, mobilehome, or recreational vehicle supplied with fuel, gas, water, electricity, or sewage connections, unless the connections and installations conform to regulations of the department.

(b) Any manufactured home, mobilehome, or recreational vehicle that is permanently attached with underpinning or foundation to the ground, except for a manufactured home or mobilehome bearing a department insignia or federal label, that is installed in accordance with this part.

(c) Any manufactured home or mobilehome that does not conform to the registration requirements of the department.

(d) Any manufactured home or mobilehome in an unsafe or unsanitary condition.

(e) Any manufactured home, mobilehome, or recreational vehicle that is structurally unsound and does not protect its occupants against the elements.

(Added by Ch. 1103, Stats. of 1973, eff. 1/1/74)
(Amended by Ch. 803, Stats. of 1975, eff. 1/1/76)
(Amended by Ch. 107, Stats. of 1976, eff. 1/1/77)
(Amended by Ch. 845, Stats. of 1977, eff. 1/1/78)
(Amended by Ch. 194, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1160, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1149, Stats. of 1980, eff. 1/1/81)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 799, Stats. of 1988, eff. 1/1/89)
(Amended by Ch. 423, Stats. Of 1997, eff. 1/1/98)

18550.5. Removal of towbar, wheels, wheel hubs, or axles

(a) An owner of a manufactured home or mobilehome may remove or cause to be removed the towbar, wheels, wheel hubs, or axles from a manufactured home or mobilehome.

(b) A dealer may remove the towbar, wheels, wheel hubs, or axles from a manufactured home or mobilehome only if such act is in accordance with the purchase document and subdivision (a) of Section 18035.3.

(c) A manufacturer may deliver a manufactured home or mobilehome to a dealer without the towbar, wheels, wheel hubs, or axles or may remove or cause those items to be removed if the manufacturer complies with the provisions of Section 18032.

(Added by Ch. 1160, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1076, Stats. of 11983, eff. 1/1/84)
(Amended by Ch. 763, Stats of 1985, eff. 1/1/86)

18551. Manufactured home, mobilehome and commercial coach foundation systems; regulations; building permits; fees; recording document; cancellation of registration; fixture or improvement status; removal; consent

The department shall establish regulations for manufactured home, mobilehome, and commercial coach foundation systems that shall be applicable throughout the state. When established, these regulations supersede any ordinance enacted by any city, county, or city and county applicable to manufactured home, mobilehome, and commercial coach foundation systems. The department may approve alternate foundation systems to those provided by regulation where the department is satisfied of equivalent performance. The department shall document approval of alternate systems by its stamp of approval on the plans and specifications for the alternate foundation system. A manufactured home, mobilehome, or commercial coach may be installed on a foundation

system as either a fixture or improvement to the real property, in accordance with subdivision (a), or a manufactured home or mobilehome may be installed on a foundation system as a chattel, in accordance with subdivision (b)

(a) Installation of a manufactured home, mobile home, or commercial coach as a fixture or improvement to the real property shall comply with all of the following:

(1) Prior to installation of a manufactured home, mobilehome, or commercial coach on a foundation system, the manufactured home, mobilehome, or commercial coach owner or a licensed contractor shall obtain a building permit from the appropriate enforcement agency. To obtain a permit, the owner or contractor shall provide the following:

(A) Written evidence acceptable to the enforcement agency that the manufactured home, mobilehome, or commercial coach owner owns, holds title to, or is purchasing the real property where the mobilehome is to be installed on a foundation system. A lease held by the manufactured home, mobilehome, or commercial coach owner, that is transferable, for the exclusive use of the real property where the manufactured home, mobilehome, or commercial coach is to be installed, shall be deemed to comply with this paragraph if the lease is for a term of 35 years or more, or if less than 35 years, for a term mutually agreed upon by the lessor and lessee, and the term of the lease is not revocable at the discretion of the lessor except for cause, as described in subdivisions 2 to 5, inclusive, of Section 1161 of the Code of Civil Procedure.

(B) Written evidence acceptable to the enforcement agency that the registered owner owns the manufactured home, mobilehome, or commercial coach free of any liens or encumbrances or, in the event that the legal owner is not the registered owner, or liens and encumbrances exist on the manufactured home, mobilehome, or commercial coach, written evidence provided by the legal owner and any lienors or encumbrancers that the legal owner, lienor, or encumbrancer consents to the attachment of the manufactured home, mobilehome, or commercial coach upon the discharge of any personal lien, that may be conditioned upon the satisfaction by the registered owner of the obligation secured by the lien.

(C) Plans and specifications required by department regulations or a department-approved alternate for the manufactured home, mobilehome, or commercial coach foundation system.

(D) The manufactured home, mobilehome, or commercial coach manufacturer's installation instructions, or plans and specifications signed by a California licensed architect or engineer covering the installation of an individual manufactured home, mobilehome, or commercial coach in the absence of the manufactured home, mobilehome, or commercial coach manufacturer's instructions.

(E) Building permit fees established by ordinance or regulation of the appropriate enforcement agency.

(F) A fee payable to the department in the amount of eleven dollars ($11) for each transportable section of the manufactured home, mobilehome, or commercial coach, that shall be transmitted to the department at the time the certificate of occupancy is issued with a copy of the building permit and any other information concerning the manufactured home, mobilehome, or commercial coach which the department may prescribe on forms provided by the department.

(2) (A) On the same day that the certificate of occupancy for the manufactured home, mobilehome, or commercial coach is issued by the appropriate enforcement agency, the enforcement agency shall record with the county recorder of the county where the real property is situated, that the manufactured home, mobilehome, or commercial coach has been installed upon, a document naming the owner of the real property, describing the real property with certainty, and stating that a manufactured home, mobilehome, or commercial coach has been affixed to that real property by installation on a foundation system pursuant to this subdivision.

(B) When recorded, the document referred to in subparagraph (A) shall be indexed by the county recorder to the named owner and shall be deemed to give constructive notice as to its contents to all persons thereafter dealing with the real property.

(C) Fees received by the department pursuant to subparagraph (F) of paragraph (1) shall be deposited in the Mobilehome-Manufactured Home Revolving Fund established under subdivision (a) of Section 18016.5.

(3) The department shall adopt regulations providing for the cancellation of registration of a manufactured home, mobilehome, or commercial coach that is permanently attached to the ground on a foundation system pursuant to subdivision (a) . The regulations shall provide for the surrender to the department of the certificate of title and other indicia of registration. For the purposes of this subdivision, permanent affixation to a foundation system shall be deemed to have occurred on the day a certificate of occupancy is issued to the manufactured

home, mobilehome, or commercial coach owner and the document referred to in subparagraph (A) of paragraph (2) is recorded. Cancellation shall be effective as of that date and the department shall enter the cancellation on its records upon receipt of a copy of the certificate of occupancy. This subdivision shall not be construed to affect the application of existing laws, or the department's regulations or procedures with regard to the cancellation of registration, except as to the requirement therefor and the effective date thereof.

(4) Once installed on a foundation system in compliance with this subdivision, a manufactured home, mobilehome, or commercial coach shall be deemed a fixture and a real property improvement to the real property to which it is affixed. Physical removal of the manufactured home, mobilehome, or commercial coach shall thereafter be prohibited without the consent of all persons or entities who, at the time of removal, have title to any estate or interest in the real property to which the manufactured home, mobilehome, or commercial coach is affixed.

(5) For the purposes of this subdivision:

(A) "Physical removal" shall include, without limitation, the unattaching of the manufactured home, mobilehome, or commercial coach from the foundation system, except for temporary purposes of repair or improvement thereto.

(B) Consent to removal shall not be required from the owners of rights-of-way or easements or the owners of subsurface rights or interests in or to minerals, including, but not limited to, oil, gas, or other hydrocarbon substances.

(6) At least 30 days prior to a legal removal of the manufactured home, mobilehome, or commercial coach from the foundation system and transportation away from the real property to which it was formerly affixed, the manufactured home, mobilehome, or commercial coach owner shall notify the department and the county assessor of the intended removal of the manufactured home, mobilehome, or commercial coach. The department shall require written evidence that the necessary consents have been obtained pursuant to this section and shall require application for either a transportation permit or manufactured home, mobilehome, or commercial coach registration, as the department may decide is appropriate to the circumstances. Immediately upon removal, as defined in this section, the manufactured home, mobilehome, or commercial coach shall be deemed to have become personal property and subject to all laws governing the same as applicable to a manufactured home, mobilehome, or commercial coach.

(b) The installation of a manufactured home or a mobilehome on a foundation system as chattel shall be in accordance with Section 18613 and shall be deemed to meet or exceed the requirements of Section 18613.4. This subdivision shall not be construed to affect the application of sales and use or property taxes. No provisions of this subdivision are intended, nor shall they be construed, to affect the ownership interest of any owner of a manufactured home or mobilehome.

(c) Once installed on a foundation system, a manufactured home, mobilehome, or commercial coach shall be subject to state enforced health and safety standards for manufactured homes, mobilehomes, or commercial coaches enforced pursuant to Section 18020.

(d) No local agency shall require that any manufactured home, mobilehome, or commercial coach currently on private property be placed on a foundation system.

(e) No local agency shall require that any manufactured home or mobilehome located in a mobilehome park be placed on a foundation system.

(f) No local agency shall require, as a condition for the approval of the conversion of a rental mobilehome park to a resident-owned park, including, but not limited to, a subdivision, cooperative, or condominium for mobilehomes, that any manufactured home or mobilehome located there be placed on a foundation system. This subdivision shall only apply to the conversion of a rental mobilehome park that has been operated as a rental mobilehome park for a minimum period of five years.

(Added by Ch. 1160, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 285, Stats. of 1980, eff. 6/30/80)
(Amended by Ch. 1149, Stats. of 1980, eff. 1/1/81)
(Amended by Ch. 1216, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 301, Stats. of 1984, eff. 1/1/85)
(Amended by Ch. 210, Stats. of 1985, eff. 1/1/86)
(Amended by Ch. 485, Stats. of 1985, eff. 9/6/85)
(Amended by Ch. 56, Stats. of 1987, eff. 1/1/88)
(Amended by Ch. 799, Stats. of 1988, eff. 1/1/89)
(Amended by Ch. 423, Stats. of 1997, eff. 1/1/98)

18551.1. Construction for foundation systems and placement permitted

(a) Any mobilehome park, constructed on or after January 1, 1982, may be constructed in a manner that will enable manufactured homes, mobilehomes, and multiunit manufactured housing sited in the park to be placed upon a foundation system, and manufactured homes, mobilehomes, and multiunit manufactured housing sited in the park may be placed upon foundation systems, subject to the requirements of Section 18551.

(b) Notwithstanding subdivision (a), any manufactured home, mobilehome, or multiunit manufactured housing originally sited on or after January 1, 1985, in a mobilehome park constructed prior to January 1, 1982, may be placed upon a foundation system, subject to the requirements of Section 18551.

(c) Notwithstanding subdivisions (a) and (b), any manufactured home, mobilehome, or multiunit manufactured housing sited in a mobilehome park which is converted, or in the process of being converted, to resident ownership on or after January 1, 1992, may be placed on a foundation system, subject to the requirements of Section 18551, and with the approval of the ownership of the park.

(d) With respect to any manufactured home, mobilehome, or multiunit manufactured home sited in a mobilehome park under subdivision (a), (b), or (c), no single structure shall exceed two stories in height.

(e) Notwithstanding subdivisions (a) and (b), the installation of a manufactured home, mobilehome, or multiunit manufactured housing within a mobilehome park pursuant to Section 18551 shall be subject to prior written approval by the ownership of the mobilehome park.

(f) The number of dwelling units per structure for any manufactured home or mobilehome consisting of two or more dwelling units, or multiunit manufactured housing, sited in a mobilehome park on or after January 1, 2003, shall conform to a zone designation or conditional use permit that currently applies to the park or an amended or new zone designation or conditional use permit that is additionally granted to the park.

(Added by Ch. 974, Stats. of 1981, eff. 1/1/82)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 301, Stats. of 1984, eff. 1/1/85)
(Amended by Ch. 1053, Stats. of 1992, eff. 1/1/93)
(Amended by Ch. 423, Stats. of 1997, eff 1/1/98)
(Amended by Ch. 356, Stats of 2001, eff. 1/1/02)
(Amended by Ch. 1065, Stats of 2002, eff. 1/1/03)

18552. Manufactured home or mobilehome accessory buildings or structures; building standards; regulations

The department shall adopt and submit building standards for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5, and the department shall adopt other regulations for manufactured home or mobilehome accessory buildings or structures. The regulations adopted by the department shall provide for the construction, location, and use of manufactured home or mobilehome accessory buildings or structures to protect the health and safety of the occupants and the public, and shall be enforced by the appropriate enforcement agency.

(Added by Ch. 1103, Stats. of 1973, eff. 1/1/74)
(Amended by Ch. 803, Stats. of 1975, eff. 1/1/76)
(Amended by Ch. 1152, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 210, Stats. of 1985, eff. 1/1/86)

18611. Factory-built housing, mobilehomes or manufactured homes; affixation to foundation system within mobilehome parks

(a) Factory-built housing bearing an insignia of approval pursuant to Section 19980, manufactured homes as defined in Section 18007, mobilehomes as defined in Section 18008, or multiunit manufactured housing as defined in Section 18008.7 may be affixed to a foundation system within a mobilehome park, if the installation conforms to the rules of the mobilehome park, the installation is approved pursuant to Section 19992, or in the case of manufactured homes, mobilehomes, or multiunit manufactured housing the installation is in accordance

with Section 18551, and no single structure exceeds two stories in height. Any factory-built housing, manufactured homes, mobilehomes, or multiunit manufactured housing included in a mobilehome park pursuant to this section shall be located on lots especially designated for that purpose in accordance with the rules of the mobilehome park.

(b) This section applies only to mobilehome parks (1) where the permit to construct the park is issued on or after January 1, 1982, and (2) that are additionally granted a zone designation or conditional use permit that authorizes permanent occupancies of the type and to the extent established pursuant to this section.

(c) Nothing in this section shall be construed to create an exemption from the requirements of Division 2 (commencing with Section 66410) of Title 7 of the Government Code.

(Added by Ch. 356, Stats. of 2001, eff. 1/1/02)
(Amended by Ch. 1065, Stats of 2002, eff. 1/1/03)

18613. Permit for installation of manufactured homes or mobilehomes; inspections; standards and regulations; standard forms for certificate of occupancy or statement of installation acceptance; fees

(a)(1) A permit shall be obtained from the enforcement agency each time a manufactured home or mobilehome is to be located, installed, or reinstalled, on any site for the purpose of human habitation or occupancy as a dwelling.

(2) For purposes of this section, the terms "located," "installed," and "reinstalled" include alteration, modification, or replacement of the mobilehome stabilizing devices, load-bearing supports, or both.

(b) The contractor engaged to install the manufactured home or mobilehome shall obtain the permit, except when the owner of the manufactured home or mobilehome proposes to perform the installation. When a contractor applies for a permit to install a manufactured home or mobilehome, he or she shall display a valid contractor's license. The contractor shall complete the installation of the manufactured home or mobilehome in accordance with the regulations adopted by the department within the time limitations which shall be established by regulations of the department. The time limitations shall allow contractors a reasonable amount of time within which to complete manufactured home or mobilehome installations.

(c) If inspection of the manufactured home or mobilehome installation by the enforcement agency determines that the manufactured home or mobilehome cannot be approved for occupancy due to defective material, systems, workmanship, or equipment of the manufactured home or mobilehome, the contractor shall be allowed a reasonable amount of time, as determined by regulations of the department, to complete the installation after the defects in the manufactured home or mobilehome have been corrected.

(d) The enforcement agency shall immediately notify the department whenever any manufactured home or mobilehome cannot be approved for occupancy due to defects of the manufactured home or mobilehome. The report of notification shall indicate health and safety defects and, in the case of new manufactured homes or mobilehomes, substantial defects of materials and workmanship. For purposes of this section, "substantial defects of materials and workmanship" means defects objectively manifested by broken, ripped, cracked, stained, or missing parts or components and shall not include alleged defects concerning color combinations or grade of materials used. If the manufactured home or mobilehome fails the installation inspection because of conditions which do not endanger the health or safety of the occupant, the owner may occupy the manufactured home or mobilehome. If, however, the installation fails inspection due to immediate hazards to the health or safety of the occupant, as determined by the enforcement agency, the manufactured home or mobilehome shall not be occupied.

(e) Except as provided in Section 18930, the department shall adopt regulations for the installations and regulations which specify a standard form required to be used statewide by enforcement agencies as a certificate of occupancy or statement of installation acceptance. The department shall transmit a copy of the standard form to all enforcement agencies. An enforcement agency shall not be required to use the standard forms until their existing stock of forms for this purpose is depleted. The regulations adopted by the department pursuant to this section shall establish the requirements which the department determines are reasonably necessary for the protection of life and property and to carry out the purposes of this section. In adopting building regulations or

adopting other regulations pursuant to this section, the department shall consider reassembly of the manufactured home or mobilehome, stabilizing devices and load-bearing supports, and utility connections and connectors.

(f) The department shall establish a schedule of fees for the permits required by this section commensurate with the cost of the enforcement of this section and the regulations adopted pursuant to this section. Where a city, county, or city and county is responsible for the enforcement, the city, county, or city and county may establish a schedule of fees not to exceed the actual cost of enforcement and not to exceed those fees established by the department where the department is the enforcement agency. Permit fees and reinspection fees shall be paid to the enforcement agency by the permittee.

(g) This section does not apply to recreational vehicles or commercial coaches.

(Added by Ch. 640, Stats. of 1973, eff. 1/1/74)
(Amended by Ch. 1273, Stats. of 1975, eff. 1/1/76)
(Amended by Ch. 1152, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 673, Stats. of 1980, eff. 1/1/81)
(Amended by Ch. 928, Stats. of 1982, eff. 9/13/82)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 210, Stats. of 1985, eff. 1/1/86)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93)

18613.1. Installation requirements for manufactured homes or mobilehomes

The requirements for any installation of a manufactured home or mobilehome shall not exceed the requirements set forth in Sections 18613 and 18613.4.

(Added by Ch. 1180, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)
(Amended by Ch. 240, Stats. of 1994, eff. 1/1/94)

18613.2. Installation permits for new manufactured homes or mobilehomes; delivery of copy to county or city assessor

When the enforcement agency issues an installation permit for a new manufactured home or mobilehome, beginning on July 1, 1980, a copy of such permit shall be delivered to the county or city assessor having jurisdiction where the manufactured home or mobilehome is to be sited.

(Added by Ch. 1180, Stats. of 1979, eff. 1/1/80)
(Amended by Ch. 1076, Stats. of 1983, eff. 1/1/84)

18613.3. Dimensioned plot plan of lot

An application for a permit for initial installation of a manufactured home or mobilehome shall be accompanied by a dimensioned plot plan of the lot on which the manufactured home or mobilehome will be installed. The park owner or operator shall sign the plot plan to certify that the dimensions of the lot are correct if the manufactured home or mobilehome is to be located in a park. The applicant shall provide a copy of the plot plan to the manufactured home or mobilehome owner, if the applicant is a contractor, and to the park owner or operator, if the manufactured home or mobilehome is to be located in a park.

(Added by Ch. 320, Stats. of 1992, eff. 1/1/93)

18613.4. Installation requirements

(a) All manufactured homes or mobilehomes, when initially installed or subsequently reinstalled on a different lot pursuant to Section 18613, shall be installed to resist, in conjunction with vertical loads, either forces from horizontal wind pressures of 15 pounds per square foot or the design wind load of the home, whichever is greater.

(b) For the purposes of complying with subdivision (a), all manufactured homes or mobilehomes with manufacturer's installation instructions that include requirements for tiedowns shall be installed in accordance with all of the following:

(1) The manufacturer's installation instructions.

(2) If not included in the manufacturer's installation instructions, a minimum of four additional tiedowns per section shall be installed to resist the same wind forces in the longitudinal direction of the manufactured home or mobilehome as the total of those forces required to be resisted in the transverse direction. No portion of the tiedown extending beyond the vertical plane of an exterior wall of the manufactured home or mobilehome shall be above the ground.

(3) When used, concrete or steel piers shall have mechanical connections to the home and their footing that resist separation of the supports from the home and the footing. Mechanical connections shall not require modifications to the manufactured home or mobilehome.

(c) For the purposes of complying with subdivision (a), when no manufacturer's installation instructions are available that include requirements for tiedowns, the manufactured home or mobilehome shall be installed in accordance with both of the following:

(1) Department regulations, which shall include requirements for tiedowns meeting the standards in subdivision (a).

(2) The requirements specified in paragraphs (2) and (3) of subdivision (b).

(d) For the purposes of complying with subdivision (a), all manufactured homes or mobilehomes may be installed or reinstalled in accordance with plans and specifications signed by a licensed architect or engineer that meet the requirements of this section.

(e) Manufactured homes or mobilehomes installed before the effective date of the act that added this section that do not meet the standards in subdivision (a) and need to be reinstalled due to damage caused by wind or seismic forces shall be reinstalled to meet the requirements of subdivision (a) and paragraphs (2) and (3) of subdivision (b), if federal funds are available for grants or direct payment of the additional installation costs.

(f) Nothing in this section prohibits the use of alternative materials, installation methods, devices, et cetera, as permitted in Section 18305, as long as the forces specified in subdivision (a) and in paragraph (2) of subdivision (b) are resisted.

(g) The department shall adopt emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code in order to implement the purposes of this section.

(h) The department shall develop standards for mechanical connections for concrete block supports that connect the blocks to the manufactured homes or mobilehomes and their footing and resist the separation of the supports from the home and the footing. By the adoption of the act that adds this subdivision, it is not the intent of the Legislature that the concrete blocks used as vertical supports be required to be mechanically attached to the manufactured homes or mobilehomes and their footings.

(i) This section shall not apply to the installation of any manufactured home or mobilehome for which escrow has been opened in accordance with Section 18035 prior to the operative date of the act that adds this section.

(j) This section shall become operative 60 days after the date that the act that adds this section is chaptered.

(Added by Ch. 240, Stats. of 1994, eff. 1/1/94)

18613.7. Installation of earthquake resistant bracing system; permit; inspection; regulation; fee schedule

(a) A permit shall be obtained by the installer from the enforcement agency each time an earthquake resistant bracing system is installed, replaced, or altered on any manufactured home or mobilehome. The enforcement agency shall inspect the installation of these bracing systems to ensure compliance with the regulations adopted by the department.

(b) The department shall adopt regulations governing the installation of earthquake resistant bracing systems. The enforcement agency shall adopt a fee schedule which shall not exceed the costs of the issuance of the permit and inspection required by this section.

(Added by Ch. 304, Stats. of 1989, eff. 1/1/90)
(Amended by Ch. 506, Stats. of 1991, eff. 1/1/92)
(Amended by Ch. 686, Stats. of 1992, eff. 1/1/93)

CATEGORY III

CALIFORNIA CODE OF REGULATIONS
Title 25, Part 1, Chapter 4,
Subchapter 1 and Subchapter 2
[http://ccr.oal.ca.gov]

OCCUPATIONAL LICENSING

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Chapter 4. Manufactured Housing Sales, Occupational Licensing and Education

Subchapter 1. Sales and Occupational Licensing

Article 1. General

§ 5000. Authority.

This chapter is adopted in order to implement, interpret and make specific and otherwise carry out the manufactured home, mobilehome and commercial coach occupational licensing requirements of Chapters 5, 6 and 7 (commencing with Sections 18035) of Division 13, Part 2, of the Health and Safety Code, Sections 1797, et seq., of the Civil Code, and Chapter 3 (commencing with Section 15374) of Title 2, Division 3, Part 6.7 of the Government Code.

NOTE: Authority cited: Section 18015, Health and Safety Code and Section 15376, Government Code. Reference: Sections 1800018066.5, Health and Safety Code; and Sections 1797, et seq., Civil Code; and Sections 1537415378, Government Code.

§ 5001. Application and Scope.

(a) The provisions of this chapter apply to all persons acting as a manufacturer, distributor, dealer, or salesperson of manufactured homes, mobilehomes, or commercial coaches as defined by Sections 18000-18014 of the Health and Safety Code.

(b) The provisions of this chapter also apply to all persons acting in the capacity of a 90-day certificate holder as defined in Section 5002 of this chapter.

(c) These provisions regulate the occupational licensing of and business practices of licensees regarding the manufacture, alteration, sale or lease of manufactured homes, mobilehomes or commercial coaches.

(d) To the extent permitted by law, these provisions provide for regulation of transporters of manufactured homes, mobilehomes and commercial coaches.

(e) These provisions regulate the application process and requirements for the department and persons applying for a license or 90-day certificate pursuant to law and this chapter.

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code, and Section 15374, Government Code. Reference: Sections 1803518066.5, Health and Safety Code, and Sections 17971797.7, Civil Code, and Sections 1537415378, Government Code.

§ 5002. Definitions.

The following definitions and those set forth or referenced in Health and Safety Code Section 18000, through 18153, shall govern the activities under this chapter:

(a) Accessory. Any additional structure, air-conditioning unit, driveway, landscaping, skirting, awning, carport, shed, porch, or other items contracted for and included in the purchase document for the purchase or lease of a manufactured home, mobilehome and/or its installation site.

(b) Acknowledged. When used in this chapter means either notarized or attested to by a subscribing witness.

(c) Advertising. Any statement, representation, act or announcement intentionally communicated to any member of the public by any means whatever, whether orally, in writing or otherwise, generally for the purpose of arousing a desire to buy or patronize.

(d) Cash or cash equivalent. Includes, but is not limited to:

(1) Cash, checks, money orders, or drafts.

(2) Promissory notes, bills of sale, or certificates of ownership, or other intangible property.

(3) Assignments of funds, proceeds, contracts, rights, or other negotiable instruments.

(4) Any real or personal property.

(e) Clock hour. Fifty (50) continuous minutes in an approved preliminary or continuing education course, seminar, or conference excluding breaks for meals, rest, or smoking.

(f) Close of escrow. The date on which the conditions of the escrow have been met and the escrow agent is in a position to disburse all funds excepting funds withheld for uninstalled or undelivered accessories included in the purchase price.

(g) Continuing Education Course. A class, seminar or conference approved by the department, pursuant to law and this chapter, which offers licensees continuing education clock hour credits on one topic.

(h) Correspondence Course. A continuing education program of a single topic approved by the department transmitted by mail between a licensee and an approved course provider.

(i) Course Provider. A person or entity offering preliminary or continuing education courses approved by the department. A course provider meeting the minimum qualifications established in this chapter may also be an approved instructor.

(j) Instructor. A person approved by the department to present preliminary or continuing education courses while

in the employ of a course provider. An instructor may also be a course provider.

(k) Manufacturer's Suggested Retail Price. The total price shown on the label required by Health and Safety Code Section 18032.

(l) 90-day certificate holder. An applicant for an original salesperson license, holding a certificate issued by the department which permits the applicant to perform the following activities while in the employment of a licensed dealer:

(1) A 90-day certificate holder may induce or attempt to induce a person to buy, lease, or exchange an interest in a new or used manufactured home, mobilehome, or commercial coach.

(2) For commission, money, profit, or other thing of value, a 90-day certificate holder may sell, exchange, buy, or lease; offer for sale; negotiate or attempt to negotiate a sale, lease or exchange of an interest in a new or used manufactured home, mobilehome, or commercial coach.

(3) A 90-day certificate holder shall not execute any documents, contracts, or listing agreements, or accept any cash or cash equivalent for the sale or lease of a new or used manufactured home, mobilehome, or commercial coach.

(m) Preliminary Education Course. A class, seminar, or conference approved by the department pursuant to law and this chapter relating to laws and regulations governing manufactured home and mobilehome sales, specifically designed for persons not holding a manufactured home or mobilehome dealer or salesperson license.

(n) Purchase document. Any instrument of purchase, regardless of its title, which is prepared by a licensee to effect the sale of a manufactured home, mobilehome or commercial coach to a retail purchaser.

(o) Supervising Managing Employee. A person designated by a licensed dealer of manufactured homes, mobilehomes or commercial coaches as responsible for the direct supervision of 90-day certificate holders employed by the dealer at an established place of business. A supervising managing employee must be:

(1) a salesperson in possession of a valid occupational license as required by this chapter, or

(2) a sole owner dealer, or

(3) a partner in a partnership or a director or officer of a corporation who, as required by this chapter, has been designated as participating in the direction and control of the sales business.

(p) Topic. The subject offered by a preliminary or continuing education course.

(q) Working days. All days except Saturdays, Sundays, and state and federal holidays.

NOTE: Authority cited: Sections 18015, 18052.6 and 18052.7, Health and Safety Code. Reference: Sections 1803518066.5, Health and Safety Code, Sections 17971797.7, Civil Code, and Sections 17003 and 17004, Financial Code.

Article 2.
License and Business Requirements

§ 5010. License.

(a) No person acting as a manufacturer, dealer, distributor or salesperson shall do so from any location without a current and valid occupational license issued pursuant to law or this chapter. Any person in violation of this section shall be liable for appropriate fees pursuant to Section 5040 and a penalty of 50 percent of the license fee in addition to any other civil and/or criminal penalties.

(b) No person acting as a transporter shall do so without a current and valid transportation decal. Any person in violation of this section shall be liable for appropriate fees pursuant to Section 5040 and a penalty of 50 percent of the decal fee in addition to any other civil and/or criminal penalties.

(c) No manufacturer whose established place of business is located outside this state, shall deliver new manufactured homes, mobilehomes or commercial coaches to dealers in this state for the purposes of sale, rent or lease, without a current and valid manufacturer's license issued pursuant to law and this chapter. It is not necessary for a manufacturer to obtain a license in this state for manufacturing sites located outside of the state, provided that the manufacturer has at least one established place of business located within this state licensed by the Department of Housing and Community Development.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18045, 18045.6 and 18062.2, Health and Safety Code.

§ 5011. Books and Records.

(a) Pertinent books and records of a licensee which relate to the manufacture, purchase, sale, rental, transportation or lease of manufactured homes, mobilehomes or commercial coaches must be available for inspection during normal work hours without prior notice. In the case of an out of state manufacturer, pertinent books and records or copies thereof shall be delivered or mailed to the department for inspection within 10 days of a written request from the department.

(b) In the case of a dealer, pertinent books and records include, but are not limited to, invoices; certificates of origin; identification numbers; report of sales books; purchase documents; lease or rental agreements; receipts for deposit; documents submitted into escrow for the preparation of escrow instructions; escrow instructions; and any other records which relates to the purchase, sale, rental or lease of any manufactured home, mobilehome or commercial coach within this state.

(c) In the case of a manufacturer or distributor, pertinent books and records include, but are not limited to, invoices; certificates of origin; identification numbers;

contracts or franchise agreements with dealers; production orders; suggested retail price labels; and any other record which relates to the manufacture, distribution, sale, rent or lease of any manufactured home, mobilehome or commercial coach within this state.

(d) Books and records must be kept on the premises of the licensee's established place of business unless the licensee has designated, on a form prescribed by the department, an alternate site within the state at which the books and records will be maintained and available for inspection. The licensee must notify the department on the prescribed form of any change in location of the books and records at least ten (10) days prior to the date of the change in location.

(e) Unless otherwise specified by law or this chapter, all business records relating to manufactured home, mobilehome or commercial coach transactions shall be retained by the licensee for a period of not less than three (3) years.

(f) When, for any reason, a licensee terminates or suspends business, all department report of sale books, along with all permits, licenses, transportation decals and registration documents therefor, and all salespersons' licenses in possession of a dealer, shall be surrendered to the department upon demand or within ten (10) calendar days after termination or suspension, whichever occurs first.

(g) When, for any reason, a licensee terminates or suspends business, the licensee shall notify the department in writing within 10 days of the termination or suspension, of the location where pertinent books and records will be kept and available for inspection.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18003.6, 18045.5, 18045.6, 18054 and 18062.2, Health and Safety Code.

§ 5012. Manufacturer's Established Place of Business.

The applicant for, or holder of, a manufactured home, mobilehome or commercial coach manufacturer's license shall maintain a suitable site sufficient in size and furnishings to effect the manufacture, assembly, reconstruction or reconfiguration of manufactured homes, mobilehomes or commercial coaches.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18003.6, 18006.3 and 18045.5, Health and Safety Code.

§ 5013. Dealer's Established Place of Business.

The applicant for, or holder of, a manufactured home, mobilehome or commercial coach dealer's license shall maintain an established place of business. The office of an established place of business of a dealer must be constructed such that it is not temporary, transitory or mobile in nature. The office must comply with applicable construction standards and local zoning regulations. A manufactured home, mobilehome or commercial coach is acceptable, provided that it is not a part of the dealer's inventory and is not being offered for or subject to sale while being used as an office, and otherwise meets the requirements of law.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18003.6, 18045.5 and 18045.6, Health and Safety Code.

Article 3.
License and 90-Day Certificate Applications, Changes and Renewals

§ 5020. Application Requirements.

(a) An application for an occupational license or 90-day certificate shall contain that information required by the department, including, but not limited to, the forms and items listed in this section.

(b) Applicants for licenses pursuant to this section shall present such documentation as the department may require to determine an applicant's eligibility to receive public benefits pursuant to chapter 5.5 of this division, beginning with section 5802.

(c) If the applicant is a partnership or corporation, the names and titles of all controlling partners, stockholders, directors, general managers and officers who are permitted to direct, control or manage the manufacturing or sales affairs of the applicant or licensee, subject to law or this chapter, shall be disclosed.

(d) **Manufacturer license.** The following forms and items are required to be submitted by applicants for a manufacturer's license:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A;

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B, for each person shown on Part A;

(3) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors and Dealers, Part C, for each established place of business;

(4) Two fingerprint cards for each person shown on Part A;

(5) Two full facial photographs of each person shown on Part A, minimum size 1 1/4" x 1", taken from a maximum distance of six (6) feet.

(6) Business photographs: One photograph showing the manufacturing area and one photograph of the exterior of the office for each established place of business;

(7) A list of model or brand names to be manufactured at each established place of business;

(8) An explanation of the serial numbers configuration to be assigned to manufactured homes, mobilehomes or commercial coaches;

(9) The original license application fee specified in Section 5040 for each established place of business.

(e) **Distributor License.** The following forms and items are required to be submitted by applicants for a distributor's license:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A;

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B, for each person shown on Part A;

(3) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors and Dealers, Part C, for each established place of business;

(4) Two fingerprint cards for each person shown on Part A;

(5) Two full facial photographs of each person shown on Part A, minimum size 1 1/4" x 1", taken from a maximum distance of six (6) feet;

(6) Business photographs: One photograph showing the exterior of the office of each established place of business;

(7) A list of the name, address, brands and models of each manufacturer whose line will be distributed;

(8) An explanation of the manufacturer's serial numbers configuration assigned to manufactured homes, mobilehomes or commercial coaches;

(9)The original license application fee specified in Section 5040 for each established place of business.

(f) **Dealer License.** The following forms and items are required to be submitted by applicants for a dealer's license:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A;

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B, for each person shown on Part A;

(3) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part C, for each established place of business;

(4) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Dealers, Part D;

(5) Two fingerprint cards for each person shown on Part A;

(6) Two full facial photographs of each person shown on Part A, minimum size 1 1/4" by 1", taken from a maximum distance of six (6) feet.

(7) Business photographs: One photograph showing the exterior of the office of each established place of business;

(8) Certificate of Appointment;

(9) A Letter of Authorization from, and a copy of any franchise or contractual agreement with, each manufacturer indicating its approval to sell manufactured homes, mobilehomes or commercial coaches at the address of the established place of business (NOT required of used dealers);

(10) Proof of successful passage by each person shown in Part A of the Mobilehome or Commercial Coach Dealer Examination, as required by law and Section 5022, within six months prior to the application date;

(11) A sample of all purchase documents to be used, including but not limited to, purchase orders, conditional sales contracts, security agreements, or other instruments of purchase, and receipts of deposit;

NOTE: Issuance of a license is not to be construed as approval of the contents of such documents or their legal sufficiency.

(12) A list of all names, license numbers and home addresses of all salespersons and managing employees to be employed at each established place of business;

(13) The original license application fee specified in Section 5040 for each established place of business.

(g) **Salesperson License.** The following forms and items are required to be submitted by applicants for a salesperson's license:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach salespersons, Part A;

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B;

(3) Two fingerprint cards, for each person shown on Part A;

(4) Two full facial photographs of each person shown on Part A, minimum size 1 1/4" by 1", taken from a maximum distance of six (6) feet;

(5) Proof of successful passage of the mobilehome or commercial coach salesperson examination, as required by law and Section 5022, within six months prior to the application date.

(6) The original license application fee specified in Section 5040.

(h) **90-Day Certificate.**

(1) Any person applying for a 90-day certificate shall submit an application to the department on form HCDOL 90, "Application For Manufactured Home/ Mobilehome/ Commercial Coach 90-Day Certificate," dated 4/91, as set forth in subsection (h)(2). The department provides this form.

(2) Form HCDOL 90, "Application For Manufactured Home/Mobilehome/Commercial Coach 90-Day Certificate," dated 4/91:

(3) Concurrent with the submission to the department of a completed form HCDOL 90, "Application For Manufactured Home/ Mobilehome/ Commercial Coach 90-Day Certificate," dated 4/91, the applicant shall also submit a completed application for license as a salesperson, in accordance with Sections 5020(a) and 5020(f), with the exception of the following items:

(A) Proof of successful passage of the mobilehome or commercial coach salesperson examination as required by Section 5020(f)(5);

(B) Proof of completion of a preliminary education program as required by Section 5302(c); and

(C) The original salesperson license application fee specified in Section 5040(d)(1) as required by Section 5020(f)(6).

(i) **90-Day Certificate Holder Converting to a Salesperson License Holder.**

(1) All 90-day certificate holders, wishing to convert to a licensed salesperson, shall provide the department with the following no later than three months after the expiration of their 90-day certificate:

(A) Proof of successful passage of the mobilehome or commercial coach salesperson examination as required by Section 5020(f)(5);

(B) Proof of completion of a preliminary education program as required by Section 5302(c); and

(C) The original salesperson license application fee specified in Section 5040(d)(1) as required by Section 5020(f)(6).

(D) Items A, B, and C above shall be provided to the department accompanied by the 90-day certificate.

(2) Notwithstanding the three month period permitted for completion of the salesperson application process outlined in subsection 5020(i)(1) above, no holder of an expired 90-day certificate shall act in the capacity of a 90-day certificate holder or licensed salesperson until receiving a valid certificate or salesperson license.

(3) Conversion applicants failing to comply with the provisions of subsection 5020(i)(1) shall meet all salesperson license application requirements as a new applicant in accordance with Section 5020(f).

NOTE: Authority cited: Sections 18015, 18050(c), 18052.6 and 18075, Health and Safety Code. Reference: 8 U.S.C. Sections 1621, 1641 and 1642; and Sections 18053.5 and 18056.2, Health and Safety Code.

§ 5020.5 License and 90-Day Certificate Application Review and Notice of Department Decision.

(a) Within 7 calendar days of receiving applications in the office designated on the application forms for an occupational license, the department shall review each license application received pursuant to this chapter, and notify the applicant in writing of either the acceptance of the application for filing, or the rejection of the application due to incompleteness or errors, specifically identifying the incompleteness or errors and what must be done in order to make the application complete and acceptable.

(b) Within 120 calendar days of receiving a completed and acceptable application, the department shall conduct an investigation pursuant to Health and Safety Code Section 18052 of each person identified on the application, and each proposed place of business within this state; determine if the provisions of law and this chapter applicable to the application have been satisfied, and either issue a license or a written notice of refusal. The written notice of refusal shall specify the reasons why approval may not be granted.

(c) A survey conducted pursuant to Government Code Section 15376 of the department's performance determined the minimum, median and maximum elapsed time between receipt of a completed application for a manufacturer, distributor, or dealer license or transportation decal and reaching a final decision; the results are as follows:

(1) Minimum: 21 calendar days
(2) Median: 63 calendar days
(3) Maximum: 463 calendar days

(d) A survey conducted pursuant to Government Code Section 15376 of the department's performance determined the minimum, median and maximum elapsed time between receipt of a completed application for a salesperson license and reaching a final decision; the results are as follows:

(1) Minimum: 15 calendar days
(2) Median: 57 calendar days
(3) Maximum: 344 calendar days

(e) The department may exceed the maximum time as provided in subsections (a) and (b), if any of the following occurs:

(1) the number of applications is 15 percent greater than for the same calendar quarter of the preceding year.

(2) the department's application processing is delayed due to fingerprint rejection or fingerprint processing by the California Department of Justice or the Federal Bureau of Investigation.

(f) For 90-day certificate applications, the department's processing times, from receipt of an application to either issuance of the certificate or refusal of issuance of the certificate, shall be as follows:

Minimum: 1 working day
Maximum: 7 working days

(g) The applicant may appeal directly to the Director of the Department and/or the Secretary of the Business, Transportation and Housing Agency for a timely resolution of any dispute arising from a violation of the time periods within which the department must process the application. The appeal shall be decided in the applicant's favor if the department has exceeded the established maximum time period of issuance or denial of the license or 90-day

certificate and the department has failed to establish good cause for exceeding the time period. If the appeal is decided in the applicant's favor, the applicant shall receive full reimbursement of any and all filing fees paid to the department.

NOTE: Authority cited: Section 15376, Government Code; and Section 18052.6, Health and Safety Code. Reference: Section 15376, Government Code; and Sections 18050 and 18052.6, Health and Safety Code.

§ 5021. Abbreviated Application for Applicants with Business or Personal History Irregularities.

Occupational license applicants with previous business or personal history irregularities wishing to determine licensing eligibility may submit an abbreviated application with the following items:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B.

(3) Fingerprints.

(4) Nonrefundable original application fee, specified by Section 5040.

After the department has determined from the abbreviated application that an applicant is eligible, all other forms and items required by Section 5020 must be submitted to the department before a license or temporary permit will be issued.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18045, 18050, 18050.5 and 18052, Health and Safety Code.

§ 5022. Examinations.

(a) Each applicant for a dealer or salesperson license shall take and successfully complete an examination administered by the department as specified in this section. On or after January 1, 1987, each person applying for the manufactured home/mobilehome dealer or salesperson examination shall provide proof of having attended an approved preliminary education program within the six (6) month period prior to the date of application for the license examination. Proof of attendance shall be evidenced by a serial number of a Certificate of Completion issued pursuant to Section 5322.

(b) Applicants for a dealer license subject to the examination requirement shall successfully complete the Manufactured Home/Mobilehome Dealer Examination or, in the case of an applicant wishing to sell only commercial coaches, the Commercial Coach Dealer Examination.

(c) All applicants for a salesperson license shall successfully complete the Manufactured Home/Mobilehome Salesperson Examination or, in the case of an applicant wishing to sell only commercial coaches, the Commercial Coach Salesperson Examination.

(d) Holders of and applicants for a commercial coach dealers or salespersons license wishing to sell manufactured homes or mobilehomes will be required to take and successfully complete the applicable Manufactured Home/Mobilehome Examination.

(e) Holders of a valid salesperson license applying for a dealer license shall take and successfully complete the appropriate Dealer Examination.

(f) Holders of a continuously valid dealer license issued in this state on or after July 1, 1976, applying for a salesperson license will not be subject to the examination requirement.

(g) The examination of any applicant found leaving the prescribed examination area or using reference material of any kind before completion and return of the examination for correction or otherwise cheating will be given a failing grade.

(h) All disputes or questions concerning the department's examination questions, answers, or examination procedures shall be submitted to the department in writing.

(i) For each examination taken, the applicant shall pay a nonrefundable fee as specified in Section 5040.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18053.5 and 18056.2, Health and Safety Code.

§ 5023. Temporary Permits.

The department, after a preliminary investigation of department records and of the information provided by the applicant for an Occupational License, and determining compliance with the applicable provisions of Section 5020, may issue a temporary permit allowing the applicant to operate as a licensee for a period not to exceed 120 days pending the completion of the investigation of the applicant required by law. A temporary permit is subject to cancellation by the department as provided by law.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Section 18052, Health and Safety Code.

§ 5023.5. 90-Day Certificate Contents and Posting

(a) The 90-day certificate issued by the department shall contain but is not limited to the following information:

(1) The 90-day certificate holder's name;

(2) The employing dealership name, location of employment, and the dealer's occupational license number;

(3) The 90-day certificate effective date and expiration date; and

(4) The 90-day certificate number issued by the department.

(b) Upon delivery by the 90-day certificate holder of his or her 90-day certificate to the employing dealer, the employing dealer shall post the certificate in a place conspicuous to the public on the premises where the 90-day certificate holder is actually engaged in the selling or leasing of manufactured homes, mobilehomes, or commercial coaches for the employing dealer. The 90-day certificate shall be displayed continuously during the 90-day certificate holder's employment.

(c) An expired 90-day certificate shall not be posted at the dealer's place of business, but shall be returned to the 90-day certificate holder for forwarding to the department.

NOTE: Authority cited: Section 18015 and 18052.6, Health and Safety Code. Reference: Sections 18052.6, 18052.7 and 18063, Health and Safety Code.

§ 5024. Established Place of Business Relocation, Elimination or Addition.

Any licensee relocating, eliminating or adding an established place of business shall notify the department at least ten (10) days prior to the effective date of the change.

(a) Manufacturers, dealers and/or distributors relocating the site of the established place of business must notify the department by the submittal of the following forms and items for each established place of business relocation.

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part C, for each established place of business.

(3) Photographs: One photograph showing the exterior of the new office. In addition, manufacturers must submit one photograph showing the new manufacturing area.

(4) Relocation of Business Fee specified by Section 5040.

(b) Manufacturers, dealers and/or distributors eliminating established places of business must notify the department by the submittal of Application for Occupational Licensing, Part A.

(c) Manufacturers adding an established place of business must notify the department by the submittal of the following forms and items for each new established place of business.

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part C, for each new established place of business.

(3) Photographs of each new established place of business: one photograph showing the manufacturing area and one photograph of the exterior of the office.

(4) The original license application fee specified by Section 5040 for each new established place of business, prorated in accordance with Section 5030(g).

(d) Dealers adding an established place of business must notify the department by the submittal of the following forms and items for each new established place of business.

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part C, for each new established place of business.

(3) Photographs of each new established place of business: one photograph showing the exterior of the office.

(4) A Letter of Authorization from, and a copy of any franchise or contractual agreement with, each manufacturer indicating its approval to sell manufactured homes, mobilehomes or commercial coaches at each new established place of business address (NOT required of used dealers).

(5) A list of any new manufacturers' names, addresses and brand names or model designations to be offered for sale.

(6) A list of names, home addresses and license numbers of all salespersons and managing persons to be employed at each new established place of business.

(7) The original license application fee specified by Section 5040 for each new established place of business, prorated in accordance with Section 5030(g).

(e) Distributors adding an established place of business must notify the Department by the submittal of the following forms and items for each new established place of business.

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part C, for each new established place of business.

(3) One photograph showing the exterior of the office.

(4) A list of any new manufacturers' names, addresses and brand names or model designations to be distributed from each new established place of business.

(5) A copy of the warranty to be offered with the sale of new manufactured homes or mobilehomes.

(6) The original license application fee specified by Section 5040 for each new established place of business, prorated in accordance with Section 5030(g).

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18045.6 and 18055, Health and Safety Code.

§ 5025. Change of Ownership.

(a) Every licensee which is changing ownership structure by termination or addition of partners or incorporation, shall notify the department at least ten (10) days prior to the effective date of such a change by the submittal of the following:

(1) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, and Dealers, Part A.

(2) Occupational License Application for Manufactured Home/ Mobilehome/ Commercial Coach Manufacturers, Distributors and Dealers and Salespersons, Part B, for each new person shown on Part A.

(3) Two fingerprints cards for each new person shown on Part A.

(4) Two full facial photographs of each new person shown on Part A.

(5) For dealers only, a Certificate of Appointment.

(6) For dealers only, proof of successful passage by each new person shown in Part A of the Mobilehome or Commercial Coach Dealer Examination, as required by law and Section 5022, within six months prior to the application date.

(7) Change of ownership structure by incorporation or change of partner or corporate officer fee specified in Section 5040 whichever applicable.

(b) Every licensee which is a corporation changing the ownership structure by the termination or addition of officers, shall notify the department within at least ten (10) days after the effective date of the change by the submittal of the following:

(1) Notice of corporate officer change.

(2) Occupational License Application for Manufactured Home/Mobilehome/Commercial Coach Manufacturers, Distributors, Dealers and Salespersons, Part B, for each new officer.

(3) Two fingerprint cards for each new officer.

(4) Two full facial photographs of each new officer, minimum size 11/4" x 1", taken from a maximum distance of six (6) feet.

(5) For dealers only, proof of successful passage by each new officer of the Mobilehome or Commercial Coach Dealer Examination, as required by law and Section 5022, within six months prior to the application date.

(6) Addition of partner(s) or corporate officer(s), or elimination of partner or corporate officer fee specified in Section 5040, whichever applicable.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18050, 18060 and 18065, Health and Safety Code.

§ 5026. Salesperson and 90-Day Certificate Holder; Employment or Change of Employment.

(a) Every dealer shall notify the department in writing within 10 days after the employment or termination of any salesperson.

(b) Every salesperson within 10 days of changing employment shall apply to the department for a replacement license by the submittal of a written notice on the form prescribed by the department and the change of employment fee specified in Section 5040(d)(3).

(c) Every dealer shall notify the department within 10 days after the dealer has terminated the employment of any 90-day certificate holder. Notification shall be provided on form HCDOL 90A, "Application For 90-Day Certificate Change, Correction or Replacement," dated 4/91, as set forth in Section 5038. This form is provided by the department.

(d) Every 90-day certificate holder shall notify the department within ten days of a change of employment. Notification shall be provided on Form HCDOL 90, "Application For Manufactured Home/Mobilehome/Commercial Coach 90-Day Certificate," dated 4/91, as set forth in Section 5020(h)(2). This form is provided by the department. The fee specified in Section 5040(d)(3) shall accompany the form.

After department acceptance of the application required in this subsection and the fee specified in Section 5040(d)(3), the department will issue a corrected 90-day certificate to the 90-day certificate holder.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18050, 18052.6 and 18060, Health and Safety Code.

§ 5027. Change of Residence.

(a) Every licensee or holder of a transportation decal shall notify the department in writing within 5 days of any change in residence address along with the change of residence fee specified in Section 5040.

(b) Every 90-day certificate holder shall notify the department within 5 days of any change in residence address using form HCDOL 90A, "Application For 90-Day Certificate Change, Correction or Replacement," dated 4/91, as set forth in Section 5038. The fee specified in Section 5040 (e)(3) shall accompany the form. This form is provided by the department.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18050, 18052.6 and 18063, Health and Safety Code.

§ 5028. Change of Personal Name.

(a) Every licensee or holder of a transportation decal shall notify the department in writing within 10 days of any change in his or her personal name along with the change in personal name fee specified in Section 5040.

(b) Every 90-day certificate holder shall notify the department within 10 days of any change in his or her personal name using form HCDOL 90A, "Application For 90-Day Certificate Change, Correction or Replacement" dated 4/91, as set forth in Section 5038. This form is provided by the department.

Upon department receipt of the completed application form HCDOL 90A and receipt of the fee required by Section 5040(e)(2), the department shall issue a corrected 90-day certificate to the 90-day certificate holder.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18050, 18052.6, and 18054(e), Health and Safety Code.

§ 5029. Change of Franchise or Authorization.

Every manufacturer, distributor or dealer shall notify the department in writing within 10 days of the effective date of any change, addition or cancellation of any franchise, contractual agreement or authorization to sell manufactured homes, mobilehomes, or commercial coaches.

NOTE: Authority cited: Section 18045.6, Health and Safety Code. Reference: Section 18045.6, Health and Safety Code.

§ 5030. Renewal of Licenses and Transportation Decals.

(a) It is the responsibility of each licensee or transporter to renew its license pursuant to the requirements of law and this chapter.

(b) Licensees who fail to make application for renewal for a license when required shall, in addition to the fees required pursuant to Section 5040, pay a penalty of 50 percent of the relevant license fee.

(c) Failure to renew a license before its expiration date results in automatic cancellation of the license. Any person whose license has expired cannot renew it and may receive a new one only by applying for a new license pursuant to the requirements of law and this chapter and paying the penalty prescribed in subdivision (b).

(d) Any check received for renewal that is subsequently dishonored and not reimbursed before the expiration date will result in the cancellation of the applicant's license.

(e) The following language shall become effective on January 1, 1984. Every occupational license issued to a manufacturer, distributor or dealer shall expire on the last day of the 24th month following the date of issuance of the temporary permit issued pursuant to Section 5023. Every occupational license renewed by a manufacturer, distributor or dealer shall be for a term of 24 months. The application to renew an occupational license held by a manufacturer, distributor or dealer must be either received by the department or postmarked during the month preceding the month of expiration. Applications postmarked or delivered in person to the department during the month of expiration shall be subject to a 50 percent penalty. A license may not be renewed after its expiration date.

(f) Salespersons' licenses expire on the last day of the 24th month following the date of issuance of the temporary permit pursuant to Section 5023. Renewal of a salesperson's license shall be for a 24month term. Renewal may not be made more than 90 days prior to the expiration date. A 50% penalty fee shall be added if the renewal application and fee are not postmarked or received by the department 30 days prior to expiration.

(g) Licensees applying for a secondary place of business(es) license will be issued licenses for a term concurrent with the existing licensure term. Fees will be based on the applicable original application fee specified in Section 5040, but shall be prorated consistent with the remaining license term.

(h) Each licensee, when applying for renewal of a license, shall present such documentation as the department may require to determine the licensee's eligibility to receive public benefits pursuant to chapter 5.5 of this division, beginning with section 5802.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: 8 U.S.C. Sections 1621, 1641 and 1642. Sections 18054, 18054.7 and 18055, Health and Safety Code.

§ 5032. Change Of Supervising Managing Employee.

Every dealer shall notify the department within 5 days of a change in the designated supervising managing employee. Notification shall be provided on form HCDOL 90, "Application For Manufactured Home/ Mobilehome/ Commercial Coach 90-Day Certificate," dated 4/91, as set forth in Section 5020(h)(2). The fee specified in Section 5040(e)(8) shall accompany the form. This form is provided by the department.

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference: Sections 18052.6 and 18052.7.

§ 5034. Change of Employment Location.

(a) Every dealer shall notify the department within 15 days of any change in the employment location of any 90-day certificate holder in the dealer's employ by using form HCDOL 90A, "Application For 90-Day Certificate Change Correction or Replacement," dated 4/91, as set forth in

Section 5038. The fee specified in Section 5040 (e)(9) shall accompany the form. This form is provided by the department.

(b) If the change in employment location also changes the person designated as the "Supervising Managing Employee," the dealer shall also comply with the notification requirements of Section 5032.

After department receipt of the completed application form(s) and receipt of the required fee(s), the department will issue a corrected 90-day certificate to the 90-day certificate holder.

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference: Section 18052.6, Health and Safety Code.

§ 5036. Replacement 90-Day Certificate.

A 90-day certificate holder shall request from the department, within 5 days of the loss or destruction of a certificate, the replacement of a lost or destroyed certificate by using form HCDOL 90A "Application For 90-Day Certificate Change, Correction or Replacement," dated 4/91, as set forth in Section 5038. The form is provided by the department. Upon department receipt of the completed application form HCDOL 90A and the fee required by Section 5040(e)(1), the department will issue a replacement 90-day certificate to the 90-day certificate holder. The department shall not be required to issue a replacement 90-day certificate if the 90-day certificate period has lapsed.

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference: Section 18052.6, Health and Safety Code.

§ 5038. Application Requirements For 90-Day Certificate Change, Correction Or Replacement.

(a) Application for change, correction, or replacement of a 90-day certificate shall be made using form HCDOL 90A, "Application for 90-Day Certificate Change, Correction or Replacement," dated 4/91, as set forth in subsection (b). This form is provided by the department.

(b) Form HCDOL 90A, "Application For 90-Day Certificate Change, Correction or Replacement," dated 4/91:

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference: Section 18052.6, Health and Safety Code.

Article 4.
Fees

§ 5040. Fees.

(a) Manufacturer and distributor.

(1) Original license application: Five hundred fifty dollars ($550) per year for each established place of business.

(2) Renewal of license: Five hundred dollars ($500) per year for each established place of business.

(b) Dealers.

(1) Original license application: Five hundred fifty dollars ($550) per year for each established place of business.

(2) Renewal of license: Three hundred dollars ($300) per year for each established place of business.

(c) Transportation Decals.

(1) Original transportation decal application: Twenty dollars ($20) for each decal per year.

(2) Renewal of transportation decal: Twenty dollars ($20) for each decal per year.

(d) Salesperson and 90-day certificate holder.

(1) Original salesperson license application: Two hundred dollars ($200).

(2) Renewal of salesperson license: One hundred fifty dollars ($150).

(3) Change of salesperson or 90-day certificate holder employment fee: Fifteen dollars ($15).

(4) Original 90-day certificate application: One hundred dollars ($100).

(e) Duplicate licenses, 90-day certificates, and reports of change for all licensees and 90-day certificate holders.

(1) Duplicate license or 90-day certificate: Twenty-five dollars ($25).

(2) Change in business or personal name: Fifteen dollars ($15).

(3) Change in business mailing or personal address: Fifteen dollars ($15).

(4) Elimination of partner or corporate officer: Twenty-five dollars ($25).

(5) Addition of partner(s) or corporate officer(s): One hundred dollars ($100).

(6) Relocation of business: One hundred dollars ($100).

(7) Change of ownership structure by incorporation: Twenty-five dollars ($25).

(8) Change of supervising managing employee: Fifteen dollars ($15).

(9) Change of employment location for 90-day certificate holders: Fifteen dollars ($15).

(f) Examinations.

(1) Dealer examination: One hundred dollars ($100) for each examination taken.

(2) Salesperson examination: Fifty dollars ($50) for each examination taken.

(g) Investigative and technical services.

(1) Sixty-six dollars ($66) per hour.

(h) Information, photocopying, certification, forms and photos.

(1) Search for information: Three dollars ($3) per subject, whether information is found or not.

(2) Summary of employment: Ten dollars ($10) per licensee.

(3) Photocopies of documents: Fifty cents (50¢) per page for the first copy and twenty-five cents (25¢) per page for each additional copy of the same document when requested at the same time as the first copy.

(4) Certified copies of documents: Two dollars ($2) per document.

(5) Certification of information on file: Two dollars ($2).

(6) Full facial photograph fee: One dollar and fifty cents ($1.50) per photo.

(7) Copies of departmental forms in excess of ten: Five cents (5¢) each.

(8) Examination Study Guide: Ten dollars ($10).

(i) Statewide licensee lists.

(1) Manufacturers: Twenty dollars ($20).

(2) Dealers: Forty dollars ($40).

(3) Distributors: Ten dollars ($10).

(4) Salespersons: Sixty dollars ($60).

(j) Dealer Report of Sale Filing Fee: Twenty-five dollars ($25) for each report of sale filed with the department.

NOTE: Authority cited: Sections 18015, 18031 and 18052.6, Health and Safety Code. Reference: Sections 18031, 18045.6, 18050, 18052.6, 18053.5 and 18055, Health and Safety Code.

§ 5041. Refunds.

Fees paid to the department pursuant to this chapter are not refundable, except in a case where the department has not already incurred expense, and a request is submitted in writing explaining circumstances for the refund justifying special consideration.

NOTE: Authority cited: Sections 18015 and 18031, Health and Safety Code. Reference: Section 18055, Health and Safety Code.

§ 5042. Insufficient Checks.

Where any check offered in payment for fees or charges pursuant to this chapter is returned without payment for any reason, a charge of ten dollars ($10.00) shall be imposed and shall become a part of the total obligation in addition to other consequences permitted by law and this chapter.

NOTE: Authority cited: Section 18015, Health and Safety Code and Section 6157, Government Code. Reference: Section 18060, Health and Safety Code.

§ 5043. Dealer Report of Sale Filing Fee.

A Report of Sale Filing Fee specified by Section 5040 shall be paid to the Department with each dealer's Report of Sale filed pursuant to Health and Safety Code Section 18080.5.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Section 18031, Health and Safety Code.

Article 5.
Advertising Listing Agreements and Sales Practices

§ 5050. General Advertising.

(a) Any advertised statements, representations, or offers made in connection with the sale, attempted sale, listing for sale, or attempted listing for sale of any manufactured home, mobilehome or commercial coach shall be clear, based on facts, and subject to the requirements of law and this chapter.

(b) Any advertisement by a dealer of a specific manufactured home, mobilehome or commercial coach shall include the dealer's name, its manufacturer or model name, year model and at least one of the following items:

(1) The serial number assigned by its manufacturer, or

(2) The federal label number, or

(3) The Department insignia number.

Year models are no longer current when ensuing year models are advertised or made available for purchase at retail by the manufacturers.

(c) If a licensee advertises any manufactured home, mobilehome or commercial coach used in its business as a lot model, display unit or office, the licensee shall clearly disclose the previous use made thereof.

(d) A licensee shall advertise any manufactured home, mobilehome or commercial coach which has been previously sold at retail, registered or otherwise required to be registered expressly as a used manufactured home, mobilehome or commercial coach.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061, 18062, and 18062.2, Health and Safety Code.

§ 5051. Manufactured Home, Mobilehome or Commercial Coach Condition and Physical Size.

(a) Statements of the condition of a manufactured home, mobilehome or commercial coach must accurately reflect its known condition, and pictures thereof must accurately depict its overall appearance.

(b) When advertising the size of a manufactured home, mobilehome or commercial coach, the size shall not include measurements of projections beyond the exterior wall such as roof overhangs, hitches, drawbars, couplings, bay windows or similar projections.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061, Health and Safety Code.

§ 5052. Manufactured Home, Mobilehome or Commercial Coach Availability.

(a) No dealer shall advertise a specific new manufactured home, mobilehome or commercial coach or a class thereof for sale, unless it is in the dealer's possession, or is available to the dealer directly from the manufacturer or distributor thereof under an enforceable contractual right of delivery or retail authorization on file with the department between the advertising dealer and the manufacturer or distributor.

(b) A dealer must sell advertised manufactured homes, mobilehomes or commercial coaches at or below the advertised price irrespective of whether or not the advertised price has been communicated to the purchaser.

(c) Dealers displaying models which contain features, items or materials no longer available from the manufacturer, shall disclose such facts to prospective purchasers of homes whose order is based upon the display model.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061 and 18062.2, Health and Safety Code.

§ 5053. Free Merchandise, Savings Claims and Rebates.

(a) No licensee shall advertise or represent any merchandise, services, accessories or products as "free" with the purchase of a manufactured home, mobilehome or commercial coach if the manufactured home, mobilehome or commercial coach can be purchased from the advertiser at a lesser price without such "free" merchandise, services, accessories or products. Advertisements for "free" merchandise, services, accessories or products offered in consideration of such things as "visit our showroom" shall clearly and completely describe the conditions under which the "free" merchandise is offered.

(b) Dealers may advertise savings claims or discount offers on new manufactured homes, mobilehomes or commercial coaches provided the advertisement shows the difference between the dealer's advertised selling price for cash and the manufacturer's suggested retail price, except sales tax, registration fees, and finance charges. Such advertisements must include a specific reference by words, figures, or both, to the manufacturer's suggested retail price.

(c) Any advertisements with reference to "rebates" on manufactured homes, mobilehomes or commercial coaches shall clearly state the amount and source of the rebate. No dealer shall advertise or offer a rebate with the purchase of a manufactured home, mobilehome or commercial coach if the advertised manufactured home, mobilehome or commercial coach can normally be purchased from the advertiser at a lesser price without such rebated.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061, 18062 and 18062.2, Health and Safety Code.

§ 5054. Dealer Added Charges.

A dealer may not identify a separate charge or charges for services performed on a manufactured home, mobilehome or commercial coach prior to delivery to the extent the dealer is or will be reimbursed for such expenditures by another party.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061, 18062 and 18062.2, Health and Safety Code.

§ 5055. Financing.

(a) Credit terms advertised shall include all charges required to place the transaction on a time payment basis and must state any rates in compliance with Regulation Z. Advertisements of terms which include escalated payments, balloon payments, or pickup payments shall clearly identify those payments as to their amounts and times due and must state any rates in compliance with Regulation Z.

(b) Licensees shall not advertise statements such as "no finance charge" unless there is no charge or time-price differential whatsoever for placing the transaction on a time payment basis.

(c) Licensees shall not make claims such as "everybody financed," "no credit rejected," or words of a similar nature unless the licensee is willing to extend such credit to each and every individual under any and all circumstances.

(d) If qualifying words such as "on credit approval" are used in conjunction with advertised credit terms, licensees shall clearly state such qualifying words, unabbreviated, in type size no less than 1/2 of the type size of the credit terms, and in close proximity thereto.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18036.5, 18061 and 18062, Health and Safety Code.

§ 5056. Down Payment and Deposit.

(a) A licensee shall not advertise the amount of down payment and/or deposit required to purchase a manufactured home, mobilehome or commercial coach unless it is clearly identified as being a down payment or deposit in type size not less than 1/2 the type size in which the amount of the down payment or deposit is stated.

(b) A licensee shall not advertise the statements "no down payment," "no deposit" or similar terms unless the dealer will sell and deliver the advertised manufactured

home, mobilehome or commercial coach to any purchaser without prior payment of any kind or trade-in.

(c) If an advertisement quotes the amount of a periodic payment, the advertisement shall also quote the amount of the down payment or deposit required to qualify for the amount of the quoted periodic payment.

(d) A licensee shall not advertise the amount of a down payment or deposit unless it represents the total payment, including any payment for sales tax, permits, titling or registration, to be required of the purchaser prior to delivery of the manufactured home, mobilehome or commercial coach.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061 and 18062.2, Health and Safety Code.

§ 5057. Representations.

A dealer or salesperson shall not do any of the following:

(a) Knowingly make a material misrepresentation to the owner or seller of a manufactured home, mobilehome or commercial coach of its likely market value, either for the purpose of securing a listing or for the purpose of acquiring an interest in the manufactured home, mobilehome or commercial coach for the licensee's own account.

(b) State or imply to an owner or seller of a manufactured home, mobilehome or commercial coach during listing negotiations that the licensee is precluded by law, regulation or by the rules of any group or organization of licensees, from charging less than the commission or fee quoted to the owner by the licensee.

(c) Fail in a transaction for the sale, lease or exchange of a manufactured home, mobilehome or commercial coach to disclose to a prospective purchaser or lessee facts known to the licensee materially affecting the value or desirability of the manufactured home, mobilehome or commercial coach, when the licensee has reason to believe that such facts are not known to, nor readily observable by a prospective purchaser or lessee.

(d) When seeking a listing, represent to an owner or seller of the manufactured home, mobilehome or commercial coach that the soliciting licensee has obtained a bona fide written offer to purchase the manufactured home, mobilehome or commercial coach, unless at the time of representation the licensee has possession of a bona fide written offer to purchase.

(e) Fail to present or cause to be presented to the registered owner or seller of the manufactured home, mobilehome or commercial coach any offer to purchase or lease received prior to the preparation of the purchase documents or rental agreement.

(f) Present competing offers to the seller to purchase the manufactured home, mobilehome or commercial coach in such a manner as to induce the owner or seller to accept the offer which will provide the greatest compensation to the dealer, without regard to the benefits, advantages, and/or disadvantages to the owner or seller.

(g) Knowingly underestimate the probable closing costs in a transaction in a communication to the prospective purchaser or seller of a manufactured home, mobilehome or commercial coach in order to induce that person to make or to accept an offer to purchase the manufactured home, mobilehome or commercial coach.

(h) Fail to explain to the parties or prospective parties to a transaction the meaning and probable significance of a contingency in an offer or contract that the licensee knows or reasonably believes may affect the closing date of the transaction, or the timing of the vacating of the manufactured home, mobilehome or commercial coach by the seller or its occupancy by the purchaser.

(i) Knowingly make a false or misleading representation to the seller or purchaser of a manufactured home, mobilehome or commercial coach as to the form, amount and/or treatment of a deposit toward purchase.

(j) Refund all or part of an offeror's purchase money deposit in a manufactured home, mobilehome or commercial coach sales transaction after the registered owner has accepted the offer to purchase, unless the licensee has the express permission of the registered owner to make the refund.

(k) Fail to disclose the registered owner of a manufactured home, mobilehome or commercial coach the nature and extent of any direct or indirect ownership interest or security interest that the licensee expects to acquire as a result of the sale. The prospective purchase of the manufactured home, mobilehome or commercial coach by a person related to the licensee by blood or marriage, by an entity in which the licensee has an ownership interest, or by any other person with whom the licensee occupies a special relationship shall be disclosed.

(l) Represent, without a reasonable basis, the nature and/or condition of the interior or exterior features or accessories of a manufactured home, mobilehome or commercial coach when soliciting an offer.

(m) Represent, without a reasonable basis, in the case of the manufactured home or mobilehome located in a mobilehome park, any characteristics of the mobilehome park or its operation, when soliciting an offer.

(n) Fail to respond to reasonable inquiries of a seller as to the status or extent of efforts to market the manufactured home, mobilehome or commercial coach listed exclusively with the licensee.

(o) Fail to disclose to a potential purchaser when discussing the purchase of a manufactured home, mobilehome or commercial coach, the existence of any direct or indirect ownership interest or security interest of the licensee in the manufactured home, mobilehome or commercial coach.

(p) Fail to disclose to a prospective purchaser of a used mobilehome that it may become subject to the age limitations as specified in Section 798.73 of the Civil Code

within 3 years from the date of sale to the prospective purchaser.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18061, 18062 and 18062.2, Health and Safety Code; Section 798.73, Civil Code.

Article 6.
Purchase Documents and Escrow

§ 5060. Escrow Required.

(a) Concurrent with a dealer's receipt of any cash or cash equivalent from a purchaser at any time prior to delivery of a new or used manufactured home or mobilehome subject to registration, the dealer shall execute a mutually-endorsed receipt for deposit and purchase document. Within three working days thereafter, the dealer must establish with an escrow agent an escrow account into which all cash or cash equivalents shall be deposited. The escrow shall not be established with an escrow agent or agency in which the dealer has more than 5 percent ownership interest.

(b) Upon the purchaser's signing of the receipt for deposit and purchase document, the dealer shall provide the purchaser with a copy of each document, which must be mutually-endorsed.

(c) Upon establishment of the escrow account, the dealer shall provide the escrow agent, in writing, with the information required for the preparation of escrow instructions.

(d) These regulations do not imply, nor shall they be interpreted to require, that a recorded certificate of title or junior lienholder registration card(s) be delivered to the purchaser through escrow as a condition of escrow. These regulations shall, however, provide that a release of any prior rights, title, or interest in a manufactured home or mobilehome being purchased or traded in as payment toward the manufactured home or mobilehome being purchased, held by the registered owner(s), legal owner, flooring lender shown on or in possession of a manufacturer's certificate of origin and junior lienholder(s) be obtained as a condition of escrow. In the event that the dealer owns the manufactured home or mobilehome and it has no liens, the dealer shall deliver into escrow either the certificate(s) of title or the manufacturer's certificate of origin, whichever is available.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18035 and 18035.1, Health and Safety Code.

§ 5061. Escrow Instructions.

From the information provided by the dealer, the escrow agent shall prepare escrow instructions and any amendments thereto for signing by both the dealer and purchaser. These escrow instructions may be signed in counterpart. Both the dealer and the purchaser shall receive copies of the signed escrow instructions and any mutually agreed amendments, with the originals or executed copies maintained by the escrow agent. The escrow instructions shall contain, but are not limited to, the following:

(a) The names and addresses of both the dealer and the purchaser;

(b) The names and addresses of the registered owner(s), legal owner of, flooring lender, and any junior lienholder(s) of, the manufactured home or mobilehome.

(c) The name, address and telephone number of the escrow agent.

(d) A description of the manufactured home or mobilehome sold to the purchaser by the dealer which shall include, but not be limited to: the manufacturer name; model name, if available; size (excluding any hitch or towbar); model year, and a statement that prior to the close of escrow, the dealer shall provide the serial numbers of the manufactured home or mobilehome and the control number(s) of either the California Department of Housing and Community Development insignia(s) or the federal label(s) affixed to the manufactured home or mobilehome, which indicate compliance with applicable standards, in order to complete the description of the manufactured home or mobilehome.

(e) Identification of the amounts paid or to be paid as a deposit, downpayment and/or balance due prior to closing, total price of the manufactured home or mobilehome and all accessories or services to be provided by the dealer as part of the sale, and any taxes, service fees, charges or other fees. The amounts disclosed by the dealer shall be consistent with the amounts set forth in the purchase document and receipt for deposit.

(f) A general description of and designation of the cash value of each accessory and any installation thereof included in the purchase.

NOTE: This requirement does not apply when the accessories have been installed prior to the preparation of purchase documents.

(g) The specific address or location where the purchaser will accept delivery of the manufactured home or mobilehome or any accessory thereto included in the purchase price.

(h) A statement of the conditions under which the purchaser will receive delivery of the manufactured home or mobilehome and any accessory thereto.

(i) A statement that prior to the close of escrow, the dealer shall secure and deliver into escrow signed and acknowledged release(s) of any rights, title or interest in the manufactured home or mobilehome being purchased, executed by the registered owner(s), legal owner, flooring lender and any junior lienholder(s). Any such release shall be conditioned upon the receipt of disbursement by the party executing the release directly from the escrow

account of the amount set forth in such release. If the purchaser(s) is/are assuming an indebtedness as evidenced by an existing lien, the dealer shall deliver into escrow documents executed by the legal owner and/or junior lienholder(s) consenting to the assumption by the buyer.

(j) A statement that prior to the close of escrow, the dealer shall secure and deliver into escrow a signed and acknowledged release of any rights, title or interest in the manufactured home, mobilehome or personal real property being sold or traded in as payment toward the manufactured home or mobilehome being purchased, from the registered owner(s), legal owner and any junior lienholder(s). Any such release shall be conditioned upon the receipt of disbursement directly from the escrow account of the amount set forth in such release. If the dealer is assuming an existing lien, he or she shall deliver into escrow documents executed by the legal owner and/or junior lienholder(s) consenting to the assumption by the dealer.

(k) A statement that prior to the close of escrow, when the manufactured home or mobilehome is located in a mobilehome park at the time of sale and is to remain in the park, a statement signed by the purchaser shall be delivered into escrow, indicating that the purchaser has read the rules and regulations of the park, and entered into the park's rental agreement. A copy of a fully executed rental agreement signed by the purchaser may be substituted for the purchaser's agreement.

(l) When the manufactured home or mobilehome being either purchased or traded in as payment toward the manufactured home or mobilehome being purchased is subject to local property taxation, the escrow instructions may provide for the proration of said taxes.

(m) Any documentation required for disbursement pursuant to Section 5062.

(n) In the event a purchaser intends to arrange for third party financing without the assistance of the dealer, a statement that escrow shall terminate 30 days from the date escrow was opened, and that all cash or cash equivalent, less escrow fees, will be returned to the purchaser, unless the purchaser delivers into escrow written confirmation from a lender that financing has been approved.

(o) In the event of a conditional purchase document, a statement that if the contract is not executed by the date escrow is to close, escrow shall terminate and all cash or cash equivalent paid to the dealer be returned to the purchaser.

(p) The date agreed upon, in writing, by the purchaser and dealer that escrow is to close.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18035, 18035.1, 18035.5 and 18036, Health and Safety Code.

§ 5062. Disbursement of Escrow Funds.

In addition to the requirements of Section 18035 of the Health and Safety Code, the escrow agent shall disburse the amounts specified for the manufactured home or mobilehome and accessories only as follows:

(a) When the mobilehome is to be delivered to the site described in the escrow instructions, to be installed, and pass inspection pursuant to Section 18613 of the Health and Safety Code, the escrow instructions shall so state and shall require the dealer to deliver into escrow the following documentation to evidence delivery:

(1) A copy of either the statement of installation or the certificate of occupancy issued by the public agency performing the installation inspection; and

(2) A statement signed by the dealer indicating that the manufactured home or mobilehome has been delivered to the purchaser or that delivery has been offered to the purchaser in accordance with the agreement of the principals and that the purchaser is free to occupy the manufactured home or mobilehome to the exclusion of the dealer.

(b) When the manufactured home or mobilehome is to be delivered to the purchaser at a location specified in the escrow instructions and the purchaser will, at his or her own convenience either actually and physically perform the installation of the manufactured home or mobilehome and accessories, or be responsible for such installation, the escrow instructions shall so state and shall contain a statement indicating that either the purchaser has agreed to actually and physically perform the installation of the manufactured home or mobilehome and accessories or has agreed to be responsible for such installation and understands that escrow may close and funds be disbursed upon delivery of the manufactured home or mobilehome to the purchaser at the location specified in the escrow instructions. The documentation required to evidence such delivery shall be a statement signed by both the dealer and the purchaser indicating that the manufactured home or mobilehome has been delivered to the purchaser at the location specified in the escrow instructions.

(c) When the manufactured home or mobilehome is not subject to installation inspection pursuant to Section 18613 of the Health and Safety Code, the escrow instructions shall so state and shall require the following documentation to be delivered into escrow to evidence delivery: a statement signed by both the dealer and the purchaser indicating that delivery has been received or that delivery has been offered to the purchaser in accordance with the agreement of the principals and that the purchaser is free to occupy the manufactured home or mobilehome to the exclusion of the dealer.

(d) The escrow agent can disburse the amount specified for each accessory specified in Section 5061(g) of this article only upon receipt of written notice signed by the dealer that the accessory has been actually installed or received by the purchaser in the event that installation is not required under the terms of the purchase document.

(e) The escrow agent can disburse the cash or cash equivalent in escrow to the purchaser in the event that the purchaser was unable to obtain third party financing within 30 days of the escrow opening or the conditional purchase document was not executed by the date escrow was to have been closed, as specified in Sections 5061(n) and (o), respectively.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18035, 18035.5 and 18036, Health and Safety Code.

§ 5063. Waivers.

No agreement shall contain any provision by which the purchaser waives any rights to which the purchaser would be otherwise entitled under this article or any other provision of Health and Safety Code, Division 13, Part 2, Chapter 5. Waivers cannot result from practices which include, but are not limited to, separate contracts with the selling dealer for installation of the manufactured home or mobilehome, separate contracts with the selling dealer for accessories to the manufactured home or mobilehome, substitution by the dealer of the cash and/or cash equivalents received as whole or partial payment for the manufactured home or mobilehome or accessory thereto, agreements that liquidated damages be taken out of escrow, and granting of power of attorney, attorney in fact, or agency by the purchaser to the dealer for any purpose other than registration. Such waivers shall be void and unenforceable.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Section 18035, Health and Safety Code.

§ 5064. Records Required.

Escrow agents shall maintain records of their handling of escrows which shall be subject to audit by authorized representatives of the department or any other appropriate regulatory agency. Such records shall include a copy of the escrow instructions, and the dates of deposits and disbursements of cash and/or cash equivalents. Each escrow transaction processed by the escrow agent shall be assigned an escrow number by the escrow agent and this number shall be displayed on all documents relating to that escrow.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18035 and 18035.1, Health and Safety Code.

Article 7
Public Access to Information Regarding Occupational Licensing

§ 5070. Policy Regarding Disclosure.

(a) The department shall provide information regarding license status, compliance, violations substantiated by the department, and disciplinary action taken against any licensee to any person requesting such information.

(b) The department may set reasonable limits upon the number of requests for information from any person.

(c) The appropriate fee for search and any reproductive costs pursuant to Section 5040 may be charged for any request for information.

(d) The department may prepare and disclose statistical data of a summary nature that does not identify individual licensees, when the department considers such data informative to consumers.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18045 and 18050, Health and Safety Code; Sections 6253, 6254, 6256 and 6257, Government Code.

§ 5071. Disclosure of Information Regarding License Status.

(a) Upon receipt of written request, the department may disclose to any member of the public, the following license status information which is on record with the department:

(1) Licensee's name, including all fictitious or business names;

(2) License number;

(3) Business address and telephone number;

(4) Names of all principals and offices held;

(5) Date of original licensure;

(6) Date such license expires, expired, lapsed or was terminated and, if applicable, the reason for termination;

(7) If the licensee is a salesperson, the name of the employing dealer and any information about the employer as listed above.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Section 18050, Health and Safety Code; Sections 6253, 6254, 6256 and 6257, Government Code.

§ 5072. Disclosure of Information Regarding Instances of Noncompliance and Complaints.

(a) Upon receipt of written request, the department may disclose to any member of the public the following information with respect to the preceding three calendar years:

(1) The number and general nature of instances of noncompliance or complaints received or discovered by the department which warranted issuance of a warning letter to the licensee;

(2) The number and general nature of complaints which, upon review by the department, establish a prima

facie case of an instance of noncompliance, other than warranty complaints;

(3) The number and general nature of instances of noncompliance or complaints found to warrant administrative disciplinary action against the licensee, as evidenced by the filing of an Accusation or judicial action by the department.

(b) If an instance of noncompliance or complaint which was initially determined by the department to be substantiated is later found by Administrative Law Judge or a court of law not to constitute a violation of law, and that determination is not successfully appealed by any interested party, it shall be deleted from the complaint information.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18021.5 and 18050, Health and Safety Code; Sections 6253, 6254, 6256 and 6257, Government Code.

§ 5073. Disclosure of Information Regarding Disciplinary Actions.

The department may disclose the following disciplinary history information upon request:

(a) Whether any current licensee or principal thereof has ever been disciplined and, if so, when and for what offenses; and

(b) Whether any current licensee or principal thereof has been named in any disciplinary action and if so, the disposition of such action.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18021.5 and 18050, Health and Safety Code; Sections 6253, 6254, 6256 and 6257, Government Code.

Article 8.
Enforcement, Actions and Penalties

§ 5080. Enforcement.

The department shall administer and enforce all of the provisions of this chapter. Any officer, agent, or employee of the department assigned to enforcement is authorized:

(a) To enter at reasonable times and without advance notice any premises where manufactured homes, mobilehomes or commercial coaches are manufactured, sold, or offered for sale, rent, or lease.

(b) To examine and copy any records, documentary evidence or other information necessary to carry out the requirements of law and this chapter.

(c) To require, by general or special orders or reports, any person subject to licensing or regulation to file, in such form as the department may prescribe, reports or answers in writing to specific questions relating to any occupational licensing function of the department.

(d) To take such other action permitted by law to carry out the requirements of law and this chapter.

(e) To pick up for inspection Report of Sale books.

(f) To post a Prohibited Sales Notice on a manufactured home, mobilehome or commercial coach, as provided in this chapter.

(g) To post a Notice of Suspension at a licensee's place of business as provided in this chapter.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18022, 18023 and 18045.5, Health and Safety Code.

§ 5081. Complaint and Monitoring Investigation.

(a) Upon receipt of a complaint indicating the possible existence of a violation of law or this chapter, including a violation of Section 1797, et seq. of the Civil Code, the department may investigate the complaint and, at the time and in the manner permitted by law, notify each licensee or former licensee assumed responsible for the violations. In addition, or in the alternative, the department may investigate and take any other actions permitted by law.

(b) The recipient of such a notice shall, as soon as possible, but not later than 20 days after notification, unless otherwise specified by the department, take appropriate steps, including inspections or investigations, to determine the extent of its responsibility. Upon determining its responsibility, the recipient of such a notice shall:

(1) notify the department in writing of the action proposed to correct the violation and/or respond to the complainant, and

(2) take the action communicated to the department within 40 days of the original notification of complaint, unless otherwise specified by the department.

(c) Upon written request, the department may, at its discretion, grant an extension of time for correction of violations.

(d) The department may make an independent investigation and/or may institute appropriate legal and/or administrative action as necessary to secure compliance with law if the person notified of the complaint fails to take or complete appropriate action within the specified time, or at any other time deemed necessary and appropriate by the department.

(e) To the extent that the department deems it necessary to investigate, inspect, or reinspect to ensure compliance with law, the person responsible for taking the corrective action shall submit fees pursuant to Section 5040 within 15 days after billing by the department. The person or entity liable for such fees may appeal that determination in writing to the director of the department within 10 days after such billing. Failure to pay the fees shall be grounds for administrative action by the department.

(f) No license may be renewed if an outstanding fee has not been paid.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18021.5, 18045.5, 18058 and 18061.5, Health and Safety Code.

§ 5082. Notices of Suspension, Revocation, or Cancellation.

(a) If a license is suspended or revoked as a result of actions taken pursuant to Health and Safety Code Sections 18021.5, 18064 or 18064.5, or conditions exist providing for the automatic cancellation of the license pursuant to Health and Safety Code Section 18065, the department may post two (2) notices of suspension, revocation or cancellation provided by the department in places conspicuous to the public at each affected established place of business and any branch of the licensee during the period of suspension, revocation or cancellation.

(b) Said notices shall be 24" wide by 14" high and shall be in substantially the following form:

NOTICE OF SUSPENSION
THE DEALER'S LICENSE ISSUED FOR THESE PREMISES HAS BEEN SUSPENDED FROM _____THROUGH _____BY ORDER OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR VIOLATION OF STATE LAWS GOVERNING MANUFACTURED HOUSING SALES

(c) Removal of this notice prior to termination of suspension or any representation to the effect that sales or purchases have been suspended for any reason other than by order of the department shall be deemed a violation of the condition of probation.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18021.5, 18058, 18064 and 18065.5, Health and Safety Code.

§ 5082.5. Prohibited Sale Notice.

Whenever the department discovers by investigation that manufactured homes, mobilehomes or commercial coaches are being offered for sale, rent or lease by persons or at locations, which are not licensed as required by law and this chapter, or where the license has been suspended or revoked as a result of actions taken pursuant to Health and Safety Code Sections 18021.5, 18064 and 18064.5, or that any of the conditions exist providing for automatic cancellation of a license pursuant to Health and Safety Code Section 18065, the department may post Prohibited Sales Notices, conspicuous to the public, on the manufactured homes, mobilehomes or commercial coaches.

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Sections 18020, 18045 and 18065, Health and Safety Code.

§ 5083. Monetary Penalties for Compromise Settlements.

Payment of the following monetary penalties may be required of an occupational licensee pursuant to a compromise settlement agreement between the Director and the licensee entered into pursuant to the provisions of Health and Safety Code Section 18064.5.

(a) A minimum of $150.00 and a maximum of $500.00 for each violation of the following provisions of law: Health and Safety Code Sections 18058.5; 18059(b, c); 18059.5(a, b); 18060(a, c); 18060.5(d, g); 18061(d); 18061.5(b); and 18062.2(a, g, h).

(b) A minimum of $100.00 and a maximum of $500.00 for each violation of the following provisions of law: Health and Safety Code Sections 18059(a); 18060(b); 18060.5(b, f); 18061(a, b, c, e); 18061.5(a); 18062(a, b, c); 18062.2(b, c); and 18062.5(a - e).

(c) A minimum of $50.00 and a maximum of $500.00 for each violation of the following provisions of law: Health and Safety Code Sections 18062.2(d, e, f).

NOTE: Authority cited: Section 18015, Health and Safety Code. Reference: Section 18064.5, Health and Safety Code.

Article 9.
90-Day Certificate Requirements.

§ 5090. 90-Day Certificate Expiration.

All 90-day certificates expire 90 days from the date of initial issuance. Expired certificate holders shall either:

(1) Submit their expired certificates to the department within 10 days or,

(2) Submit their expired certificate to the department within 3 months of expiration, along with all salesperson application requirements in accordance with Section 5020(i).

(b) Any 90-day certificate holder working with an expired certificate without obtaining licensure status through this department may be subject to license refusal, or at the discretion of the Department be subject to a penalty of 50 percent of the license fee in accordance with Section 5010(a).

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference Sections 18045, 18050.5(h), 18052.6, 18055, and 18058(b) Health and Safety Code.

§ 5092. Suspension/Refusal To Issue/Revocation.

The department's review of an application for a 90-day certificate shall be subject to the provisions of Health and Safety Code, Section 18050.5.

NOTE: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference Sections: 18050.5, 18052.6, 18058 and 18065, Health and Safety Code.

§ 5094. Supervision of Certificate Holders

The dealer and/or a responsible managing employee shall directly supervise the activities of all 90-day certificate holders. "Directly Supervise" includes:

(a) Continuous availability of the responsible managing employee or dealer to the 90-day certificate holder(s) on the premises of the dealer and

(b) On an exclusive basis, supervises the activities of the 90-day certificate holder(s) and

(c) Regularly oversees the activities of the certificate holder(s) and assures their compliance with the laws governing mobilehome/manufactured housing or commercial coach sales and/or leasing.

NOTE: Authority cited: Sections 18015, 18052.6 and 18052.7, Health and Safety Code. Reference: Section 18052.7, Health and Safety Code.

Subchapter 2. Preliminary and Continuing Education

§ 5300. Definitions.

The following definitions shall govern this chapter:

(a) Clock hour. Fifty (50) continuous minutes in an approved preliminary or continuing education course, seminar, or conference excluding breaks for meals or rest.

(b) Continuing Education Course. A class, seminar or conference approved by the department, pursuant to law and this chapter, which offers licensees continuing education clock hour credits on one topic.

(c) Correspondence Course. A continuing education program of a single topic approved by the department and transmitted by mail between a licensee and an approved course provider.

(d) Course Provider. A person or entity offering preliminary or continuing education courses approved by the department. A course provider meeting the minimum qualifications established in this chapter may also be an approved instructor.

(e) Instructor. A person approved by the department to present preliminary or continuing education courses while in the employ of a course provider. An instructor may also be a course provider.

(f) Preliminary Education Course. A class, seminar or conference approved by the department pursuant to law and this chapter relating to laws and regulations governing manufactured home and mobilehome sales, specifically designed for persons not holding a manufactured home or mobilehome dealer or salesperson license.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5301. Applicant Qualification to Receive Public Benefits.

When applying for a Continuing Education Course Approval, Preliminary Education Course Approval or Instructor Approval, or the renewal of a Continuing Education Course Approval, Preliminary Education Course Approval or Instructor Approval, if the applicant has not previously been determined to be eligible to receive public benefits, the applicant shall present such documentation as the department may require to determine the applicant's qualification to receive public benefits pursuant to chapter 5.5 of this division, beginning with section 5802.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: 8 U.S.C. Sections 1621,1641 and 1642; and Sections 18056,18056.2 and 18056.4, Health and Safety Code.

§ 5302. Application and Scope of Preliminary Education Requirements.

On or after January 1, 1987, preliminary education requirements apply to all manufactured home and mobilehome dealer and salesperson license holders and applicants for such licenses, as specified in law and this subchapter. Applicants for licenses to sell only commercial coaches are not subject to preliminary education requirements.

(a) All persons applying for a manufactured home and mobilehome dealer license participating in the direction, control or management of the sales operation of the dealership, shall have completed an approved preliminary education program before applying for the dealer examination except as otherwise provided in this section.

(b) No partner, controlling stockholder, director, general manager or officer shall participate in the direction, control or management of the sales operation of a dealership prior to satisfying the provisions of this chapter relating to licensing and preliminary education.

(c) All persons applying for a manufactured home and mobilehome salesperson license shall have completed an approved preliminary education program before applying for the salesperson examination except as otherwise provided in this section.

(d) Holders of a valid dealer license, that have already satisfied the preliminary education requirement, and subsequently apply for a salesperson or another dealer

license, are not required to attend another preliminary education program.

(e) Holders of a valid salesperson license, that have already satisfied the preliminary education requirement and subsequently apply for a dealer license, are not required to attend another preliminary education program.

(f) As specified in Section 5304, Continuing Education requirements apply to applicants who held a manufactured home or mobilehome dealer or salesperson license which has expired or was surrendered or cancelled within one (1) year of the new application for a manufactured home or mobilehome dealer or salesperson license.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5304. Application and Scope of Continuing Education Requirements.

(a) Applicants for and holders of manufactured home and mobilehome dealer and salesperson licenses are subject to continuing education requirements as specified in law and this section and Section 5306.

(b) Holders of licenses to sell only commercial coaches are not subject to continuing education requirements.

(c) The continuing education requirements apply to owners, each partner, controlling stockholder, director, general manager and officer who participates in the direction, control or management of the sales operation of a manufactured home or mobilehome dealer.

(d) Continuing education requirements apply to applicants who held a manufactured home or mobilehome dealer or salesperson license which has expired or was surrendered or cancelled within one (1) year of the new application for a manufactured home or mobilehome dealer or salesperson license.

(e) All continuing education clock hour credits applied toward the renewal of a dealer or salesperson license shall have been earned during the term of the license to be renewed, except as provided in Section 5318.

(f) Holders of both a manufactured home and mobilehome dealer and salesperson license may apply the same continuing education clock hour credits toward the renewal of both licenses, provided the credits were earned within the respective licensure terms.

(g) Any partner, controlling stockholder, director, general manager or officer within the ownership of a dealership, who becomes a participant in the direction, control or management of the sales operation of a dealership after issuance of the license is subject to continuing education requirements at the time of license renewal if more than six (6) months remain in the licensure term. Clock hour requirements for such persons shall be equal to one (1) clock hour for each full month remaining in the licensure term exceeding six (6). The topic requirements imposed by Section 5306 shall not apply.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5306. Continuing Education Topic Requirements for Dealers and Salespersons.

(a) Each person subject to continuing education shall complete course topics as specified in this section.

(b) Each person required to complete a minimum of twenty-four (24) clock hours of continuing education shall complete approved courses in the following topics for the first license renewal occurring after the effective date of this subchapter.

(1) Laws and regulations governing manufactured housing manufacturing and sales.

(2) Escrow.

(3) Advertising and Misrepresentations.

(4) Registration and Titling.

(5) Purchase Documents.

(6) Warranties.

(7) Mobilehome Park Residency Law and Mobilehome Park Act. If additional courses must be taken in order to earn the minimum clock hour requirement, those remaining clock hours may be earned in any approved course(s) of other topics.

(c) Persons subject to less than twenty-four (24) clock hours of continuing education as provided in law or Section 5304 shall complete an approved course in Laws and Regulations Update and any remaining clock hour requirements shall be earned in any approved continuing education course(s) on topics of the licensee's choice.

(d) The department shall not accept clock hour credits earned by repeating any one course provided by the same course provider or instructor within any one licensure term.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5308. Minimum Standards for Preliminary Education Courses.

(a) All preliminary education courses shall comply with the provisions of this section.

(b) Course curriculum shall provide instruction in at least the following topics pertaining to manufactured housing:

(1) Introduction to the Laws and Regulations governing manufactured housing, manufacturing and sales.

(2) Warranties.

(3) Alterations to manufactured homes or mobilehomes.

(4) Escrow and purchase documents.

(5) Sales of noncomplying manufactured homes and mobilehomes.

(6) Advertising and misrepresentations.

(7) Taxation.

(8) Registration and Titling.

(c) No course shall be approved which provides instruction in subjects relating to business promotion, office and business skills, or sales techniques.

(d) Course curriculum may set aside up to thirty (30) minutes at the end of the course presentation for open discussions between the instructor and the participants. This subsection is not intended to eliminate participant questions and instructor responses necessary to facilitate the participant's understanding during the course presentation.

(e) Breaks for meals and rest may be arranged as deemed appropriate by the course provider or instructor, however, such time shall not intrude into the clock hours designated for the course.

(f) Preliminary education courses may utilize oral, written, audio and audiovisual presentations. Audio and audiovisual presentations may contain voices and images of persons other than the approved instructors.

(g) Except for courses consisting entirely of audio or audiovisual presentations, all courses shall be presented by only approved instructors. Courses presented entirely by audio or audiovisual means may be presented by the course provider or other person in the employ of the course provider, otherwise an approved instructor is required.

(h) Approved curriculums or materials shall not be altered or eliminated, or new materials or topics shall not be introduced and used prior to the approval of the department. Applications to change approved courses shall comply with Section 5346 of this subchapter.

(i) Applications for preliminary education course approval shall comply with Section 5340 of this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5310. Minimum Standards for Continuing Education Courses.

(a) All continuing education courses shall comply with the provisions of this subchapter, except as provided in Section 5312 for correspondence courses.

(b) Course curriculum shall provide for no less than two (2) clock hours of continuing education for any one course.

(c) Course curriculum shall be related to the topics required by this subchapter or other topics related to manufactured housing sales requirements imposed by law or regulation. No course shall be approved which provides instruction in subjects relating to business promotion, office and business skills, or sales techniques.

(d) Course curriculum may set aside up to ten (10) minutes for every clock hour for open discussions between the instructor and the participants. This subsection is not intended to eliminate participant questions and instructor responses necessary to facilitate the participant's understanding during the course presentation.

(e) Breaks for meals and rest may be arranged as deemed appropriate by the course provider or instructor. Such time shall not intrude into the clock hours designated for the course.

(f) Courses may utilize oral, written, audio or audiovisual presentations or any combination of thereof. Audio and audiovisual presentations may contain voices and images of persons other than approved instructors.

(g) Except for courses consisting entirely of audio or audiovisual presentations, all courses shall be presented by only approved instructors. Courses presented entirely by audio or audiovisual means may be presented by the course provider or other person in the employ of the course provider, otherwise an approved instructor is required.

(h) Approved curriculums or course materials shall not be altered or eliminated, or new materials or topics shall not be introduced and used prior to the approval of the department. Applications to change approved courses shall comply with Section 5346 of this article.

(i) Applications for Continuing Education Course Approval shall comply with Section 5342 of this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5312. Minimum Standards for Continuing Education Courses by Correspondence.

(a) Continuing education courses shall provide no less than two (2) clock hours of education. Such courses shall utilize written, audio or audiovisual lessons and a written examination to be completed after the lesson.

(b) Written instructions shall be provided by the course provider advising the licensee and proctor of the requirements of this section.

(c) For each one (1) clock hour to be earned, the examination shall contain no less than five (5) essay type questions related to the course topic.

Thirty (30) minutes shall be permitted for the completion of each five (5) questions. Course providers shall rotate the examinations by administering the use of three (3) different examinations for each course. The examination shall be provided in a sealed envelope bearing instructions which read "TO BE OPENED IN THE PRESENCE OF AN APPROVED PROCTOR ONLY. VOID IF OPENED OTHERWISE..." A return envelope shall be provided which is suitable for mailing and of sufficient size to accommodate an unopened or opened examination, and bears the name and address of the course provider.

(d) Approved proctors shall include the course provider, a notary public, an officer in the armed forces on active duty, an approved instructor or other approved course provider, an attorney, a librarian at a public or school library, or a representative of the department. No person related by blood, marriage, employment, or otherwise

having a conflict of interest with a licensee, shall serve as a proctor for the licensee.

(e) The proctor shall be instructed to complete a certification form provided by the course provider which makes provisions for the following:

(1) The proctor's name and address and telephone number.

(2) The proctor's qualifying occupation, title or position.

(3) The licensee's name, address and license number issued by the department.

(4) A certification statement indicating the means used to identify the licensee, that the proctor has no conflict of interest with the licensee due to employment, relation by marriage or blood, that the examination envelope was found sealed and only broken in the proctor's presence, that the examination was completed by the licensee in the proctor's presence without the use of any written materials or aids of any kind, that the examination was not copied by any means, and that the examination was returned to the course provider by the proctor through the U.S. Mail, or by similar mailing services, or by personal delivery.

(5) The proctor's signature.

(f) The course provider or instructor shall grade the examination and notify the licensee of the results within ten (10) days of receipt. Should the licensee score less than 70 percent, the course provider shall provide the licensee with a second examination with different questions, to be taken under the same conditions as the first examination. Should the licensee score less than 70 percent on the second examination, the licensee has failed the course and may not attempt the examination again.

(g) No licensee shall be permitted to copy or reproduce any examination or portion thereof.

(h) All correspondence courses shall be completed within sixty (60) days of the registration date. For the purposes of this section, the registration date shall be the date the course provider mails or otherwise delivers the course material to the licensee as evidenced by the course provider's records. The registration date and completion date shall be printed in the instructions to the licensee.

(i) The course provider shall disqualify any licensee when the actions or omissions to act by either the licensee or the proctor result in a violation of this section.

If a licensee for whatever reason chooses not to complete a course and fails to return the examination, unopened, to the course provider within sixty (60) days of the registration date, the licensee shall be disqualified. The instructions to the licensee shall include a warning regarding disqualification as prescribed in this section.

(j) All disqualifications by course providers shall be reported to the department within ten (10) days.

(k) Once disqualified due to the licensee's acts or omissions to act, clock hour credits earned by correspondence after the disqualification shall not be accepted for the license renewal. A disqualification shall only extend to the end of any one licensure term.

(l) Each set of three (3) correspondence course examinations required by this section shall be used concurrently with the course approval period. When applying for course approval renewal, the course provider shall submit new examinations for use with the renewed course. Expired examinations shall not be used, but shall be maintained with the course provider's records.

(m) Applications for Continuing Education Course Approval shall comply with Section 5342 of this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5314. Course Challenges.

(a) Course providers may provide for challenge examinations of approved continuing education courses. Course providers shall rotate the examinations by administering the use of three (3) separate examinations for each course. Examinations shall contain no less than five (5) essay type questions requiring written answers for each clock hour to be earned.

Challenge examinations shall be administered and corrected by the course provider or approved instructor only. The course provider shall establish the maximum time permitted for the examination, but in no case shall the time be less than thirty (30) minutes for each five (5) questions.

(b) No licensee shall be permitted to acquire more than six (6) clock hours of continuing education by challenges. The combination of challenges and approved equivalency pursuant to Section 5316 shall not exceed 50 percent of total clock hour requirements for any one person.

(c) Course challenge examinations, if permitted, shall be submitted along with the Application for Continuing Education Course Approval specified in Section 5342 of this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Section 18056.2, Health and Safety Code.

§ 5316. Claims of Equivalency.

(a) The department may grant continuing education clock hour credits for activities which have provided educational opportunities at least equivalent to attendance at approved continuing education courses as prescribed in this section.

(b) Acceptable alternative activities may include, but are not limited to the following:

(1) Instruction at an approved preliminary or continuing education course.

(2) Development or research of information or materials associated with an approved continuing education course or unapproved course if the curriculum would otherwise

meet the requirements of this subchapter for a continuing education program.

(3) Authorship of published articles, periodicals or books on subjects relating to the requirements in laws or regulations governing manufactured housing sales.

(4) Instruction of, or attendance at, an education program not approved by the department for continuing education, but which is sufficiently related to manufactured housing activities.

(c) The department may grant up to a maximum of two (2) hours of continuing education clock hour credits for every one hour of equivalent activity.

(d) No licensee shall be granted clock hour credits for equivalents totaling in excess of fifty (50) percent of the licensee's total clock hour requirements. The combination of total clock hour credits earned by both challenges and equivalents shall not exceed fifty (50) percent of the total clock hour requirements.

(e) Applications for Equivalency Approval shall comply with Section 5352 of this subchapter and be received by the department prior to six (6) months before the license expiration date. Qualifying activities performed within the last six (6) months of the licensure term shall be applied to the next license renewal.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Section 18056.2, Health and Safety Code.

§ 5318. Exemptions.

(a) As prescribed in law and this section, the department may grant exemptions from the continuing education requirement and renew an expiring license where the required clock hour credits have not been earned and one or more qualifying conditions exist.

(b) Qualifying conditions are those which are beyond the control of the licensee and have made it impossible for the licensee to acquire the required clock hour credits over the last six (6) months of the licensure term including:

(1) Health conditions or prescribed treatment of health conditions which are verified in writing by a physician and which have not allowed the licensee to work in the licensed capacity.

(2) Active duty in the military service with assignment to duty outside the state.

(c) Conditions relating to the convenience of the licensee such as travel and time needed to attend courses or disruption of employment will not be considered for exemption.

(d) Any licensee granted an exemption shall earn the clock hours originally required at the time of renewal, within ninety (90) days of the elimination of the condition which warranted the exemption and shall submit a revised application for license renewal to the department.

(e) Applications for Exemption shall comply with Section 5354 of this subchapter.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Section 18056.2, Health and Safety Code.

§ 5320. Required Changes to Approved Courses.

(a) Whenever an approved course becomes inaccurate because of statutory or regulatory changes enacted after the course approval, the department shall provide the course provider a written notice of the change. The notice shall order the course provider to review the approved course and make appropriate changes.

(b) When changes to approved courses are ordered, the course provider shall be provided thirty (30) days to make the ordered changes or discontinue the use of the course.

(c) Course changes pursuant to this section shall be submitted to the department on an Application for Approval of Changes to Approved Courses specified in Section 5346 of this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Section 18056.2, Health and Safety Code.

§ 5322. Certificates of Completion.

(a) Within five (5) days of the completion of preliminary and continuing education courses, including correspondence courses and course challenges, course providers shall complete and issue a Certification of Completion to each participant completing the course. Course providers shall obtain the Certification of Completion from the department and provide the following information:

(1) A serial number.

(2) The course provider name, address and approval number(s).

(3)The instructor's name and approval number.

(4) The title and approval number of the course.

(5) The date and address of the course location, except for correspondence courses.

(6) The clock hour credit earned.

(7) The participant's name.

(8) The license number of licensees.

(b) In addition to the requirements of subsection (a), within five (5) days of the completion of each preliminary or continuing education course, including correspondence courses and course challenges, the course provider shall complete and submit a Certification of Course Presentation provided by the Department. The course provider shall provide the following information along with the fee specified in Section 5360:

(1) The course provider name and address.

(2) The instructor name and approval number.

(3) The title and approval number of the course.

(4) The type of course, either preliminary, or continuing education by correspondence, classroom or challenge.

(5) The date and address of the course or challenge, except for correspondence courses.

(6) The name of each person completing the course.
(7) The license number of each licensee.
(8) The clock hour credits earned.
(9) Any other information reasonably required by the department in order to assure compliance with this subchapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5324. Expiration of Course Approval.

(a) All preliminary and continuing education course approvals shall expire on the last day of the twenty-fourth (24th) month following the month of the original approval. No expired course shall be offered or presented.
(b) Course providers applying for renewal of course approvals shall make any amendments necessary to bring the course curriculum or material into compliance with statutory or regulatory changes enacted after the date of approval.
(c) Applications for renewal of course approval shall comply with Section 5344 of this chapter.
Applications should be received by the department ninety (90) days before the expiration date in order to allow processing and any review of course changes.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5326. Instructor Qualifications.

(a) Instructors for preliminary and continuing education courses shall meet at least one of the following qualifications:
(1) A bachelor's degree in a related field to that in which the person is to teach, from a college or university with accreditation approved by the U.S. Department of Education.
(2) Five (5) years fulltime experience in the applicable field or course subject matter.
(3) Any combination of at least five (5) years of fulltime experience and college level education in the applicable field or course subject matter.
(b) No licensee shall be approved as an instructor who has a record of license revocation, suspension, probation, or orders to pay fines or penalties pursuant to a hearing or stipulation and waiver resulting from departmental action against the licensee.
(c) No person having been convicted of a felony, a misdemeanor involving moral turpitude, or misdemeanor associated with manufactured housing sales, shall be approved as an instructor.
(d) Applications for Instructor Approval shall comply with Section 5348 of this chapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5328. Expiration of Instructor Approval.

(a) Instructor approvals shall expire on the last day of the twenty-fourth (24th) month following the month of the original approval.
(b) Instructors with expired approval shall not make preliminary or continuing education course presentations.
(c) Applications for Instructor Approval Renewal shall comply with Section 5350 of this chapter.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5330. Advertising Requirements.

Except for general advertisements of the availability of approved preliminary or continuing education courses, all specific advertisements for courses, whether printed or broadcasted, shall include the following:
(a) Course provider and instructor name(s).
(b) Course title.
(c) Course approval number issued by the department.
(d) The number of clock hours to be earned.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5332. Course Provider Notice Requirement.

Except for correspondence courses and course challenges, course providers shall notify the department of all course offerings at least ten (10) days prior to the starting date of each course by submittal of a form provided by the department. The course provider shall provide for the following information:
(a) Course provider and instructor name(s).
(b) Course title and approval number issued by the department.
(c) The scheduled date, time and location of the course presentation.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5334. Access and Denial to Course Offerings.

(a) No person shall be prohibited from attending approved courses because of their affiliations, memberships, or employment.
(b) Course providers may refuse enrollment or disqualify persons for failure to pay registration fees or for disruptive conduct during course presentations.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18056 and 18056.2, Health and Safety Code.

§ 5336. Course Provider Attendance Controls and Record Keeping Requirements.

(a) Course providers shall conduct attendance controls during the course presentation and shall disqualify any person not physically present throughout the course presentation.

(b) Prior to the issuance of the Certificate of Completion specified in Section 5322, course providers shall verify the identity of each course participant, by review of a valid driver's license or identification card issued by the California Department of Motor Vehicles.

(c) Course providers shall maintain records of attendance documents, certificates of completion, certificates of course presentation and any challenge examinations for a minimum of three (3) years. For correspondence courses, records of the proctor's name, address and qualifying title or position, date and location of the examination, and copies of all examinations administered shall be maintained for a minimum of three (3) years.

(d) Course provider records shall be readily available for review by the department at the course provider's business location.

(e) The department may request that copies of course provider records be made and submitted to the department for review.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18020, 18056, and 18056.2, Health and Safety Code.

§ 5338. General Requirements and Prohibitions.

(a) No person shall earn more than 25 percent of his or her required continuing education credits from a course provider who is licensed as a manufactured home and mobilehome dealer or salesperson and is the employee or employer of the person earning credits.

(b) All course provider ownership, address and telephone number changes shall be reported to the department on a form provided by the department within ten (10) days of the effective date of the change, along with the fee specified in Section 5360.

(c) Instructor name, address and telephone number changes shall be reported to the department on a form provided by the department within ten (10) days of the effective date of the change, along with the fee specified in Section 5360.

(d) The department shall not accept continuing education clock hour credits earned by challenge examinations as permitted in Section 5314, when the course provider is the licensee's employer or employee.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18031, 18056 and 18056.2, Health and Safety Code.

§ 5340. Application for Preliminary Education Course Approval.

(a) Persons or entities seeking approval of a preliminary education course shall submit an Application for Preliminary Education Course Approval provided by the department. On the application form or as an attachment thereto, the applicant shall provide the following information and materials:

(1) The name, address and telephone number of the applicant. If the applicant is not a natural person, the names and titles of all directors, officers or partners of the entity and the entity name, address and telephone number.

(2) A disclosure of any licenses issued by the department pursuant to this chapter to the individual course provider, any director, officer or partner of an entity.

(3) A disclosure of any convictions of any felonies or misdemeanors of any owner, director, officer or partner.

(4) Two full facial photographs of each individual owner and each director, officer or partner of an entity, minimum size 1 1/4" by 1", taken from a maximum distance of six feet.

(5) Two fingerprint cards for each individual owner and each director, officer or partner of an entity unless already on file with the department in conjunction with a previous application.

(6) A description as to how the course will be presented.

(7) Copies of all written, audio and audiovisual presentations, lessons, reference materials or other materials the course attendants will be provided or required to possess.

(8) An outline of the course curriculum with a designation of the time allotted to each segment of the curriculum. The outline shall reference any written materials, audio or audiovisual presentations, as provided in #7 above. Such outline shall contain all topics required by Section 5308.

(9) A description of the method of attendance control and record keeping.

(10) The signature of the applicant certifying to the accuracy of the application and that the course will be presented as approved and conducted in a manner satisfying the intent of the law and requirements of this subchapter.

(b) The application shall be accompanied by the fee specified in Section 5360 for Preliminary Education Course Approval.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5342. Application for Continuing Education Course Approval.

(a) Persons or entities seeking approval of a continuing education course shall submit an Application for Continuing Education Course Approval provided by the department. On the application form or as an attachment thereto, the applicant shall provide the information specified in Section 5340(a) 1, 2, 3, 4, 5, 6, 7, 9, and 10, and the following:

(1) If the topic is not required by this subchapter, an explanation of the topic and how it relates to manufactured home and mobilehome sales and benefits a licensee.

(2) The course title which shall include reference to the course topic and an outline of the course curriculum with a designation of the time allotted to each topic segment of the curriculum. The outline shall reference any written materials, audio and/or audiovisual presentations or reference materials the course attendees will be provided or required to possess.

(3) For correspondence courses, copies of all written, audio, and/or audiovisual lessons or presentations or other material provided or required to be possessed by those taking the course, the examination(s), instructions, warnings, certifications and envelopes in the form required by Section 5312.

(4) If challenge examinations are to be permitted, a copy of all examinations to be used and information as to the examination administration and maximum time permitted for completing the examination.

(5) The clock hours to be earned.

(b) The application shall be accompanied by the fee specified in Section 5360 for Continuing Education Course Approval or the Continuing Education Course by Correspondence Approval, whichever is appropriate.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5344. Application for Course Approval Renewal.

(a) Any course provider seeking renewal of a previously approved preliminary education or continuing education course shall submit an Application for Course Approval Renewal provided by the department. On the application or as an attachment thereto, the applicant shall provide the following information and materials:

(1) The name, address and telephone number of the applicant.

(2) The course approval number issued by the department.

(3) A disclosure of any change(s) to the course provider ownership and all information required in Section 5340(a)(1)(2)(3)(4) and (5) for each new director, officer or partner.

(4) A disclosure of any convictions of felonies or misdemeanors of any owner, director, officer, or partner since the original application.

(5) An itemized description of any change(s) to the course as originally approved.

(6) Copies of any changed or new material.

(7) For correspondence courses, a copy of the new examinations as required by Section 5312.

(8) The signature of the applicant certifying to the accuracy of the application.

(b) The application shall be accompanied by the fee specified in Section 5360 for Preliminary or Continuing Education Course Approval Renewal.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5346. Application for Approval of Changes to Approved Courses.

(a) Course providers seeking approval of voluntary changes or changes ordered by the department pursuant to Section 5320 of this subchapter, shall submit an Application To Change Approved Courses provided by the department. On the application form or as an attachment thereto, the applicant shall provide the following information:

(1) The name, address and telephone number of the applicant.

(2) The course approval number issued by the department.

(3) An itemized description of the change(s) to the course as originally approved.

(4) Copies of any changed or new material.

(5) If the change(s) is a voluntary change, an explanation of the purpose for the change.

(6) The signature of the applicant certifying to the accuracy of the application.

(b) The application shall be accompanied by the fee specified in Section 5360 for Approval of Changes to Approved Courses.

(c) The department shall require substantially altered courses to be submitted for approval pursuant to Sections 5340 or 5342. A substantially altered course is one requiring more than one and one half (1 1/2) hours for processing and review by the department.

NOTE: Authority cited: Sections 18015, and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5348. Application for Instructor Approval.

(a) Any person seeking approval to instruct preliminary or continuing education courses pursuant to this article, shall submit an Application for Instructor Approval provided by the department. On the application or as an attachment thereto, the applicant shall provide the following information:

(1) The name, address and telephone number of the applicant.

(2) The applicant's qualifications meeting the standards of Section 5326 of this subchapter.
(3) A disclosure of any licenses issued to the applicant by the department pursuant to this chapter.
(4) A disclosure of any convictions of misdemeanors or felonies.
(5) The applicant's signature certifying to the accuracy of the application.
(6) Two fingerprint cards, unless already on file with the department in conjunction with a previous application.
(7) Two full facial photographs, minimum size 1 1/4" by 1", taken from a maximum distance of six feet.
(b) The application shall be accompanied by the fee specified in Section 5360 for an Application for Instructor Approval.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code

§ 5350. Application for Instructor Approval Renewal.

(a) Any previously approved instructor seeking renewal shall submit an Application for Instructor Approval Renewal provided by the department at least thirty (30) days prior to the expiration of the instructor approval. The applicant shall provide the following information:
(1) The name, address and telephone number of the applicant.
(2) A disclosure of any licenses issued by the department to the applicant pursuant to this chapter since the original Application for Instructor Approval.
(3) A disclosure of any convictions of misdemeanors or felonies since the original application for instructor approval.
(4) The applicant's signature certifying to the accuracy of the application.
(b) The application shall be accompanied by the fee specified in Section 5360 for an Application for Instructor Approval Renewal.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5352. Application for Equivalency Approval.

(a) Any licensee seeking approval of activities believed to qualify under the provisions of Section 5316 of this subchapter shall submit an Application for Equivalency Approval provided by the department. The applicant shall provide the following information and materials.
(1) The applicant's name, address and telephone number.
(2) The applicant's license number issued by the department.
(3) A full description of the activities believed to qualify for equivalency along with substantiating materials and information, enabling the department to determine if the activities meet the provisions of Section 5316.
(4) The applicant's signature certifying to the accuracy of the application.
(b) The application shall be accompanied by the fee specified in Section 5360 for Application for Equivalency Approval.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5354. Application for Exemption.

(a) Licensees seeking an exemption from the continuing education requirements shall submit an Application for Exemption provided by the department, along with the Application for License Renewal. The applicant shall provide the following information and items:
(1) The applicant's name, address and telephone number.
(2) The applicant's license number issued by the department.
(3) A full description of the conditions believed to qualify for exemption pursuant to Section 5318, along with written substantiating information, documents or items.
(4) The applicant's signature certifying to the accuracy of the application.
(b) The application shall be accompanied by the fee specified in Section 5360 for Application for Exemption.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18031 and 18056.2, Health and Safety Code.

§ 5356. Rejected Applications.

(a) For any application submitted pursuant to this subchapter which is found to be incomplete or in error, the department shall reject the application and provide the applicant with a written explanation identifying the deficiencies and what must be done in order to make the application complete and acceptable.
(b) All fees submitted with an application which is subsequently rejected shall be retained by the department.
(c) All rejected applications which are corrected and resubmitted to the department for approval pursuant to this subchapter, shall be accompanied by the fee specified in Section 5360 for Resubmittal of Corrected Applications.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18020, 18031 and 18056.2, Health and Safety Code.

§ 5360. Fees.

(a) Application for Preliminary Education Course Approval. Two hundred fifty dollars ($250).
(b) Application for Continuing Education Course Approval. Two hundred fifty dollars ($250) plus twenty-

five dollars ($25) for each clock hour to be earned in excess of three (3).

(c) Application for Instructor Approval.
One hundred dollars ($100).

NOTE: This fee does not apply to an instructor of a college or university with accreditation approved by the U.S. Department of Education or to a course provider applying for instructor approval.

(d) Application for Approval of Changes to Approved Courses. Fifty dollars ($50) for each course.

(e) Application for Equivalency Approval.
Fifty dollars ($50) for each application, plus twenty-five dollars ($25) for each clock hour requested in excess of three (3).

(f) Application for Exemption. Thirty-five dollars ($35).

(g) Application for Preliminary or Continuing Education Course Approval Renewal. One hundred dollars ($100), plus fifty dollars ($50) if changes are made to the course or related materials.

(h) Application for Instructor Approval Renewal.
Seventy-five dollars ($75).

(i) Resubmittal of Corrected Applications.
Twenty-five percent of the original filing fee specified in this section not to exceed one hundred dollars ($100).

(j) Change of ownership, name, address. Fifteen dollars ($15).

(k) Certification of Course Presentation. Three dollars ($3) plus one dollar ($1) for each attendee in a classroom type course; three dollars ($3) for each correspondence course or course challenge.

NOTE: Authority cited: Sections 18015, Health and Safety Code. Reference: Section 18031, Health and Safety Code.

§ 5362. Denial of Approval.

(a) The department shall not approve any application for approval submitted pursuant to this subchapter when any of the following conditions exist:

(1) The requirements of this subchapter have not been satisfied.

(2) The applicant for Instructor Approval or Course Approval has been convicted of a felony, a misdemeanor involving moral turpitude, or a
misdemeanor associated with manufactured home or mobilehome sales.

(3) The applicant for Instructor Approval or Course Approval is or was a holder of a license issued by the department pursuant to this chapter which has been revoked, suspended; or if the applicant has been placed on probation, or the licensee has been ordered to pay fines, penalties or restitution pursuant to a hearing or stipulation and waiver resulting from departmental action against the licensee.

(b) When the department denies approval of an application submitted pursuant to this subchapter, the department shall provide written notice to the applicant describing the reasons for denial and providing information as to appeal rights.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18056, 18056.2 and 18056.4, Health and Safety Code.

§ 5364. Cancellation of Approval.

(a) Whenever the department discovers that a previously approved preliminary or continuing education course, instructor, or application is in violation of the provisions of this subchapter the department shall take enforcement action as prescribed in this section.

(b) If the violations can be corrected, the department shall provide written notice to the person responsible for the violation(s) and require correction within at least 20 days of the notice or such time as determined appropriate by the department.

(c) If the violations cannot be corrected, the department shall issue a written warning to the person(s) responsible for the violation(s) in which the violation(s) is identified and the recipient is ordered to immediately discontinue those activities which are in violation.

(d) If the violations were committed willfully, or when a person served with a written notice issued pursuant to this section fails to comply, the department shall cancel the approval status.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Section 18020, 18056, and 18056.2, 18056.4, Health and Safety Code.

§ 5366. Appeals Procedure.

(a) Any person receiving a written notice issued pursuant to Sections 5362 or 5364, may request and shall be granted a presentation of views before the director or his or her designee. Such person shall file with the department a petition requesting a presentation of views. For the purposes of this section, a petition shall be a written request, briefly stating the grounds for the request.

(b) Upon receipt of a petition, the department shall set a time and place for the presentation of views and shall give the petitioner written notice thereof. The presentation of views shall commence no later than thirty (30) days after receiving the petition or such other time as requested by the petitioner if good and sufficient cause exists. Should the petitioner fail to appear at the scheduled time and place, the department may dismiss the petition without further action or take such other action as may be appropriate to obtain compliance.

(c) Within 30 days of the presentation of views, the department shall notify the petitioner in writing of the decision in the matter and the reasons therefor.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Section 18020, Health and Safety Code.

§ 5368. Enforcement.

In order to enforce the provisions of the Health and Safety Code relating to preliminary and continuing education and this subchapter, representatives of the department shall be permitted to:

(a) enter at reasonable times and without advance notice, any premises where preliminary or continuing education courses are presented and monitor such presentation;

(b) examine and copy any records or documents required by this subchapter;

(c) require the submittal of copies or records required by this subchapter;

(d) take such other action permitted by law to carry out the requirements of law and this chapter.

NOTE: Authority cited: Sections 18015 and 18056.2, Health and Safety Code. Reference: Sections 18020 and 18056, Health and Safety Code

CATEGORY IV

CALIFORNIA CIVIL CODE
Title 1.7, Chapters 1 and 3
[http://www.leginfo.ca.gov/calaw.html]

Chapter 1

Consumer Warranty Protection (Used Mobilehomes)

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Chapter 3

Mobilehome Warranties 159

Article 1

GENERAL PROVISIONS

1790. This chapter may be cited as the "Song-Beverly Consumer Warranty Act."

1790.1. Waiver, Effect
Any waiver by the buyer of consumer goods of the provisions of this chapter, except as expressly provided in this chapter, shall be deemed contrary to public policy and shall be unenforceable and void.

1790.2. Severability
If any provision of this chapter or the application thereof to any person or circumstance is held unconstitutional, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

1790.3. Law Governing; Reference to Commercial Code
The provisions of this chapter shall not affect the rights and obligations of parties determined by reference to the Commercial Code except that, where the provisions of the Commercial Code conflict with the rights guaranteed to buyers of consumer goods under the provisions of this chapter, the provisions of this chapter shall prevail.

1790.4. Cumulative Remedies; Applicability of Other Remedies
The remedies provided by this chapter are cumulative and shall not be construed as restricting any remedy that is otherwise available, and, in particular, shall not be construed to supplant the provisions of the Unfair Practices Act.

Article 2

DEFINITIONS
[Selected Sections]

1791 Definitions
1791.1. Implied warranty; definition; duration; remedies of buyers.
1791.2. Expressed warranty; definition.
1791.3. Disclaimer of implied warranties; “as is” or “with all faults” sales.

1791. Definitions

Text of this section operative until January 1, 2003

As used in this chapter:

(a) "Consumer goods" means any new product or part thereof that is used, bought, or leased for use primarily for personal, family, or household purposes, except for clothing and consumables. "Consumer goods" shall include new and used assistive devices sold at retail.

(b) "Buyer" or "retail buyer" means any individual who buys consumer goods from a person engaged in the business of manufacturing, distributing, or selling consumer goods at retail. As used in this subdivision, "person" means any individual, partnership, corporation, limited liability company, association, or other legal entity that engages in any such business.

(c) "Clothing" means any wearing apparel, worn for any purpose, including under and outer garments, shoes, and accessories composed primarily of woven material, natural or synthetic yarn, fiber, or leather or similar fabric.

(d) "Consumables" means any product that is intended for consumption by individuals, or use by individuals for purposes of personal care or in the performance of services ordinarily rendered within the household, and that usually is consumed or expended in the course of consumption or use.

(e) "Distributor" means any individual, partnership, corporation, association, or other legal relationship that stands between the manufacturer and the retail seller in purchases, consignments, or contracts for sale of consumer goods.

(f) "Independent repair or service facility" or "independent service dealer" means any individual, partnership, corporation, association, or other legal entity, not an employee or subsidiary of a manufacturer or distributor, that engages in the business of servicing and repairing consumer goods.

(g) "Lease" means any contract for the lease or bailment for the use of consumer goods by an individual, for a term exceeding four months, primarily for personal, family, or household purposes, whether or not it is agreed that the lessee bears the risk of the consumer goods' depreciation.

(h) "Lessee" means an individual who leases consumer goods under a lease.

(i) "Lessor" means a person who regularly leases consumer goods under a lease.

(j) "Manufacturer" means any individual, partnership, corporation, association, or other legal relationship that manufactures, assembles, or produces consumer goods.

(k) "Place of business" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the distribution point for these goods.

(l) "Retail seller," "seller," or "retailer" means any individual, partnership, corporation, association, or other legal relationship that engages in the business of selling or leasing consumer goods to retail buyers.

(m) "Return to the retail seller" means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the retail seller's place of business, as defined in subdivision (k).

(n) "Sale" means (1) the passing of title from the seller to the buyer for a price, or (2) a consignment for sale.

(o) "Service contract" means a contract in writing to perform, for an additional cost, over a fixed period of time or for a specified duration, services relating to the maintenance, replacement, or repair of a consumer product, except that this term does not include a policy of automobile insurance, as defined in Section 116 of the Insurance Code.

(p) "Service contract administrator" or "administrator" means a person, other than a service contract seller or an insurer admitted to do business in this state, who performs or arranges, or has an affiliate who performs or arranges, the collection, maintenance, or disbursement of moneys to compensate any party for claims or repairs pursuant to a service contract, and who also performs or arranges, or has an affiliate who performs or arranges, any of the following activities on behalf of service contract sellers:

(1) Providing service contract sellers with service contract forms.

(2) Participating in the adjustment of claims arising from service contracts.

(3) Arranging on behalf of service contract sellers the insurance required by Section 9855.2. A service contract administrator shall not be an obligor on a service contract.

(q) "Service contract seller" or "seller" means a person who sells or offers to sell a service contract to a service contractholder, including a person who is the obligor under a service contract sold by the seller, manufacturer, or repairer of the product covered by the service contract.

(r) "Service contractor" means a service contract administrator or a service contract seller.

(s) "Assistive device" means any instrument, apparatus, or contrivance, including any component or part thereof or accessory thereto, that is used or intended to be used, to assist an individual with a disability in the mitigation or treatment of an injury or disease or to assist or affect or replace the structure or any function of the body of an individual with a disability, except that this term does not include prescriptive lenses and other ophthalmic goods unless they are sold or dispensed to a blind person, as defined in Section 19153 of the Welfare and Institutions Code, and unless they are intended to assist the limited vision of the person so disabled.

(t) "Catalog or similar sale" means a sale in which neither the seller nor any employee or agent of the seller nor any person related to the seller nor any person with a financial interest in the sale participates in the diagnosis of the buyer's condition or in the selection or fitting of the device.

(u) "Home appliance" means any refrigerator, freezer, range, microwave oven, washer, dryer, dishwasher, garbage disposal, trash compactor, room air-conditioner, or other kind of appliance product normally used or sold for personal, family, or household purposes.

(v) "Home electronic product" means any television, radio, antenna rotator, audio or video recorder or playback equipment, video camera, video game, video monitor, computer equipment, telephone, telecommunications equipment, electronic alarm system, electronic appliance control system, or other kind of electronic product, if it

is normally used or sold for personal, family, or household purposes. The term includes any electronic accessory that is normally used or sold with a home electronic product for one of those purposes. The term excludes any single product with a wholesale price to the retail seller of less than fifty dollars ($50).

(w) "Obligor" is the entity financially and legally obligated under the terms of a service contract.

This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

1791.1. Implied Warranty; Definition; Duration; Remedies of Buyers

As used in this chapter:

(a) "Implied warranty of merchantability" or "implied warranty that goods are merchantable" means that the consumer goods meet each of the following:

(1) Pass without objection in the trade under the contract description.

(2) Are fit for the ordinary purposes for which such goods are used.

(3) Are adequately contained, packaged, and labeled.

(4) Conform to the promises or affirmations of fact made on the container or label.

(b) "Implied warranty of fitness" means (1) that when the retailer, distributor, or manufacturer has reason to know any particular purpose for which the consumer goods are required, and further, that the buyer is relying on the skill and judgment of the seller to select and furnish suitable goods, then there is an implied warranty that the goods shall be fit for such purpose, and (2) that when there is a sale of an assistive device sold at retail in this state, then there is an implied warranty by the retailer that the device is specifically fit for the particular needs of the buyer.

(c) The duration of the implied warranty of merchantability and where present the implied warranty of fitness shall be coextensive in duration with an express warranty which accompanies the consumer goods, provided the duration of the express warranty is reasonable; but in no event shall such implied warranty have a duration of less than 60 days nor more than one year following the sale of new consumer goods to a retail buyer. Where no duration for an express warranty is stated with respect to consumer goods, or parts thereof, the duration of the implied warranty shall be the maximum period prescribed above.

(d) Any buyer of consumer goods injured by a breach of the implied warranty of merchantability and where applicable by a breach of the implied warranty of fitness has the remedies provided in Chapter 6 (commencing with Section 2601) and Chapter 7 (commencing with Section 2701) of Division 2 of the Commercial Code, and, in any action brought under such provisions, Section 1794 of this chapter shall apply.

1791.2. Express Warranty; Definition

(a) "Express warranty" means:

(1) A written statement arising out of a sale to the consumer of a consumer good pursuant to which the manufacturer, distributor, or retailer undertakes to preserve or maintain the utility or performance of the consumer good or provide compensation if there is a failure in utility or performance; or

(2) In the event of any sample or model, that the whole of the goods conforms to such sample or model.

(b) It is not necessary to the creation of an express warranty that formal words such as "warrant" or "guarantee" be used, but if such words are used then an express warranty is created. An affirmation merely of the value of the goods or a statement purporting to be merely an opinion or commendation of the goods does not create a warranty.

(c) Statements or representations such as expressions of general policy concerning customer satisfaction which are not subject to any limitation do not create an express warranty.

1791.3. Disclaimer of implied warranties; "As Is" or "With all Faults" sales

As used in this chapter, a sale "as is" or "with all faults" means that the manufacturer, distributor, and retailer disclaim all implied warranties that would otherwise attach to the sale of consumer goods under the provisions of this chapter.

Article 3

SALE WARRANTIES
[Selected Sections]

1792. **Implied Warranty of Merchantability; Manufacturers and Retail Sellers; Indemnity**
Unless disclaimed in the manner prescribed by this chapter, every sale of consumer goods that are sold at retail in this state shall be accompanied by the manufacturer's and the retail seller's implied warranty that the goods are merchantable. The retail seller shall have a right of indemnity against the manufacturer in the amount of any liability under this section.

1792.1. **Goods for Particular Purpose; Implied Warranty of Fitness by Manufacturer**
Every sale of consumer goods that are sold at retail in this state by a manufacturer who has reason to know at the time of the retail sale that the goods are required for a particular purpose and reason to know at the time of the retail sale that the goods are required for a particular purpose and that the buyer is relying on the manufacturer's skill or judgment to select or furnish suitable goods shall be accompanied by such manufacturer's implied warranty of fitness.

1792.2. **Goods for Particular Purpose; Assistive Devices; Implied Warranty of Fitness by Retailer or Distributor**
(a) Every sale of consumer goods that are sold at retail in this state by a retailer or distributor who has reason to know at the time of the retail sale that the goods are required for a particular purpose, and that the buyer is relying on the retailer's or distributor's skill or judgment to select or furnish suitable goods shall be accompanied by such retailer's or distributor's implied warranty that the goods are fit for that purpose.
(b) Every sale of an assistive device sold at retail in this state shall be accompanied by the retail seller's implied warranty that the device is specifically fit for the particular needs of the buyer.

1792.3. Proscription against waiver of implied warranties; Exception
No implied warranty of merchantability and, where applicable, no implied warranty of fitness shall be waived, except in the case of a sale of consumer goods on an "as is" or "with all faults" basis where the provisions of this chapter affecting "as is" or "with all faults" sales are strictly complied with.

1792.4. **Written notice to buyer; disclaimer of implied warranties on “as is” or “with all faults” sales**
(a) No sale of goods, governed by the provisions of this chapter, on an "as is" or "with all faults" basis, shall be effective to disclaim the implied warranty of merchantability or, where applicable, the implied warranty of fitness, unless a conspicuous writing is attached to the goods which clearly informs the buyer, prior to the sale, in simple and concise language of each of the following:
(1) The goods are being sold on an "as is" or "with all faults" basis.
(2) The entire risk as to the quality and performance of the goods is with the buyer.
(3) Should the goods prove defective following their purchase, the buyer and not the manufacturer, distributor, or retailer assumes the entire cost of all necessary servicing or repair.
(b) In the event of sale of consumer goods by means of a mail order catalog, the catalog offering such goods shall contain the required writing as to each item so offered in lieu of the requirement of notification prior to the sale.

1792.5. Sales on "As Is" or "With All Faults" basis; effect as to buyers
Every sale of goods that are governed by the provisions of this chapter, on an "as is" or "with all faults" basis, made in compliance with the provisions of this chapter, shall constitute a waiver by the buyer of the implied warranty of merchantability and, where applicable, of the implied warranty of fitness.

1793. **Right to Make Express Warranties; Limitation, Modification or Disclaimer of Implied Warranties**

Except as provided in Section 1793.02 nothing in this chapter shall affect the right of the manufacturer, distributor, or retailer to make express warranties with respect to consumer goods. However, a manufacturer, distributor, or retailer, in transacting a sale in which express warranties are given, may not limit, modify, or disclaim the implied warranties guaranteed by this chapter to the sale of consumer goods.

1793.3. **Return of nonconforming consumer goods; service, repair, replacement or refund; independent repair or service facilities; notice to buyers**

If the manufacturer of consumer goods sold in this state for which the manufacturer has made an express warranty does not provide service and repair facilities within this state pursuant to subdivision (a) of Section 1793.2, or does not make available to authorized service and repair facilities service literature and replacement parts sufficient to effect repair during the express warranty period, the buyer of such manufacturer's nonconforming goods may follow the course of action prescribed in either subdivision (a), (b), or (c), below, as follows:

(a) Return the nonconforming consumer goods to the retail seller thereof. The retail seller shall do one of the following:

(1) Service or repair the nonconforming goods to conform to the applicable warranty.

(2) Direct the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section.

(3) Replace the nonconforming goods with goods that are identical or reasonably equivalent to the warranted goods.

(4) Refund to the buyer the original purchase price less that amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

(b) Return the nonconforming consumer goods to any retail seller of like goods of the same manufacturer within this state who may do one of the following:

(1) Service or repair the nonconforming goods to conform to the applicable warranty.

(2) Direct the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section.

(3) Replace the nonconforming goods with goods that are identical or reasonably equivalent to the warranted goods.

(4) Refund to the buyer the original purchase price less that amount directly attributable to use by the buyer prior to the discovery of the nonconformity.

(c) Secure the services of an independent repair or service facility for the service or repair of the nonconforming consumer goods, when service or repair of the goods can be economically accomplished. In that event the manufacturer shall be liable to the buyer, or to the independent repair or service facility upon an assignment of the buyer's rights, for the actual and reasonable cost of service and repair, including any cost for parts and any reasonable cost of transporting the goods or parts, plus a reasonable profit. It shall be a rebuttable presumption affecting the burden of producing evidence that the reasonable cost of service or repair is an amount equal to that which is charged by the independent service dealer for like services or repairs rendered to service or repair customers who are not entitled to warranty protection. Any waiver of the liability of a manufacturer shall be void and unenforceable.

The course of action prescribed in this subdivision shall be available to the buyer only after the buyer has followed the course of action prescribed in either subdivision (a) or (b) and such course of action has not furnished the buyer with appropriate relief. In no event, shall the provisions of this subdivision be available to the buyer with regard to consumer goods with a wholesale price to the retailer of less than fifty dollars ($50). In no event shall the buyer be responsible or liable for service or repair costs charged by the independent repair or service facility which accepts service or repair of nonconforming consumer goods under this section. Such independent repair or service facility shall only be authorized to hold the manufacturer liable for such costs.

(d) A retail seller to which any nonconforming consumer good is returned pursuant to subdivision (a) or (b) shall have the option of providing service or repair itself or directing the buyer to a reasonably close independent repair or service facility willing to accept service or repair under this section. In the event the retail seller directs the buyer to an independent repair or service facility, the manufacturer shall be liable for the reasonable cost of repair services in the manner provided in subdivision (c).

(e) In the event a buyer is unable to return nonconforming goods to the retailer due to reasons of size and weight, or method of attachment, or method of installation, or nature of the nonconformity, the buyer shall give notice of the nonconformity to the retailer. Upon receipt of such notice of nonconformity the retailer shall, at its option, service or repair the goods at the buyer's residence, or pick up the goods for service or repair, or arrange for transporting the goods to its place of business. The reasonable costs of transporting the goods shall be at the retailer's expense. The retailer shall be entitled to recover all such reasonable costs of transportation from the manufacturer pursuant to Section 1793.5. The reasonable costs of transporting nonconforming goods after delivery to the retailer until return of the goods to the buyer, when incurred by a retailer, shall be recoverable from the manufacturer pursuant to Section 1793.5. Written notice of nonconformity to the retailer shall constitute return of the goods for the purposes of subdivisions (a) and (b).
(f) The manufacturer of consumer goods with a wholesale price to the retailer of fifty dollars ($50) or more for which the manufacturer has made express warranties shall provide written notice to the buyer of the courses of action available to him under subdivision (a), (b), or (c).

1794. Actions by buyers; measure of damages; civil penalties; costs and expenses; attorney's fees
(a) Any buyer of consumer goods who is damaged by a failure to comply with any obligation under this chapter or under an implied or express warranty or service contract may bring an action for the recovery of damages and other legal and equitable relief.
(b) The measure of the buyer's damages in an action under this section shall include the rights of replacement or reimbursement as set forth in subdivision (d) of Section 1793.2, and the following:
(1) Where the buyer has rightfully rejected or justifiably revoked acceptance of the goods or has exercised any right to cancel the sale, Sections 2711, 2712, and 2713 of the Commercial Code shall apply.
(2) Where the buyer has accepted the goods, Sections 2714 and 2715 of the Commercial Code shall apply, and the measure of damages shall include the cost of repairs necessary to make the goods conform.
(c) If the buyer establishes that the failure to comply was willful, the judgment may include, in addition to the amounts recovered under subdivision (a), a civil penalty which shall not exceed two times the amount of actual damages. This subdivision shall not apply in any class action under Section 382 of the Code of Civil Procedure or under Section 1781, or with respect to a claim based solely on a breach of an implied warranty.
(d) If the buyer prevails in an action under this section, the buyer shall be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of costs and expenses, including attorney's fees based on actual time expended, determined by the court to have been reasonably incurred by the buyer in connection with the commencement and prosecution of such action.
(e) (1) Except as otherwise provided in this subdivision, if the buyer established a violation of paragraph (2) of subdivision (d) of Section 1793.2, the buyer shall recover damages and reasonable attorney's fees and costs, and may recover a civil penalty of up to two times the amount of damages.
(2) If the manufacturer maintains a qualified third-party dispute resolution process which substantially complies with subdivision (e) of Section 1793.2, the manufacturer shall not be liable for any civil penalty pursuant to this subdivision.
(3) After the occurrence of the events giving rise to the presumption established in paragraph (1) of subdivision (e) of Section 1793.2, the buyer may serve upon the manufacturer a written notice requesting that the manufacturer comply with paragraph (2) of the subdivision (d) of Section 1793.2. If the buyer fails to serve the notice, the manufacturer shall not be liable for a civil penalty pursuant to this subdivision.
(4) If the buyer serves the notice described in paragraph (3) and the manufacturer complies with paragraph (2) of subdivision (d) of Section 1793.2 within 30 days of the service of that notice, the manufacturer shall not be liable for a civil penalty pursuant to this subdivision.
(5) If the buyer recovers a civil penalty under subdivision (c), the buyer may not also recover a civil penalty under this subdivision for the same violation.

1794.1. Actions by retailer and independent serviceman
(a) Any retail seller of consumer goods injured by the willful or repeated violation of the provisions of this chapter may bring an action for the recovery of damages. Judgment may be entered for three times the amount at which the actual damages are assessed plus reasonable attorney fees.

(b) Any independent serviceman of consumer goods injured by the willful or repeated violation of the provisions of this chapter may bring an action for the recovery of damages. Judgment may be entered for three times the amount at which the actual damages are assessed plus reasonable attorney fees.

1794.3. **Defect or nonconformity caused by unauthorized or unreasonable Use; inapplicability of chapter**
The provisions of this chapter shall not apply to any defect or nonconformity in consumer goods caused by the unauthorized or unreasonable use of the goods following sale.

1794.4. **Service contract; contents (This section is in effect until January 1, 2003)**
(a) Nothing in this chapter shall be construed to prevent the sale of a service contract to the buyer in addition to, or in lieu of, an express warranty if that contract fully and conspicuously discloses in simple and readily understood language the terms, conditions, and exclusions of that contract, provided that nothing in this section shall apply to a home protection contract issued by a home protection company that is subject to Part 7 (commencing with Section 12740) of Division 2 of the Insurance Code.
(b) Except as otherwise expressly provided in the service contract, every service contract shall obligate the service contract seller to provide to the buyer of the product all of the services and functional parts that may be necessary to maintain proper operation of the entire product under normal operation and service for the duration of the service contract and without additional charge.
(c) The service contract shall contain all of the following items of information:
(1) A clear description and identification of the covered product.
(2) The point in time or event when the term of the service contract commences, and its duration measured by elapsed time or an objective measure of use.
(3) If the enforceability of the service contract is limited to the original buyer or is limited to persons other than every consumer owner of the covered product during the term of the service contract, a description of the limits on transfer or assignment of the service contract.
(4) A statement of the general obligation of the service contract seller in the same language set forth in subdivision (b), with equally clear and conspicuous statements of (A) any services, parts, characteristics, components, properties, defects, malfunctions, causes, conditions, repairs or remedies that are excluded from the scope of the service contract; (B) any other limits on the application of the language in subdivision (b) such as a limit on the total number of service calls; (C) any additional services which the service contract seller will provide; (D) whether the obligation of the service contract seller includes preventive maintenance and, if so, the nature and frequency of the preventive maintenance that the service contractor will provide; and (E) whether the buyer has an obligation to provide preventive maintenance or perform any other obligations and, if so, the nature and frequency of the preventive maintenance and of any other obligations, and the consequences of any noncompliance.
(5) A step-by-step explanation of the procedure which the buyer should follow in order to obtain performance of any obligation under the service contract, including (A) the full legal and business name of the service contract seller; (B) the mailing address of the service contract seller; (C) the persons or class of persons that are authorized to perform service; (D) the name or title and address of any administrator, agent, employee or department of the service contract seller that is responsible for the performance of any obligations; (E) the method of giving notice to the service contract seller of the need for service; (F) whether in-home service is provided or, if not, whether the costs of transporting the product, for service or repairs will be paid by the service contract seller; (G) if the product must be transported to the service contract seller, either the place where the product may be delivered for service or repairs or a toll-free telephone number which the buyer may call to obtain that information; (H) all other steps which the buyer must take to obtain service; and (I) all fees, charges, and other costs that the buyer must pay to obtain service.
(6) An explanation of the steps that the service contract seller will take to carry out its obligations under the service contract.
(7) A description of any right to cancel the contract if the buyer returns the product or the product is sold, lost, stolen, or destroyed, or, if there is no right to cancel or the right to cancel is limited, a statement of the fact.
(8) Information respecting the availability of any informal dispute settlement process.

(9) A statement identifying the person who is financially and legally obligated to perform the services specified in the service contract, including the name and address of that person.

Nothing in this subdivision shall preclude a service contract seller from designating an administrator that a service contractholder may initially contact for performance of the obligations under the service contract.

(d) Subdivisions (b) and (c) of this section are applicable to service contracts on new or used home appliances and home electronic products entered into on or after July 1, 1989. They are applicable to service contracts on all other new or used products entered into on or after July 1, 1991.

(e) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2003, deletes or extends that date.

1795. Liability of Warrantors Other Than Manufacturers

If express warranties are made by persons other than the manufacturer of the goods, the obligation of the person making such warranties shall be the same as that imposed on the manufacturer under this chapter.

1795.1. Systems Designed to Heat, Cool or Condition Air; Equipment or Component; Application of Chapter

This chapter shall apply to any equipment or mechanical, electrical, or thermal component of a system designed to heat, cool, or otherwise condition air, but, with that exception, shall not apply to the system as a whole where such a system becomes a fixed part of a structure.

1795.5. Used Goods; Obligation of Distributor or Retail Seller; Maintenance of Service and Repair Facilities; Duration of Warranties

Notwithstanding the provisions of subdivision (a) of Section 1791 defining consumer goods to mean "new" goods, the obligation of a distributor or retail seller of used consumer goods in a sale in which an express warranty is given shall be the same as that imposed on manufacturers under this chapter except:

(a) It shall be the obligation of the distributor or retail seller making express warranties with respect to used consumer goods (and not the original manufacturer, distributor, or retail seller making express warranties with respect to such goods when new) to maintain sufficient service and repair facilities within this state to carry out the terms of such express warranties.

(b) The provisions of Section 1793.5 shall not apply to the sale of used consumer goods sold in this state.

(c) The duration of the implied warranty of merchantability and where present the implied warranty of fitness with respect to used consumer goods sold in this state, where the sale is accompanied by an express warranty, shall be coextensive in duration with an express warranty which accompanies the consumer goods, provided the duration of the express warranty is reasonable, but in no event shall such implied warranties have a duration of less than 30 days nor more than three months following the sale of used consumer goods to a retail buyer. Where no duration for an express warranty is stated with respect to such goods, or parts thereof, the duration of the implied warranties shall be the maximum period prescribed above.

(d) The obligation of the distributor or retail seller who makes express warranties with respect to used goods that are sold in this state, shall extend to the sale of all such used goods, regardless of when such goods may have been manufactured.

WARRANTIES ON NEW MANUFACTURED HOMES/MOBILEHOMES

CHAPTER 3. MOBILEHOME WARRANTIES

1797. Necessity of warranty

All new mobilehomes and manufactured homes sold to a buyer shall be covered by the warranty set forth in this chapter.

1797.1. **Definitions**
As used in this chapter:
(a) "Contractor" means any person who is a general building contractor within the meaning of Section 7057 of the Business and Professions Code.
(b) "Dealer" means any person who is a dealer within the meaning of Section 18002.6 of the Health and Safety Code.
(c) "Mobilehome" and "manufactured home" have the meanings, respectively, defined in Sections 18007 and 18008 of the Health and Safety Code.
(d) "Substantial defects in materials and workmanship" means defects objectively manifested by broken, ripped, cracked, stained, or missing parts or components, or workmanship resulting in improper function of materials, components, appliances, or systems as installed or manufactured by the contractor, dealer, or manufacturer.

1797.2 Application; warranty coverage; responsibility on sale to public agency
(a) The warranty provided for in this chapter shall apply to the manufacturer of the mobilehome or the manufactured home as well as to the contractor or dealer who sells the mobilehome or the manufactured home to the buyer. The warranty shall cover the electrical, plumbing, heating, cooling, fire safety, and structural systems, and all appliances of the mobilehome or manufactured home as installed or manufactured by the contractor, dealer, or manufacturer.
(b) Where a manufacturer sells a mobilehome or manufactured home directly to a city, city and county, or other public agency pursuant to the exception established in Section 18015.7, the manufacturer shall be responsible for providing the warranty required by this chapter.

1797.3. **Written warranty; contents**
The mobilehome/manufactured home warranty from the contractor, manufacturer, or dealer to the buyer shall be set forth in a separate written document that reprints all of the provisions of this chapter and shall be delivered to the buyer by the contractor or dealer at the time the contract of sale is signed, and shall contain, but is not limited to, the following terms:
(a) That the mobilehome or manufactured home is free from any substantial defects in materials or workmanship.
(b) That the contractor, manufacturer, or dealer or any or all of them shall take appropriate corrective action at the site of the mobilehome or manufactured home in instances of substantial defects in materials or workmanship which become evident within one year from the date of delivery of the mobilehome or manufactured home to the buyer, provided the buyer or his or her transferee gives written notice of those defects to the contractor, manufacturer, or dealer at their business address not later than one year and 10 days after date of delivery.
(c) That the manufacturer and the contractor or dealer shall be jointly and severally liable to the buyer for the fulfillment of the terms of warranty, and that the buyer may notify either one or both of the need for appropriate corrective action in instances of substantial defects in materials or workmanship.
(d) That the address and the phone number of where to mail or deliver written notices of defects shall be set forth in the document.
(e) That the one-year warranty period applies to the plumbing, heating, electrical, cooling, fire safety, and structural systems and all appliances of the mobilehome or manufactured home.
(f) That, while the manufacturers of any or all appliances may also issue their own warranties, the primary responsibility for appropriate corrective action under the warranty rests with the contractor or dealer and manufacturer, and the buyer should report all complaints to the contractor or dealer and manufacturer initially.
(g) That, if corrective action taken by the manufacturer or the contractor or dealer fails to eliminate a substantial defect, then the material, system, appliance, or component shall be replaced in kind. As used in this subdivision, "replaced in kind" means (1) replacement with the identical material, system, appliance, or component, and, if not available (2) replacement with a comparable or better material, system, appliance, or component.

1797.4. **Cumulative remedies; proscription against waiver**
The warranty under this chapter shall be in addition to and not in derogation of all other rights and privileges which such buyer may have under any other law or instrument. The contractor, manufacturer or dealer shall not

require the buyer to waive his or her rights under this chapter and any such waiver shall be deemed contrary to public policy and shall be unenforceable and void.

1797.5. **Copy of warranty provisions; display; posting**
Every contractor or dealer shall display a copy of all of the warranty provisions required by this chapter. The copy of the warranty provisions required by this chapter shall be posted in each area where purchase orders and conditional sales contracts are written.

1797.6. **Records**
Manufacturers, contractors, and dealers shall keep records of all actions taken pursuant to this chapter, including all correspondence to or from the buyer for a period of three years from the date of delivery.

1797.7. Warranty service to be completed within specified time
The contractor, dealer, or manufacturer shall complete warranty service to correct all substantial defects within 90 days of receiving the buyer's written notice specified in subdivision (b) of Section 1797.3, unless there are circumstances which are beyond the control of the contractor, dealer, or manufacturer.

CATEGORY V

EXCERPTS FROM THE NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974

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A. Federal Manufactured Housing Construction and Safety Standards

SUBPART A - GENERAL

§ 3280.5 Data plate.

Each manufactured home shall bear a data plate affixed in a permanent manner near the main electrical panel or other readily accessible and visible location. Each data plate shall be made of material what will receive typed information as well as preprinted information, and which can be cleaned of ordinary smudges or household dirt without removing information contained on the data plate; or the data plate shall be covered in a permanent manner with materials that will make it possible to clean the data plate of ordinary dirt and smudges without obscuring the information. Each data plate shall contain not less than the following information:

(a) The name and address of the manufacturing plant in which the manufactured home was manufactured.

(b) The serial number and model designation of the unit, and the date the unit was manufactured.

(c) The statement:

This manufactured home is designed to comply with the Federal Manufactured Home Construction and Safety Standards in force at the time of manufacture.

(d) A list of the certification label(s) number(s) that are affixed to each transportable manufactured section under § 3280.8.

(e) A list of major factory-installed equipment, including the manufacturer's name and the model designation of each appliance.

(f) Reference to the roof load zone and wind load zone for which the home is designed and duplicates of the maps as set forth in § 3280.305(c). This information may be combined with the heating/cooling certificate and insulation zone map required by §§ 3280.510 and 3280.511. The Wind Zone Map on the Data Plate shall also contain the statement:

This home has not been designed for the higher wind pressures and anchoring provisions required for ocean/coastal areas and should not be located within 1500' of the coastline in Wind Zones II and III, unless the home and its anchoring and foundation system have been designed for the increased requirements specified for Exposure D in ANSI/ASCE 7-88.

(g) The statement:

This home has--has not--(appropriate blank to be checked by manufacturer) been equipped with storm shutters or other protective coverings for windows and exterior door openings. For homes designed to be located in Wind Zones II and III, which have not been provided with shutters or equivalent covering devices, it is strongly recommended that the home be made ready to be equipped with these devices in accordance with the method recommended in the manufacturers printed instructions.

(h) The statement: "Design Approval by", followed by the name of the agency that approved the design.

[59 FR 2469, Jan. 14, 1994]

§ 3280.11 Certification label.

(a) A permanent label shall be affixed to each transportable section of each manufactured home for sale or lease in the United States. This label shall be separate and distinct from the data plate which the manufacturer is required to provide under § 3280.5 of the standards.

(b) The label shall be approximately 2 in. by 4 in. in size and shall be permanently attached to the manufactured home by means of 4 blind rivets, drive screws, or other means that render it difficult to remove without defacing it. It shall be etched on 0.32 in. thick aluminum plate. The label number shall be etched or

stamped with a 3 letter designation which identifies the production inspection primary inspection agency and which the Secretary shall assign. Each label shall be marked with a 6 digit number which the label supplier shall furnish. The labels shall be stamped with numbers sequentially.

(c) The label shall read as follows:

As evidenced by this label No. ABC 000001, the manufacturer certifies to the best of the manufacturer's knowledge and belief that this manufactured home has been inspected in accordance with the requirements of the Department of Housing and Urban Development and is constructed in conformance with the Federal manufactured home construction and safety standards in effect on the date of manufacture. See data plate.

(d) The label shall be located at the tail-light end of each transportable section of the manufactured home approximately one toot up from the floor and one foot in from the road side, or as near that location on a permanent part of the exterior of the manufactured home unit as practicable. The road side is the right side of the manufactured home when one views the manufactured home from the tow bar end of the manufactured home.

(42 FR 960, Jan. 4, 1977. Redesignated at 44 FR 20679, Apr. 6, 1979 and amended at 52 FR 47553, Dec. 15, 1987. Redesignated and amended at 58 FR 55003, Oct. 25, 1993]

SUBPART D – BODY AND FRAME CONSTRUCTION REQUIREMENTS

§ 3280.305 Structural design requirements.

(a) **General.** Each manufactured home shall be designed and constructed as a completely integrated structure capable of sustaining the design load requirements of this standard, and shall be capable of transmitting these loads to stabilizing devices without exceeding the allowable stresses or deflections. Roof framing shall be securely fastened to wall framing, walls to floor structure, and floor structure to chassis to secure and maintain continuity between the floor and chassis, so as to resist wind overturning, uplift, and sliding as imposed by design loads in this part. Uncompressed finished flooring greater than 1/8 inch in thickness shall not extend beneath load-bearing walls that are fastened to the floor structure.

(b) **Design loads.**

(1) **Design dead loads.** Design dead loads shall be the actual dead load supported by the structural assembly under consideration.

(2) **Design live loads.** The design live loads and wind and snow loads shall be as specified in this section and shall be considered to be uniformly distributed. The roof live load or snow load shall not be considered as acting simultaneously with the wind load and the roof live or snow load and floor live loads shall not be considered as resisting the overturning moment due to wind.

(3) When engineering calculations are performed, allowable unit stresses may be increased as provided in the documents referenced in § 3280.304 except as otherwise indicated in §§ 3280.304(b)(1) and 3280.306(a).

(4) Whenever the roof slope does not exceed 20 degrees, the design horizontal wind loads required by § 3280.305(c)(1) may be determined without including the vertical roof projection of the manufactured home. However, regardless of the roof slope of the manufactured home, the vertical roof projection shall be included when determining the wind loading for split level or clerestory-type roof systems.

(c) **Wind, snow, and roof loads.**

(1) **Wind loads--design requirements.**

(i) **Standard wind loads (Zone 1).** When a manufactured home is not designated to resist the wind loads for high wind areas (Zone II or Zone III) specified in paragraph (c)(1)(ii) of this section, the manufactured home and each of its wind resisting parts and portions shall be designed for horizontal wind loads of not less than 15 psf and net uplift load of not less than 9 psf.

(ii) **Wind loads for high wind areas (Zone II and Zone III).** When designed for high wind areas (Zone II and Zone III), the manufactured home, each of its wind resisting parts (including, but not limited to, shear walls, diaphragms, ridge beams, and their fastening and anchoring systems), and its components and cladding materials (including, but not limited to, roof trusses, wall studs, exterior sheathing, roofing and siding materials, exterior

glazing, and their connections and fasteners) shall be designed by a Professional Engineer or Architect to resist:

(A) The design wind loads for Exposure C specified in ANSI/ASCE 7-88, "Minimum Design Loads for Buildings and Other Structures," for a fifty-year recurrence interval, and a design wind speed of 100 mph, as specified for Wind Zone II, or 110 mph, as specified for Wind Zone III (Basic Wind Zone Map); or

(B) The wind pressures specified in the following Table:

TABLE OF DESIGN WIND PRESSURES

Element	Wind zone II design wind speed 100 MPH	Wind zone III design wind speed 110 MPH
Anchorage for lateral and vertical stability (See § 3280.306(a)):		
Net Horizontal Drag[1, 2]	[3] ± 39 PSF	[3] ± 47 PSF
Uplift [4]	[5] - 27 PSF	- 32 PSF
Main wind force resisting system:		
Shearwalls, Diaphragms and their Fastening and Anchorage Systems[1, 2]	± 39 PSF	± 47 PSF
Ridge beams and other Main Roof Support Beams (Beams supporting expanding room sections, etc.)	- 30 PSF	- 36 PSF
Components and cladding:		
Roof trusses[4] in all areas; trusses shall be doubled within 3'-0" from each end of the roof	[5] - 39 PSF	[5] - 47 PSF
Exterior roof coverings, sheathing and fastenings[4, 6, 7] in all areas except the following	[5] - 39 PSF	[5] - 47 PSF
Within 3'-0" from each gable end (overhang at end wall) of the roof or endwall if no overhang is provided[4, 6,7]	[5] - 73 PSF	[5] - 89 PSF
Within 3'-0" from the ridge and eave (overhang at sidewall) or sidewall if no eave is provided[4,6,7]	[5] - 51 PSF	[5] - 62 PSF
Eaves (Overhangs at Sidewalls) [4,6,7]	[5] - 51 PSF	[5] - 62 PSF
Gables (Overhangs at Endwalls) [4,6,7]	[5] - 73 PSF	[5] - 89 PSF
Wall studs in sidewalls and endwalls, exterior windows and sliding glass doors (glazing and framing), exterior coverings, sheathing and fastenings[8].		
Within 3'-0" from each corner of the sidewall and endwall	± 48 PSF	± 58 PSF
All other areas	± 38 PSF	± 46 PSF

NOTES:

[1]The net horizontal drag of ±39 PSF to be used in calculating Anchorage for Lateral and Vertical Stability and for the design of Main Wind Force Resisting Systems is based on a distribution of wind pressures of +0.8 or +24 PSF to the windward wall and -0.5 or -15 PSF to the leeward wall.

[2]Horizontal drag pressures need not be applied to roof projections when the roof slope does not exceed 20 degrees.

[3]+ sign would mean pressures are acting towards or on the structure; - sign means pressures are acting away from the structure; ± sign means forces can act in either direction, towards or away from the structure.

[4]Design values in this "Table" are only applicable to roof slopes between 10 degrees (nominal 2/12 slope) and 30 degrees.

[5]The design uplift pressures are the same whether they are applied normal to the surface of the roof or to the horizontal projection of the roof.

[6]Shingle roof coverings that are secured with 6 fasteners per shingle through an underlayment which is cemented to a 3/8" structural rated roof sheathing need not be evaluated for these design wind pressures.

[7]Structural rated roof sheathing that is at least 3/8" in thickness, installed with the long dimension perpendicular to roof framing supports, and secured with fasteners at 4" on center within 3'-0" of each gable end or endwall if no overhang is provided and 6" on center in all other areas, need not be evaluated for these design wind pressures.

[8]Exterior coverings that are secured at 6" o.c. to a 3/8" structural rated sheathing that is fastened to wall framing members at 6" on center need not be evaluated for these design wind pressures.

(2) **Wind loads--zone designations.** The Wind Zone and specific wind design load requirements are determined by the fastest basic wind speed (mph) within each Zone and the intended location, based on the Basic Wind Zone Map, as follows:

(i) **Wind Zone I.** Wind Zone I consists of those areas on the Basic Wind Zone Map that are not identified in paragraphs (c)(2)(ii) or (iii) of this section as being within Wind Zone II or III, respectively.

(ii) **Wind Zone II....100 mph.** The following areas are deemed to be within Wind Zone II of the Basic Wind Zone Map:

Local governments: The following local governments listed by State (counties, unless specified otherwise):

Alabama: Baldwin and Mobile.

Florida: All counties except those identified in paragraph (c)(1)(i)(C) of this section as within Wind Zone III.

Georgia: Bryan, Camden, Chatham, Glynn, Liberty, McIntosh.

Louisiana: Parishes of Acadia, Allen, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, lberville, Jefferson Davis, LaFayette, Livingston, Pointe Coupee, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Tammany, Tangipahoa, Vermillion, Washington, West Baton Rouge, and West Feliciana.

Maine: Hancock and Washington.

Massachusetts: Barnstable, Bristol, Dukes, Nantucket, and Plymouth.

Mississippi: George, Hancock, Harrison, Jackson, Pearl River, and Stone.

North Carolina: Beaufort, Brunswick, Camden, Chowan, Columbus, Craven, Currituck, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, and Washington.

South Carolina: Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Horry, Jasper, and Williamsburg.

Texas: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, and Willacy.

Virginia: Cities of Chesapeake, Norfolk, Portsmouth, Princess Anne, and Virginia Beach.

(iii) **Wind Zone III....110 mph.** The following areas are considered to be within Wind Zone III of the Basic Wind Zone Map:

(A) **States and Territories:** The entire State of Hawaii, the coastal regions of Alaska (as determined by the 90 mph siotach on the ANSI/ASCE 7-88 map), and all of the U.S. Territories of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, Trust Territory of the Pacific Islands, and the United States Virgin Islands.

(B) **Local governments:** The following local governments listed by State (counties, unless specified otherwise):

Florida: Broward, Charlotte, Collier, Dade, Franklin, Gulf, Hendry, Lee, Martin, Manatee, Monroe, Palm Beach, Pinellas, and Sarasota.

Louisiana: Parishes of Jefferson, La Fourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. Mary, and Terrabonne.

North Carolina: Carteret, Dare, and Hyde.

(iv) **Consideration of local requirements.** For areas where local building code requirements exceed the design wind speed requirements of these standards, the Department will consider the adoption through rulemaking of the more stringent requirements of the State or local building authority.

(3) **Snow and roof loads.**

(i) Flat, curved and pitched roofs shall be designed to resist the following live loads, applied downward on the horizontal projection as appropriate for the design zone marked on the manufactured home:

	Pounds per square foot
North Zone	40
Middle Zone	30
South Zone	20

(ii) For exposures in areas (mountainous or other) where snow or wind records or experience indicate significant differences from the loads stated above, the Department may establish more stringent requirements for homes known to be destined for such areas. For snow loads, such requirements are to be based on a roof snow load of 0.6 of the ground snow load for areas exposed to wind and a roof snow load of 0.8 of the ground snow load for sheltered areas.

(iii) Eaves and cornices shall be designed for a net uplift pressure of 2.5 times the design uplift wind pressure cited in § 3280.305(c)(1)(i) for Wind Zone I, and for the design pressures cited in § 3280.305(c)(1)(ii) for Wind Zones II and III.

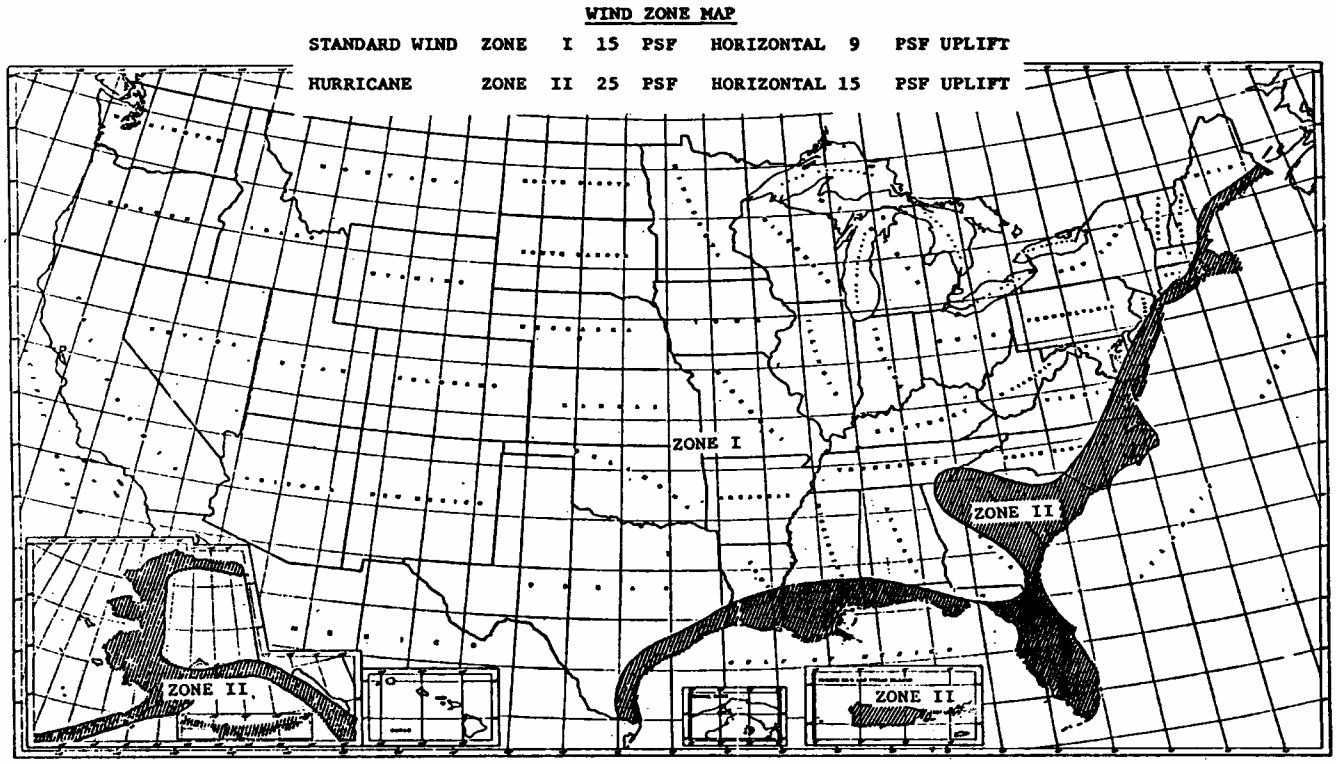
(4) **Data Plate requirements.** The Data Plate posted in the manufactured home (see § 3280.5) shall designate the wind and roof load zones or, if designed for higher loads, the actual design external snow and wind loads for which the home has been designed. The Data Plate shall include reproductions of the Load Zone Maps shown in this section, with any related information. The Load Zone Maps shall be not less than either 3½ in. by 2¼ in., or one-half the size illustrated in the Code of Federal Regulations.

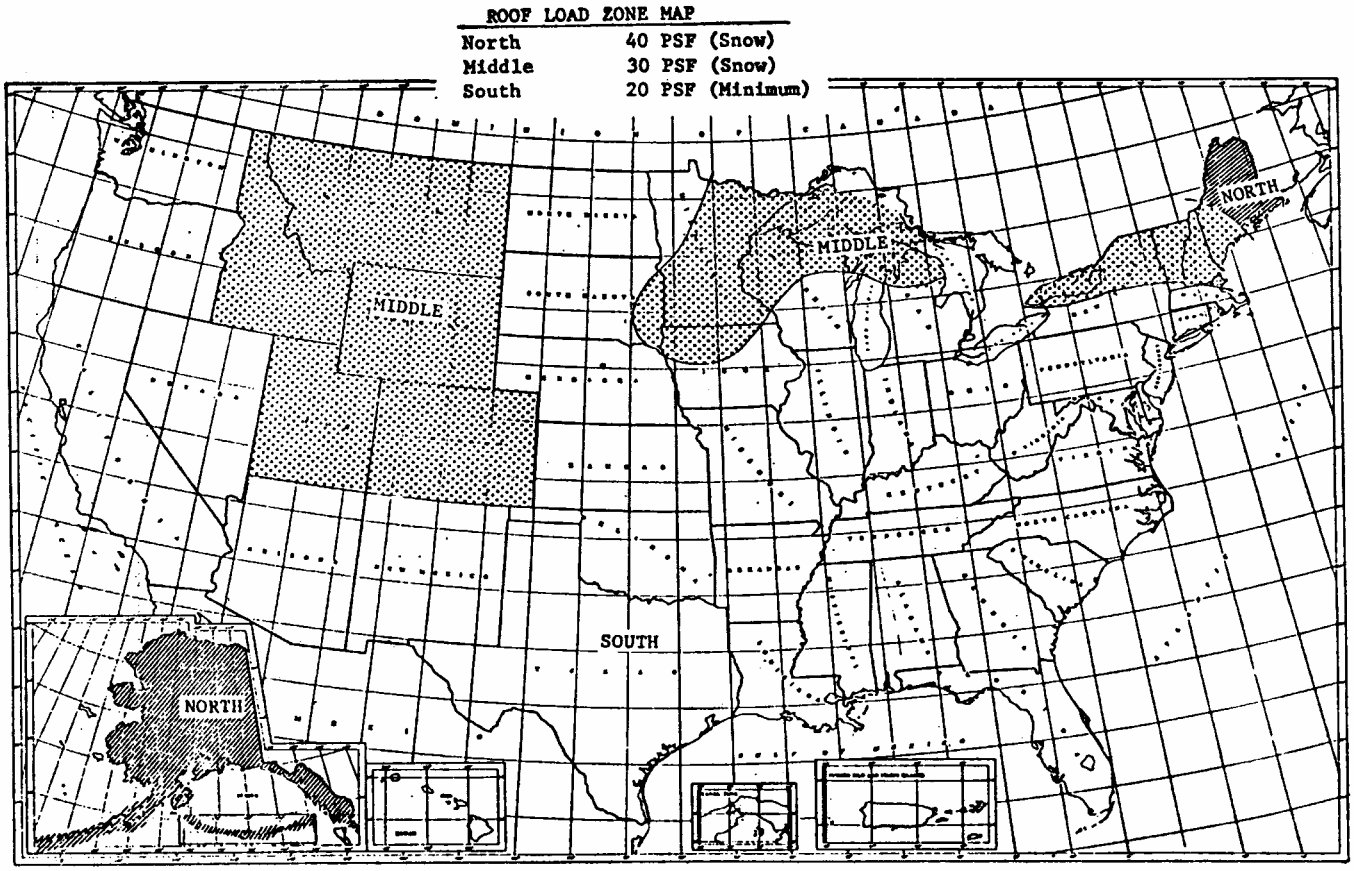
(d) **Design load deflection.**

(1) When a structural assembly is subjected to total design live loads, the deflection for structural framing members shall not exceed the following (where L equals the clear span between supports or two times the length of a cantilever):

Floor	L/240
Roof and ceiling	L/180
Headers, beams, and girders (vertical load)	L/180
Walls and partitions	L/180
Floor	L/240

(2) The allowable eave or cornice deflection for uplift is to be measured at the design uplift load of 9 psf for Wind Zone I, and at the design uplift pressure cited in paragraph (c)(1)(ii) of this section for Wind Zones II and III. The allowable deflection shall be (2 x Lc)/180, where Lc is the measured horizontal eave projection from the wall.


WIND ZONE MAP
STANDARD WIND ZONE I 15 PSF HORIZONTAL 9 PSF UPLIFT
HURRICANE ZONE II 25 PSF HORIZONTAL 15 PSF UPLIFT
ZONE I
ZONE II
ZONE II
ZONE II


ROOF LOAD ZONE MAP
North 40 PSF (Snow)
Middle 30 PSF (Snow)
South 20 PSF (Minimum)
MIDDLE
MIDDLE
NORTH
SOUTH
NORTH

(e) **Fastening of structural systems.**

(1) Roof framing shall be securely fastened to wall framing, walls to floor structure, and floor structure to chassis to secure and maintain continuity between the floor and chassis, so as to resist wind overturning, uplift, and sliding as specified in this part.

(2) For Wind Zones II and III, roof trusses shall be secured to exterior wall framing members (studs), and exterior wall framing members (studs) shall be secured to floor framing members, with 26 gage minimum steel strapping or brackets or by a combination of 26 gage minimum steel strapping or brackets and structural rated wall sheathing that overlaps the roof and floor. Steel strapping or brackets shall be installed at a maximum spacing of 24" on center in Wind Zone II and at a maximum of 16" on center in Wind Zone III. The number and type of fasteners used to secure the steel straps or brackets or structural sheathing shall be capable of transferring all uplift forces between elements being joined.

(f) **Walls.** The walls shall be of sufficient strength to withstand the load requirements as defined in § 3280.305(c) of this part, without exceeding the deflections as specified in § 3280.305(d). The connections between the bearing walls, floor, and roof framework members shall be fabricated in such a manner as to provide support for the material used to enclose the manufactured home and to provide for transfer of all lateral and vertical loads to the floor and chassis.

(1) Except where substantiated by engineering analysis or tests, studs shall not be notched or drilled in the middle one-third of their length.

(2) Interior walls and partitions shall be constructed with structural capacity adequate for the intended purpose and shall be capable of resisting a horizontal load of not less than five pounds per square foot. An allowable stress increase of 1.33 times the permitted published design values may be used in the design of wood framed interior partitions. Finish of walls and partitions shall be securely fastened to wall framing.

(g) **Floors.**

(1) Floor assemblies shall be designed in accordance with accepted engineering practice standards to support a minimum uniform live load of 40 lb/ft^2 plus the dead load of the materials. In addition (but not simultaneously), floors shall be able to support a 200-pound concentrated load on a one-inch diameter disc at the most critical location with a maximum deflection not to exceed one-eighth inch relative to floor framing. Perimeter wood joists of more than six inches depth shall be stabilized against overturning from superimposed loads as follows: at ends by solid blocking not less than two-inch thickness by full depth of joist, or by connecting to a continuous header not less than two-inch thickness and not less than the depth of the joist with connecting devices; at eight-feet maximum intermediate spacing by solid blocking or by wood cross-bridging of not less than one inch by three inches, metal cross-bridging of equal strength, or by other approved methods.

(2) Wood, wood fibre or plywood floors or subfloors in kitchens, bathrooms (including toilet compartments), laundry rooms, water heater compartments, and any other areas subject to excessive moisture shall be moisture resistant or shall be made moisture resistant by sealing or by an overlay of nonabsorbent material applied with water-resistant adhesive. Use of one of the following methods would meet this requirement:

(i) Sealing the floor with a water-resistant sealer; or

(ii) Installing an overlay of a non-absorbent floor covering material applied with water-resistant adhesive; or

(iii) Direct application of a water-resistant sealer to the exposed wood floor area when covered with a non-absorbent overlay; or

(iv) The use of a non-absorbent floor covering which may be installed without a continuous application of a water-resistant adhesive or sealant when the floor covering meets the following criteria:

(A) The covering is a continuous membrane with any seams or patches seam bonded or welded to preserve the continuity of the floor covering; and

(B) The floor is protected at all penetrations in these areas by sealing with a compatible water-resistant adhesive or sealant to prevent moisture from migrating under the nonabsorbent floor covering; and

(C) The covering is fastened around the perimeter of the subfloor in accordance with the floor covering manufacturer's instructions; and,

(D) The covering is designed to be installed to prevent moisture penetration without the use of a water-resistant adhesive or sealer except as required in this paragraph (g). The vertical edges of penetrations for plumbing shall be covered with a moisture-resistant adhesive or sealant. The vertical penetrations located under the bottom plates of perimeter walls of rooms, areas, or compartments are not required to be sealed; this does not

include walls or partitions within the rooms or areas.

(3) Carpet or carpet pads shall not be installed under concealed spaces subject to excessive moisture, such as plumbing fixture spaces, floor areas under installed laundry equipment. Carpet may be installed in laundry space provided:

(i) The appliances are not provided;

(ii) The conditions of paragraph (g)(2) of this section are followed; and

(iii) Instructions are provided to remove carpet when appliances are installed.

(4) Except where substantiated by engineering analysis or tests:

(i) Notches on the ends of joists shall not exceed one-fourth the joist depth.

(ii) Holes bored in joists shall not be within 2 inches of the top or bottom of the joist, and the diameter of any such hole shall not exceed one-third the depth of the joist.

(iii) Notches in the top or bottom of the joists shall not exceed one-sixth the depth and shall not be located in the middle third of the span.

(5) Bottom board material (with or without patches) shall meet or exceed the level of 48 inch-pounds of puncture resistance as tested by the Beach Puncture Test in accordance with Standard Test Methods for Puncture and Stiffness of Paperboard, and Corrugated and Solid Fiberboard, ASTM D-781-1968 (73). The material shall be suitable for patches and the patch life shall be equivalent to the material life. Patch installation instruction shall be included in the manufactured home manufacturer's instructions.

(h) **Roofs.**

(1) Roofs shall be of sufficient strength to withstand the load requirements as defined in § 3280.305(b) and (c) without exceeding the deflections specified in § 3280.305(d) The connections between roof framework members and bearing walls shall be fabricated in such a manner to provide for the transfer of design vertical and horizontal loads to the bearing walls and to resist uplift forces.

(2) Roofing membranes shall be of sufficient rigidity to prevent deflection which would permit ponding of water or separation of seams due to wind, snow, ice, erection or transportation forces.

(3) Cutting of roof framework members for passage of electrical, plumbing or mechanical systems shall not be allowed except where substantiated by engineering analysis.

(4) All roof penetrations for electrical, plumbing or mechanical systems shall be properly flashed and sealed. In addition, where a metal roof membrane is penetrated, a wood backer shall be installed. The backer plate shall be not less than 5/16 inch plywood, with exterior glues, secured to the roof framing system beneath the metal roof, and shall be of a size to assure that all screws securing the flashing are held by the backer plate.

(i) **Frame construction.** The frame shall be capable of transmitting all design loads to stabilizing devices without exceeding the allowable load and deflections of this section. The frame shall also be capable of withstanding the effects of transportation shock and vibration without degradation as required by subpart J.

(1) **Welded connections.**

(i) All welds shall be made in accordance with the applicable provisions of the Specification for Structural Steel Buildings, Allowable Stress Design and Plastic Design, AISC, June 1, 1989. The Specification for the Design of Cold-Formed Steel Structural Members, AISI-1986 with 1989 Addendum, and the Stainless Steel Cold-Formed Structural Design Manual, AISI-1974.

(ii) Regardless of the provisions of any reference standard contained in this subpart, deposits of weld slag or flux shall be required to be removed only from welded joints at the following locations:

(A) Drawbar and coupling mechanisms;

(B) Main member splices, and

(C) Spring hanger to main member connections.

(2) **Protection of metal frames against corrosion.** Metal frames shall be made corrosion resistant or protected against corrosion. Metal frames may be protected against corrosion by painting.

[40 FR 58752, Dec. 18, 1975. Redesignated at 44 FR 20679, Apr. 6, 1979 and amended at 44 FR 66195, Nov. 19, 1979; 52 FR 4582, Feb. 12, 1987; 58 FR 55006, Oct. 25, 1993; 59 FR 2469, Jan. 14, 1994; 59 FR 15113, 15114, Mar. 31, 1994]

[For additional information see Interpretative Bulletins D-2-76 and D-4-76 and B-Letters 80-B-12, 84-B-8 and 86-B-1]

SUBPART H – HEATING, COOLING AND FUEL BURNING SYSTEMS

§ 3280.309 Health Notice on formaldehyde emissions.

(a) Each manufactured home shall have a Health Notice on formaldehyde emissions prominently displayed in a temporary manner in the kitchen (i.e., countertop or exposed cabinet face). The Notice shall read as follows:

IMPORTANT HEALTH NOTICE

Some of the building materials used in this home emit formaldehyde. Eye, nose, and throat irritation, headache, nausea, and a variety of asthma-like symptoms, including shortness of breath, have been reported as a result of formaldehyde exposure. Elderly persons and young children, as well as anyone with a history of asthma, allergies, or lung problems, may be at greater risk. Research is continuing on the possible long-term effects of exposure to formaldehyde.

Reduced ventilation resulting from energy efficiency standards may allow formaldehyde and other contaminants to accumulate in the indoor air. Additional ventilation to dilute the indoor air may be obtained from a passive or mechanical ventilation system offered by the manufacturer. Consult your dealer for information about the ventilation options offered with this home.

High indoor temperatures and humidity raise formaldehyde levels. When a home is to be located in areas subject to extreme summer temperatures, an air-conditioning system can be used to control indoor temperature levels. Check the comfort cooling certificate to determine if this home has been equipped or designed for the installation of an air-conditioning system.

If you have any questions regarding the health effects of formaldehyde, consult your doctor or local health department.

(b) The Notice shall be legible and typed using letters at least 1/4 inch in size. The title shall be typed using letters at least 3/4 inch in size.

(c) The Notice shall not be removed by any party until the entire sales transaction has been completed (refer to part 3282-Manufactured Home Procedural and Enforcement Regulations for provisions regarding a sales transaction).

(d) A copy of the Notice shall be included in the Consumer Manual (refer to part 3283-Manufactured Home Consumer Manual Requirements).

[49 FR 32012, Aug. 9, 1984, as amended at 54 FR 46049, Nov. 1, 1989; 58 FR 55007, Oct. 25, 1993]

[For additional information see B-Letters 84-B-12 and 85-B-4]

§ 3280.710 Venting, ventilation and combustion air.

(a) The venting as required by § 3280.707(b) shall be accomplished by one or more of the methods given in (a)(1) and (2) of this section:

(1) An integral vent system listed or certified as part of the appliance.

(2) A venting system consisting entirely of listed components, including roof jack, installed in accordance with the terms of the appliance listing and the appliance manufacturer's instructions.

(b) Venting and combustion air systems shall be installed in accordance with the following:

(1) Components shall be securely assembled and properly aligned at the factory in accordance with the appliance manufacturer's instructions except vertical or horizontal sections of a fuel fired heating appliance venting system that extend beyond the roof line or outside the wall line may be installed at the site. Sectional venting systems shall be listed for such applications and installed in accordance with the terms of their listings and manufacturers' instructions. In cases where sections of the venting system are removed for transportation, a label shall be permanently attached to the appliance indicating the following:

Sections of the venting system have not been installed. Warning-do not operate the appliance until all sections have been assembled and installed in accordance with the manufacturer's instructions.

(2) Draft hood connectors shall be firmly attached to draft hood outlets or flue collars by sheet metal screws or by equivalent effective mechanical fasteners.

(3) Every joint of a vent, vent connector, exhaust duct and combustion air intake shall be secure and in alignment.

(c) Venting systems shall not terminate underneath a manufactured home.

(d) Venting system terminations shall be not less than three feet from any motor-driven air intake discharging into habitable areas.

(e) The area in which cooking appliances are located shall be ventilated by a metal duct which may be single wall, not less than 12.5 square inches in cross-sectional area (minimum dimension shall be two inches) located above the appliance(s) and terminating outside the manufactured home, or by listed mechanical ventilating equipment discharging outside the home, that is installed in accordance with the terms of listing and the manufacturer's instructions. Gravity or mechanical ventilation shall be installed within a horizontal distance of not more than ten feet from the vertical front of the appliance(s).

(f) Mechanical ventilation which exhausts directly to the outside atmosphere from the living space of a home shall be equipped with an automatic or manual damper. Operating controls shall be provided such that mechanical ventilation can be separately operated without directly energizing other energy consuming devices.

[49 FR 32012, Aug. 9, 1984, as amended at 58 FR 55018, Oct. 25, 1993]

[For additional information see B-Letters 79-B-unnumb and 84-B-12]

B. Federal Manufactured Housing Procedural and Enforcement Regulations

SUBPART F. DEALER AND DISTRIBUTOR RESPONSIBILITIES

§ 3282.251 Scope and purpose.

(a) This subpart sets out the responsibilities which shall be met by distributors and dealers with respect to manufactured homes manufactured after the effective date of the standards for sale to purchasers in the United States. It prohibits the sale, lease, or offer for sale or lease of manufactured homes known by the distributor or dealer not to be in conformance with the standards, and it includes responsibilities for maintaining certain records and assisting in the gathering of certain information.

(b) The purpose of this subpart is to inform distributors and dealers when they may sell manufactured homes, when they are prohibited from selling manufactured homes, and what they may do in order to prepare a manufactured home for sale if it is not in conformance with the standards.

(c) For purposes of this part, any manufacturer or distributor who sells, leases, or offers for sale or lease a manufactured home to a purchaser shall be a dealer for purposes of that transaction.

§ 3282.252 Prohibition of Sale.

(a) No distributor or dealer shall make use of any means of transportation affecting interstate or foreign commerce or the mails to sell, lease, or offer for sale or lease in the United States any manufactured home manufactured on or after the effective date of an applicable standard unless:

(1) There is affixed to the manufactured home a label certifying that the manufactured home conforms to applicable standards as required by § 3282.205(c), and

(2) The distributor or dealer, acting as a reasonable distributor or dealer, does not know that the manufactured home does not conform to any applicable standards.

(b) This prohibition applies to any affected manufactured homes until the completion of the entire sales transaction. A sales transaction with a purchaser is considered completed when all the goods and services that the dealer agreed to provide at the time the contract was entered into have been provided. Completion of a retail sale will be at the time the dealer completes setup of the manufactured home if the dealer has agreed to provide the setup, or at the time the dealer delivers the home to a transporter, if the dealer has not agreed to transport or set up

the manufactured home, or to the site if the dealer has not agreed to provide setup.

(c) This prohibition of sale does not apply to manufactured homes which are placed in production prior to the effective date of the standards, and it does not apply to "used" manufactured homes which are being sold or offered for sale after the first purchase in good faith for purposes other than the resale.

§ 3282.253 Removal of prohibition of sale.

(a) If a distributor or dealer has a manufactured home in its possession or a manufactured home with respect to which the sales transaction has not been completed, and the distributor or dealer, acting as a reasonable distributor or dealer, knows as a result of notification by the manufacturer or otherwise that the manufactured home contains a failure to conform or imminent safety hazard, the distributor or dealer may seek the remedies available to him under § 3282.415.

(b) When, in accordance with § 3282.415, a manufacturer corrects a failure to conform to the applicable standard or an imminent safety hazard, the distributor or dealer, acting as a reasonable distributor or dealer, may accept the remedies provided by the manufacturer as having corrected the failure to conform or imminent safety hazard. The distributor or dealer, therefore, may sell, lease, or offer for sale or lease any manufactured home so corrected by the manufacturer.

(c) When a distributor or dealer is authorized by a manufacturer to correct a failure to conform to the applicable standard or an imminent safety hazard and completes the correction in accordance with the manufacturer's instructions, the distributor or dealer may sell, or lease or offer for sale or lease the manufactured home in question, provided that the distributor or dealer, acting as a reasonable distributor or dealer knows that the manufactured home conforms to the standards. A distributor or dealer and a manufacturer, at the manufacturer's option, may agree in advance that the distributor or dealer is authorized to make such corrections as the manufacturer believes are within the expertise of the dealer.

(d) If the corrections made under paragraphs (b) and (c) of this section do not bring the manufactured home into conformance or correct the imminent safety hazard, the provisions of § 3282.415 will continue in effect prior to completion of the sales transaction.

§ 3282.254 Distributor and dealer alterations.

(a) If a distributor or dealer alters a manufactured home in such a way as to create an imminent safety hazard or to create a condition which causes a failure to conform with applicable Federal standards, the manufactured home affected may not be sold, leased, or offered for sale or lease.

(b) After correction by the distributor or dealer of the failure to conform or imminent safety hazard, the corrected manufactured home may be sold, leased, or offered for sale or lease.

(c) Distributors and dealers shall maintain complete records of all alterations made under paragraphs (a) and (b) of this section.

§ 3282.255 Completion of information card.

(a) Whenever a distributor or dealer sells a manufactured home subject to the standards to a purchaser, the distributor or dealer shall fill out the card with information provided by the purchaser and shall send the card to the manufacturer. (See § 3282.211.)

(b) Whenever a distributor or dealer sells a manufactured home to an owner which was originally manufactured under the standards, the distributor or dealer shall similarly use one of the detachable cards which was originally provided with the manufactured home. If such a card is no longer available, the distributor or dealer shall obtain the information which the card would require and send it to the manufacturer of the manufactured home in an appropriate format.

§ 3282.256 Distributor or dealer complaint handling.

(a) When a distributor or dealer believes that a manufactured home in its possession which it has not yet sold to a purchaser contains an imminent safety hazard, serious defect, defect, or noncompliance, the distributor or dealer shall refer the matter to the manufacturer for remedial action under § 3282.415. If the distributor or dealer is not satisfied with the action taken by the manufacturer, it may refer the matter to the SAA in the state in which the manufactured home is located, or to the Secretary if there is no such SAA.

(b) Where a distributor or dealer receives a consumer complaint or other information concerning a manufactured home sold by the distributor or dealer, indicating the possible existence of an imminent safety hazard, serious defect, defect, or noncompliance in the manufactured home, the distributor or dealer shall refer the matter to the manufacturer.

SUBPART I. CONSUMER COMPLAINT HANDLING and REMEDIAL ACTIONS

SOURCE: 42 FR 2580, Jan. 12, 1977, unless otherwise noted.

§ 3282.401. Purpose and scope.

(a) The purpose of this subpart is to establish a system under which the protections of the Act are provided with a minimum of formality and delay, but in which the rights of all parties are protected.

(b) This subpart sets out the procedures to be followed by manufacturers, State Administrative Agencies, primary inspection agencies, and the Secretary to assure that manufacturers provide notification and correction with respect to their manufactured homes as required by the Act. Notification and correction may be required to be provided with respect to manufactured homes that have been sold or otherwise released by the manufacturer to another party when the manufacturer, an SAA or the Secretary determines that an imminent safety hazard, serious defect, defect, or noncompliance may exist in those manufactured homes as set out herein.

(c) This subpart sets out the rights of dealers under section 613 of the Act, 42 U.S.C. 5412, to obtain remedies from manufacturers in certain circumstances.

§ 3282.402. General principles.

(a) Nothing in this subpart or in these regulations shall limit the rights of the purchaser under any contract or applicable law.

(b) The liability of manufactured home manufacturers to provide remedial actions under this subpart is limited by the principle that manufacturers are not responsible for failures that occur in manufactured homes or components solely as the result of normal year and aging, gross and unforeseeable consumer abuse, or unforeseeable neglect of maintenance.

(c) The extent of a manufacturer's responsibility for providing notification or correction depends upon the seriousness of problems for which the manufacturer is responsible under this subpart.

(d) When manufacturers act under § 3282.404 of these regulations, they will not be required to classify the problem that triggered their action as a noncompliance, defect, serious defect, or imminent safety hazard.

(e) It is the policy of these regulations that all consumer complaints or other information indicating the possible existence of an imminent safety hazard, serious defect, defect, or noncompliance should be referred to the manufacturer of the potentially affected manufactured homes as early as possible so that the manufacturer can begin to timely respond to the consumer and take any necessary remedial actions.

§ 3282.414. Manufactured homes in the hands of dealers and distributors.

(a) The manufacturer is responsible for correcting any failures to conform and imminent safety hazards which exist in manufactured homes which have been sold or otherwise released to a distributor or dealer but which have not yet been sold to a purchaser. This responsibility generally does not extend to failures to conform or imminent safety hazards that result solely from transit damage that occurs after the manufactured home leaves

the control of the manufacturer, unless such transit damage is reasonably foreseeable by the manufacturer when the home is released by the manufacturer. This section sets out the procedures to be followed by dealers and distributors for handling manufactured homes in such cases. Regardless of whether the manufacturer is responsible for repairing a manufactured home, no dealer or distributor may sell a manufactured home if it contains a failure to conform or an imminent safety hazard.

(b) Whenever a dealer or distributor finds a problem in a manufactured home which the manufacturer is responsible for correcting under paragraph (a) of this section, the dealer or distributor shall contact the manufacturer, provide full information concerning the problem, and request appropriate action by the manufacturer in accord with paragraph (c) of this section. Where the manufacturer agrees to correct, the manufacturer shall maintain a complete record of its actions. Where the manufacturer authorizes the dealer to make the necessary corrections on a reimbursable basis, the dealer or distributor shall maintain a complete record of its actions. Agreement by the manufacturer to correct or to authorize corrections on a reimbursable basis under this paragraph constitutes a determination of the Secretary for purposes of section 613(b) of the Act with respect to judicial review of the amount which the manufacturer agrees to reimburse the dealer or distributor for corrections.

(c) Upon a final determination by the Secretary or a State Administration Agency under § 3282.407, or upon a determination by a court of competent jurisdiction that a manufactured home fails to conform to the standard or contains an imminent safety hazard after such manufactured home is sold or otherwise released by a manufacturer to a distributor or a dealer and prior to the sale of such manufactured home by such distributor or dealer to a purchaser, the manufacturer shall have the option to either:

(1) Immediately furnish, at the manufacturer's expense, to the purchasing distributor or dealer the required conforming part or parts or equipment for installation by the distributor or dealer on or in such manufactured homes and the manufacturer shall reimburse such distributor or dealer for the reasonable value of such installation plus a reasonable reimbursement of not less than one per centum per month of the manufacturer's or distributor's selling price prorated from the date of receipt by certified mail of notice of noncompliance to the date such manufactured home is brought into compliance with the standards, so long as the distributor or dealer proceeds with reasonable diligence with the installation after the part or component is received; or

(2) Immediately repurchase, at the manufacturer's expense, such manufactured home from such distributor or dealer at the price paid by such distributor or dealer, plus all transportation charges involved and a reasonable reimbursement of not less than one per centum per month of such price paid prorated from the date of receipt by certified mail of notice of the imminent safety hazard, serious defect, defect or noncompliance to the distributer. The value of such reasonable reimbursements as specified in this paragraph shall be fixed by mutual agreement of the parties or by a court in an action brought under section 613(b) of the Act.

(d) This section shall not apply to any manufactured home purchased by a dealer or distributor which has been leased by such dealer or distributor to a tenant for purposes other than resale. In that instance the dealer or distributor has the remedies available to a purchaser under this subpart.

CATEGORY VI

EXCERPTS FROM THE

CALIFORNIA REVENUE AND TAXATION CODE
AND
TITLE 18, CALIFORNIA CODE OF REGULATIONS
[http://www.leginfo.ca.gov/calaw.html]
[http://ccr.oal.ca.gov]

SPECIFICALLY
CALIFORNIA SALES AND USE TAX LAW AND REGULATIONS

A. Excerpts from the State Board of Equalization Tax Tip Publication #47 (January 2001) "Mobilehomes and Factory-Built Housing" 177

B. Excerpts from the Sales and Use Tax Regulations 185

1521 Construction Contractors 185

1610.2 Used Mobilehomes; Recognized Value Guide 187

1660 Leases of Tangible Personal Property 190

1699 Permits 190

1700 Reimbursement for Sales Tax 191

NOTE: This information has been reproduced in part for purposes of providing basic information regarding the application of the California Sales and Use Tax Law and Regulations. You may contact the nearest Board of Equalization office for copies of the most current and complete law and regulations, and their application.

ITALICIZED EXCERPTS FROM CALIFORNIA STATE BOARD OF EQUALIZATION PUBLICATION #47 - MOBILEHOMES AND FACTORY-BUILT HOUSING
Sales and Use Taxes
(January 2001)
Which can be found at: http://www.boe.ca.gov/pdf/pub47.pdf?

"MOBILEHOME" DEFINED

[Synonymous with "Manufactured Home" per HSC Sections 18007 and 18008]

A "mobilehome" as referred to in this pamphlet is a structure transportable in one or more sections, designed and equipped to contain not more than two dwelling units to be used with or without a foundation system. A dwelling unit consists of one or more habitable rooms designed to be occupied by one family with facilities for living, sleeping, cooking, eating, and sanitation. The definition of a mobilehome specifically excludes a recreational vehicle, commercial coach, and factory-built housing.

MOBILEHOMES - REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY

Whether or not a mobilehome is classified as real property affects the application of sales and use tax to accessories and structural items sold with a mobilehome.

Generally, only mobilehomes placed on permanent foundation systems qualify as real property. Mobilehomes not placed on permanent foundations remain items of personal property.

Prior to October 1, 1984, mobilehomes whose annual vehicle license fees became delinquent for a period of 120 days or more, were automatically subject to property tax. Since that date, however, provisions have been made to allow for reinstatement to the annual vehicle license fee system provided certain conditions are met. Any questions concerning reinstatement to the vehicle license fee system should be directed to your local Department of Housing and Community Development office.

Only those structural and accessory items attached to a mobilehome on a permanent foundation or which are attached to land are real property. Consequently, it is necessary to distinguish between a permanent and non-permanent foundation.

Permanent Foundation Defined
A permanent foundation system is an assembly of materials constructed below, or partly below grade, not intended to be removed from its installation site, which is designed to support the structure, and engineered to resist the imposition of external natural forces such as wind, rain, snow, etc. To be classified as being on a permanent foundation, the mobilehome must be fastened or pinned to the foundation. (Administrative Code [currently called the California Code of Regulations]*, Title 25 which implements Health and Safety Code 18551).*

Non-Permanent Foundation Defined

A non-permanent foundation is an assembly of materials, usually steel or cement and block commonly referred to as piers or jacks and pads and is considered to be a temporary type of foundation.

APPLICATION OF TAX - NEW MOBILEHOMES

SALES OF NEW MOBILEHOMES - NONRESIDENCE USE

The dealer is the retailer of a new mobilehome when it is sold for other than occupancy as a residence. Consequently, tax applies to the full selling price of the mobilehome to the customer.

SALES OF NEW MOBILEHOMES - RESIDENCE USE

A mobilehome dealer is the "retailer-consumer" of any new mobilehome sold to a customer for occupancy as a residence, if the transaction would otherwise have been subject to sales tax and the mobilehome is thereafter subject to local property taxation. All new mobilehomes sold for residence use on or after July 1, 1980, are subject to local property tax whether sold to the customer for installation on a permanent or nonpermanent foundation.

As the "retailer-consumer", the dealer is required to declare and pay tax on ***75 percent*** *of the dealer's purchase price of the mobilehome. This percentage applies to all items which the dealer has purchased and affixed as a integral part of the mobilehome prior to sale, or pursuant to the contract of sale, such as carpeting, wall paneling, room partitions, and built-in appliances. Draperies and freestanding refrigerators and ranges are also considered an integral part of a mobilehome. If these items are not included in the price of the mobilehome when acquired by the retailer-consumer, they must be included when computing the total amount subject to tax. The retailer-consumer's purchase price of such items must also include any labor charges for affixing the property when such installation is performed by other than the retailer-consumer.*

In a transaction which qualifies for the special tax computation, the applicable tax is the use tax imposed on the dealer as the consumer. The sale of a mobilehome by a dealer who is a retailer-consumer to his/her customer is exempt from sales tax. The retailer-consumer, therefore, should not separately state to his/her customer any reimbursement for the use tax.

ACCESSORIES AND OTHER ITEMS NOT AFFIXED TO REAL PROPERTY

A mobilehome dealer is the retailer of certain items which are not an integral part of the mobilehome, such as furniture. Sales of such items by dealers are subject to sales tax on their full selling price to the consumer.

The dealer is also the retailer of other accessories if the dealer does not affix them to a mobilehome situated on a permanent foundation or not affix them directly to realty. Such accessory items include:

Window awnings
Skirting
Air conditioning units
Cabanas

The dealer must report sales tax based on the retail sales price of such items.

For sales of items for which the dealer is considered to be a retailer, sales tax reimbursement can be collected from the customer.

If the dealer acquires furniture and accessories for the purpose of using them to enhance the sale of a mobilehome, the dealer is making a use of the furniture and accessories and may not purchase the furniture and accessories for resale. This situation could occur when a dealer furnishes a model mobilehome to enhance its appearance for sale.

Where the dealer later sells the same furniture and accessories which were used to enhance the sale of a mobilehome, the dealer is a retailer of those items and tax applies to the full retail sales price without any deduction or credit for the tax which the dealer paid when he/she purchased the furniture or accessories.

If a dealer, in the regular course of business, includes furniture or accessories with the sale of a mobilehome, and the dealer does not use the furniture or accessories prior to their sale other than for purposes of demonstration and display for purposes of sale the dealer is a retailer of the furniture or accessories and may acquire them for resale. An example would be when a dealer, on a continuing basis, sells mobilehomes in a furnished condition. The dealer must report sales tax based on the retail sales price of such items.

The dealer should separately state the selling price of the furniture or accessories.

*Since a dealer's tax liability on the sale of a mobilehome is computed based on **75 percent** of his/her purchase price of the mobilehome, the dealer should be careful to exclude from that purchase price the cost of any of the above noted accessories that are taxable at the full retail sales price.*

ACCESSORY AND OTHER ITEMS AFFIXED TO REALTY

Under the provisions of Regulation 1521, "Construction Contractors", a seller who both furnishes and affixes mobilehome accessories or other items as improvements or additions to land, or to a mobilehome which rests on a permanent foundation, is a construction contractor. See Regulation 1521, and "Mobilehome and Accessories Installed as Real Property" for the application of the tax under such conditions.

SALES OF MOBILEHOMES BY MANUFACTURERS

*If a manufacturer should sell a new Mobilehome directly to a purchaser for occupancy as a residence without going through a licensed dealer, the manufacturer becomes a "retailer-consumer". As a retailer-consumer, the manufacturer is required to declare and pay tax measured by an amount equal to **75 percent** of the selling price at which a similar Mobilehome, ready for installation, would be sold by the manufacturer to a dealer who is a retailer-consumer in this state.*

OUT-OF-STATE PURCHASES OF NEW MOBILEHOMES

FROM DEALERS

*If a new mobilehome is purchased from an out-of-state retailer for use as a residence in California, the purchaser is the consumer and the use tax is thus imposed on the purchaser based on **75 percent** of the selling price of the mobilehome to that out-of-state retailer. Where there is not satisfactory evidence of the out-of-state vendor's purchase price, it shall be presumed that **60 percent** of the sales price to the purchaser is the taxable measure.*

The use tax applies to the full purchase price of a new mobilehome purchased from an out-of-state dealer which is to be used other than as a residence.

FROM MANUFACTURERS

*A new mobilehome purchased directly from an out-of-state manufacturer by a consumer for use as a residence in California is subject to tax on **75 percent** of the amount for which a similar mobilehome would be sold by the manufacturer to a dealer. In the absence of contrary evidence, the taxable measure will be presumed to be 75 percent of the consumer's purchase price of the mobilehome.*

The use tax applies to the full purchase price of a new mobilehome purchased from an out-of-state manufacturer which is to be used for a purpose other than as a residence.

MOBILEHOMES AND ACCESSORIES INSTALLED AS REAL PROPERTY

SALES TO CONSTRUCTION CONTRACTORS

A dealer or manufacturer is considered to be the retailer-consumer of a mobilehome sold to a construction contractor who will affix the mobilehome on a permanent foundation for occupancy as a residence. The dealer's or manufacturer's tax liability is as follows:

- *If a manufacturer should sell a mobilehome to a construction contractor without going through a licensed dealer, the manufacturer must report and pay the use tax computed on **75 percent** of the sales price for which a similar mobilehome, ready for installation, would be sold by that manufacturer to a dealer who is a retailer-consumer in this state.*

- *When a dealer sells a mobilehome to a construction contractor, the dealer must report and pay use tax measured by **75 percent** of his own purchase price of the mobilehome including the cost of any accessory items that are an integral part of the mobilehome being sold.*

A construction contractor who is not a mobilehome dealer may not issue a resale certificate for the purchase of a mobilehome which is to be installed on a permanent foundation.

DEALERS AS CONSTRUCTION CONTRACTORS

*Effective September 19, 1985, if the purchasing construction contractor is also a licensed mobilehome dealer, the construction contractor is a retailer-consumer with respect to the sale of the mobilehome, and the contractor may issue a resale certificate for the purchase of the mobilehome. As a retailer-consumer, the contractor must report tax on **75 percent** of the cost of the mobilehome on the return for the period during which the mobilehome is installed on a permanent foundation. The percentage applies to all items which become an integral part of the mobilehome, such as built-in appliances, carpeting, draperies, freestanding refrigerator and range, etc.*

Prior to September 19, 1985, a construction contractor could not issue a resale certificate for the purchase of a mobilehome which was to be installed on a permanent foundation, even if the contractor was a licensed mobilehome dealer.

ACCESSORIES AND IMPROVEMENTS OR ADDITIONS TO REALTY

The construction contractor is the retailer of accessory items which are not an integral part of the mobilehome as discussed in "Accessories and Other Items Not Affixed to Real Property."

Items of tangible personal property, such as skirting, air conditioners, window awnings, or carpeting that are furnished by a contractor and affixed to a mobilehome situated on a permanent foundation or directly affixed to realty; and tangible personal property furnished in repairing a mobilehome situated on a permanent foundation are taxable in accordance with Regulation 1521, "Construction Contractors." Similarly, landscaping, concrete slabs, fencing, and items such as carports, patio covers, screened rooms, cabanas and decks, which are attached to realty by auger devices or cement, are also taxable as materials or fixtures in accordance with Regulation 1521.

Generally, the installing contractor cannot avoid liability for the sales or use tax by accepting a resale certificate for materials or fixtures furnished and affixed by him to real property for a dealer, prime contractor or others. The following example is offered to illustrate the proper application of the tax.

> *Example: A dealer sells a mobilehome to a customer including an awning and arranges for an awning contractor to furnish and install the awning.*
>
> *Assuming the contract for the installation of the awning was a lump-sum contract and that the awning is actually affixed to realty by augers or cement (typically carports, patio cover), the contractor would be responsible for reporting the tax measured by his/her cost price of the awning, although the mobilehome may or may not be situated on a permanent foundation. The contractor cannot accept a resale certificate from the dealer for the installed awning.*

There are numerous variations that can significantly affect the contractor's tax liability. The contractor is therefore urged to study Regulation 1521, "Construction Contractors." Additionally, Pamphlet No. 9, Tax Tips for Construction and Building Contractors, contains further information and may be obtained at any Board office.

SEPARATE AND SPECIAL CHARGES

SETUP CHARGES

The setup of a mobilehome ordinarily includes such services as site preparation, placing of supports, joining sections, leveling, carpet installation, etc. The setup may be done by the retailer or another person. Tax is applicable as follows:

When Affixing Carpets Supplied with a Mobilehome,

- *Tax does not apply to the cost of or the charge for labor when the installation of the carpet is performed by the mobilehome dealer as the retailer-consumer of the mobilehome;*

- *The labor for installing the carpet is considered part of the cost of the mobilehome to the retailer-consumer when the carpeting is installed in a new mobilehome not on a permanent foundation and the installation is done by someone other than the retailer-consumer. In this case, the charge to the retailer-consumer for this service must be included in the amount that is **75 percent** taxable; and*

- *Charges for labor to install carpeting in a mobilehome already on a permanent foundation are not taxable. (See "Accessories and Improvements or Additions to Realty".)*

When Joining Sections

- *Tax does not apply to the charge for or the cost of labor to join sections of a mobilehome when the work is performed by the dealer acting as the retailer-consumer.*

- *The labor charged to a dealer (retailer-consumer) for joining sections of a mobilehome not affixed to realty and which is sold for occupancy as a residence, when the labor is performed by other than the retailer-consumer, is considered part of the retailer-consumer's cost of the mobilehome, and, the retailer-consumer must include **75 percent** of that charge in his/her reported measure of tax.*

Miscellaneous

- *Jacks and pads - The dealer is the retailer of jacks and pads used as supports for mobilehomes, and the sales tax applies to the full retail selling price to the customer.*

- *Other services - The charges for or the cost of other services included in setting up mobilehomes are ordinarily exempt from tax.*

ESCROW FEES

Separately stated charges for escrow fees for the sale of a new or used mobilehome are not taxable.

APPLICATION OF TAX - USED MOBILEHOMES

DEFINITION-USED MOBILEHOME [Same as for a used manufactured home per HSC 18014]

A used mobilehome means a mobilehome that was previously sold and registered or titled with the Department of Housing and Community Development, or with an appropriate agency or authority, or any other state, District of Columbia, territory or possession of the United States or a foreign state, province, or country.

SALES OF USED MOBILEHOMES SUBJECT TO ANNUAL LICENSE FEES

In general, tax applies to the gross receipts from the sale of a used mobilehome, unless otherwise exempt, if, at the time of the sale or use, the mobilehome is subject to annual license fees under the Health and Safety Code.

Effective January 1, 1986, "gross receipts" or "sales price" of a used mobilehome which is subject to annual license fees, means the retail value of the used mobilehome as determined in accordance with a current recognized value guide, whenever the sale is:

- *Through a person licensed under the Health and Safety Code as a dealer and not on the dealer's own account; or*
- *Through a license real estate broker acting pursuant to Section 10131.6 of the Business and Professions Code; or*
- *Whenever a purchaser of a used mobilehome is required to pay the use tax to the Department of Housing and Community Development. (Private party transaction.)*

A "current recognized value guide" means:

(1) The Kelly Blue Book Manufactured Housing and Mobilehome Guide, or

(2) The National Automobile Dealer Association's (NADA) Mobilehome Manufactured Housing Appraisal Guide, which covers the particular period in which the sale, storage, use or other consumption occurs.

If the value guide does not specify the model or manufacturer of a used mobilehome, the value shall be established by reference to the highest value in the value guide according to age and size, or the actual sales price, whichever is less.

If the actual sales price of a used mobilehome is less than the current value specified in the value guide, the sales price shall be based on the actual sales price of the mobilehome as evidenced by the purchase documents.

*"**Actual sales price**" means the total contract price, including, but not limited to, the value of the mobilehome, in-place location, awning, skirting, carport, patio, landscaping, shrubs, unattached furnishings, or other items not part of the mobilehome, and documentation fees.*

SALES OF USED MOBILEHOMES SUBJECT TO PROPERTY TAXES

The Sales and Use Tax Law provides an exemption from sales and use tax for sales of used mobilehomes if they are subject to local property taxation. Used mobilehomes are subject to local property taxation in all of the following instances:

- *The mobilehome was originally sold new on or after July 1, 1980;*
- *The mobilehome was originally sold new prior to July 1, 1980 and was subsequently transferred to the property tax rolls; or*
- *The mobilehome is situated on a permanent foundation.*

SALES BY DEALERS

When a dealer, acting on its own account and not as a broker, sells a used mobilehome, not subject to property taxation, the dealer is a retailer and tax applies to the retail sales price of the used mobilehome. The retail sales price is the total price charged for the mobilehome, including separately stated charges for awnings, skirting, and other items of tangible personal property, provided these items are not affixed to a mobilehome situated on a permanent foundation or directly affixed to realty.

However, if a used mobilehome is sold in-place by a dealer, any separately stated values of existing real property improvements such as cement and landscaping or separately stated in-place location value are not subject to tax.

LEASES OF MOBILEHOMES

FIRST LEASED PRIOR TO JULY 1, 1980

Generally, where a new mobilehome was acquired without the payment of sales or use tax and first leased prior to July 1, 1980, the lease is considered a continuing "sale" and "purchase" and the tax is due, measured by the periodic lease receipts. However, if the new mobilehome becomes subject to property taxation, its lease thereafter is exempt from the sales or use tax.

A mobilehome first sold new prior to July 1, 1980 and not subject to property tax may be leased without incurring tax liability on the periodic lease receipts, provided the mobilehome is leased in substantially the same form as acquired, and the lessor paid tax when the mobilehome was purchased, or timely reported the use tax on the purchase price.

FIRST LEASED ON OR AFTER JULY 1, 1980

No tax is due on the receipts from the lease of a mobilehome that is first leased new on or after July 1, 1980 for occupancy as a residence. However, tax applies to 75 percent of the lessor's supplier's purchase price of the mobilehome.

If the lessor has withdrawn the mobilehome from an inventory purchased without tax for resale, the lessor is responsible for reporting and paying the tax. Where there is no evidence of the supplier's purchase price of that mobilehome, the lessor may report the tax measured by 60 percent of his/her own purchase price from the supplier. Of course, if the manufacturer is the supplier, the tax is measured by 75 percent of the selling price to the lessor.

The full selling price of a new mobilehome to the lessor is taxable if the mobilehome is leased for use other than for occupancy as a residence.

The lease of any used mobilehome which was first sold new in this state on or after July 1, 1980 is exempt from the sales and use tax.

SALES TAX REIMBURSEMENT

Although you are liable for the sales tax on taxable retail sales made by you, the Civil Code provides that the question of tax reimbursement is a matter of agreement between the retailer and the purchaser. It shall be presumed that the parties agreed to the addition of sales tax if:

- *The agreement of sale expressly provides for such addition of sales tax reimbursement;*
- *Sales tax reimbursement is shown on the sales check or other proof of sale; or*
- *The retailer posts on the business premises in a location visible to purchasers, or includes on a price tag or in an advertisement directed to purchasers, a notice that reimbursement for sales tax will be added to the sales price of all items or certain items, whichever is applicable.*

Collection of tax reimbursement which is greater than the amount of tax imposed upon a transaction is excess tax reimbursement to the extent that it exceeds the taxpayer's own tax liability on the transaction. Such excess tax reimbursement must be returned to the customer or paid to the State.

Sales tax reimbursement schedules covering sales up to $100 are prepared by the Board of Equalization pursuant to Civil Code Section 1656.1. These are available separately and are also set out as appendixes to Regulation 1700. "Reimbursement for Sales Tax."

RECORDS

WHAT RECORDS MUST BE KEPT

You are required by the Sales and Use Tax Law to keep adequate records showing:

- *Your gross receipts from sales or leases of tangible personal property, whether you regard the receipts as taxable or non-taxable;*
- *All deductions allowed by law and claimed in filing returns; and*
- *The total purchase price of all tangible personal property purchased for sale, consumption, or lease.*

These records must include:

- *The normal books of account;*

- *All bills, receipts, invoices, orders, contracts or other documents of original entry supporting the entries in the books of account;*
- *Certificates of exemption or exclusion as described elsewhere in this pamphlet; and*
- *All schedules or working papers used in connection with the preparation of tax returns.*

Failure to maintain accurate records will be considered evidence of negligence or intent to evade the tax, and may result in penalties.

Representatives of the Board of Equalization may examine your books, papers, records, and other documents to verify the accuracy of any return made, or, if no return is made, to determine the amount of tax you must pay.

EXCERPTS FROM CALIFORNIA SALES AND USE TAX REGULATIONS

Title 18, California Code of Regulations are issued by the State of California Board of Equalization to implement, interpret or make specific provisions of the California Revenue and Taxation Code and to aid in the administration and enforcement of the law. If you are in doubt about how the Sales and Use Tax applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.

Regulation 1521. CONSTRUCTION CONTRACTORS

(a) DEFINITIONS

(1) CONSTRUCTION CONTRACT

(A) "Construction contract" means and includes a contract, whether on a lump sum, time and material, cost plus, or other basis, to:

1. Erect, construct, alter, or repair any building or other structure, project, development, or other improvement on or to real property, or

2. Erect, construct, alter, or repair any fixed works such as waterways and hydroelectric plants, steam and atomic electric generating plants, electrical transmission and distribution lines, telephone and telegraph lines, railroads, highways, airports, sewers and sewage disposal plants and systems, waterworks and water distribution systems, gas transmission and distribution systems, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, refineries and chemical plants, or

3. Pave surfaces separately or in connection with any of the above works or projects, or

4. Furnish and install the property becoming a part of a central heating, air-conditioning, or electrical system of a building or other structure, and furnish and install wires, ducts, pipes, vents, and other conduit imbedded in or securely affixed to the land or a structure thereon.

(2) CONSTRUCTION CONTRACTOR. "Construction contractor" means any person who for himself, in conjunction with, or by or through others, agrees to perform and does perform a construction contract.

"Construction contractor" includes subcontractors and specialty contractors and those engaged in such building trades as carpentry, bricklaying, cement work, steel work, plastering, drywall installation, sheet metal work, roofing, tile and terrazzo work, electrical work, plumbing, heating, air-conditioning, elevator installation and construction, painting, and persons installing floor coverings, including linoleum, floor tile, and wall-to-wall carpeting, by permanently affixing such coverings to a floor.

(3) UNITED STATES CONSTRUCTION CONTRACTOR. "United States construction contractor" means a construction contractor who for himself, in conjunction with, or by or through others, agrees to perform and does perform a construction contract for the United States Government.

(4) MATERIALS. "Materials" means and includes construction materials and components, and other tangible personal property incorporated into, attached to, or affixed to, real property by contractors in the performance of a construction contract and which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of the real property. A list of typical items regarded as materials is set forth in Appendix A.

(5) FIXTURES. "Fixtures" means and includes items which are accessory to a building or other structure and does not lose their identity as accessories when installed.

(b) APPLICATION OF TAX

(2) CONSTRUCTION CONTRACTORS OTHER THAN UNITED STATES CONSTRUCTION CONTRACTORS

(A) Materials.

1. In General. Construction contractors are consumers of materials which they furnish and install in the performance of construction contracts. Either sales tax or use tax applies with respect to the sale of the materials to or the use of the materials by the construction contractor.

2. When Contractor is Seller. A construction contractor may contract to sell materials and also to install the materials sold. If the contract explicitly provides for the transfer of title to the materials prior to the time the materials are installed, and separately states the sale price of the materials, exclusive of the charge for installation, the contractor will be deemed to be the retailer of the materials.

In the case of a time and material contract, if the contractor bills his customer an amount for "sale tax" computed upon his marked up billing for materials, it will be assumed, in the absence of convincing evidence to the contrary, that he is the retailer of the materials.

If the sale occurs in this state, the sales tax applies to the contractor's (retailer's) gross receipts from the sale of the materials. If the sale occurs prior to the time the property is brought into this state, the contractor's (retailer's) customer is the consumer and his use (unless otherwise exempt) is subject to use tax measured by the sales price. The contractor must collect the use tax and pay it to this state.

(B) Fixtures

1. In General. Construction contractors are retailers of fixtures which they furnish and install in the performance of construction contracts and tax applies to their sales of the fixtures.

2. Measure of Tax.

a. In General. If the contract states the sale price at which the fixture is sold, tax applies to that price. If the contract does not state the sale price of the fixture, the sale price shall be deemed to be the cost price of the fixture to the contractor.

(c) PARTICULAR APPLICATIONS

(4) MOBILEHOMES INSTALLED FOR OCCUPANCY AS RESIDENCES. Operative July 1, 1980, a special measure of sales or use tax is provided for a mobilehome sold to be affixed to realty for occupancy as a residence.

A mobilehome dealer who sells a new mobilehome to a construction contractor to be affixed to land for occupancy as a residence is the "retailer-consumer" of the property and is required to pay tax for the period in which the sale was made by the dealer measured by an amount equal to 75 percent of the retailer consumer's purchase price of the mobilehome.

A construction contractor who withdraws a new mobilehome from an inventory purchased for resale to be affixed to realty for occupancy as a residence in the performance of a construction contract is required to pay tax measured by 75 percent of the purchase price by his mobilehome vendor except where the purchase is made directly from a mobilehome manufacturer. In the absence of satisfactory evidence of the vendor's purchase price it shall be presumed that the measure of tax for the transaction is an amount equivalent to 60 percent of the sales price of the mobilehome to the construction contractor.

A mobilehome manufacturer who sells a new mobilehome directly to a construction contractor for installation to real property for occupancy as a residence is required to pay tax measured by 75 percent of the sales price at which a similar mobilehome ready for installation would be sold by the manufacturer to a retailer-consumer in this state. A construction contractor who withdraws a new mobilehome from an inventory purchased from a manufacturer for resale must pay tax measured by 75 percent of his purchase price.

A mobilehome manufacturer who performs a construction contract by permanently affixing a new mobilehome to real property is the consumer of the material and the retailer of fixtures installed by him and theta applies as set forth in paragraph (b) above.

Reference should also be made to the provisions of Regulation 1610.2 for additional interpretative rules relating to custom additions to the mobilehome prior to sale, transfers of nonvehicle items, and the application of the tax to a purchase made from an out-of-state retailer.

Regulation 1610.2. MOBILEHOMES AND COMMERCIAL COACHES

***(a) DEFINITIONS**. For purposes of this regulation, the following definitions govern:*

(1) "MOBILEHOME" means a structure transportable in one or more sections, designed and equipped to not more than two dwelling units to be used with or without a foundation system. A "dwelling unit" consists of one or more habitable rooms which are designed to be occupied by one family with facilities for living, sleeping, cooking, eating, and sanitation. "Mobilehome" does not include a recreational vehicle, commercial coach, or factory built housing as defined in Section 19971 of the Health and Safety Code.

(2) "COMMERCIAL COACH" means a structure transportable in one or more sections, designed and equipped for human occupancy for industrial, professional, or commercial purposes, which is required to be moved under permit, and shall include a trailer coach. "Trailer coach" means a vehicle, other than a motor vehicle, designed for human habitation, or human occupancy for industrial, professional, or commercial purposes, for carrying property on its own structure, and for being drawn by a motor vehicle.

(3) "USED MOBILEHOME" means a mobilehome that was previously sold and registered or titled with the Department of Housing and Community Development, or with an appropriate agency or authority, or any other state, District of Columbia, territory or possession of the United States or a foreign state, province, or country.

(4) "CURRENT RECOGNIZED VALUE GUIDE" means (1) the Kelly Blue Book Manufactured Housing and Mobilehome Guide or (2) the National Automobile Dealer Association's (NADA) Mobilehome Manufactured Housing Appraisal Guide, which is the current guide for the period in which the sale, storage, use or other consumption occurs.

(b) BASIC APPLICATION OF TAX

(1) GENERAL EXEMPTIONS.

(A) Sales Tax. Sales tax does not apply to sales of mobilehomes or commercial coaches required to be annually registered under the Health and Safety Code when the retailer (as defined in Revenue and Taxation Code Section 6275) is not licensed pursuant to the Health and Safety Code as a manufacturer, manufacturer branch, dealer, dealer branch, distributor, distributor branch, representative, or representative branch. Generally, where sales tax does not apply to the sale, unless the transaction is also exempt from the use tax as provided in Subdivision (b)(1)(B) below, use tax applies to the purchase of the mobilehome or commercial coach. The purchaser is required to pay the use tax to the Department of Housing and Community Development at the time of making application for registration. (For explanation regarding payment of tax by purchaser, see Subdivision (c) below.)

(B) Sales and Use Tax. Neither sales tax nor use tax applies to the sale or use of:

1. Mobilehomes and commercial coaches sold by the parent, grandparent, child, grandchild, or spouse of the purchaser, or by the brother or sister of the purchaser if both are under the age of 18 and are related by blood or adoption, where the seller is not engaged in the business of selling the type of property for which the exemption is claimed. Claimants of this exemption must submit satisfactory evidence of relationship.

2. Mobilehomes and commercial coaches when included in any transfer of all or substantially all of the property held or used in the course of business activities of the transferor and when after the transfer the real and ultimate ownership remains substantially similar.

3. Used mobilehomes which are subject to property tax pursuant to Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code at the time of sale.

(2) FEES. The "gross receipts" from the retailer's sale of a mobilehome and the "sales price" of a mobilehome stored, used, or otherwise consumed in this State does not include separately stated escrow fees or registration fees charged in connection with the sale of any mobilehome.

(3) NEW MOBILEHOMES.

(A) In General. Generally, unless the transaction qualifies as a sale for occupancy as a residence, or is otherwise exempt, tax applies to the gross receipts from the sale of a new mobilehome to the same extent as sales of other tangible personal property. See Subdivision (b)(3)(B) below for special rules applicable to sales of new mobilehomes for occupancy as residences.

(B) Mobilehomes Sold for Occupancy as a Residence. A mobilehome dealer is the "retailer-consumer" of any new mobilehome sold to the customer for occupancy as a residence if the transaction would otherwise have been subject to the sales tax and the mobilehome is thereafter subject to local property taxation. For a

description of the conditions under which a mobilehome dealer may tender a resale certificate to a supplier, see Regulation 1668 (e).

1. Measure of Tax. The retailer-consumer is required to declare and pay tax at 75 percent of the retailer-consumer's purchase price for the period in which the qualifying sale is made to a customer. A qualifying sale is one in which the customer certifies to the retailer-consumer at the time of sale that the mobilehome is being acquired for occupancy as a residence. The retailer-consumer is not authorized to separately bill the customer for tax reimbursement.

The applicable percentage of the purchase price applies to all items which the retailer-consumer has purchased and affixed as a integral part of the mobilehome prior to sale, or pursuant to the contract of sale, such as carpeting, wall paneling, room partitions, and built-in appliances. Operative January 1, 1985, for purposes of this regulation, draperies and freestanding refrigerators and ranges shall be considered an integral part of a mobilehome. If these items are not included in the price of the mobilehome when acquired by the retailer-consumer, they must be included when computing the total amount subject to tax. The retailer-consumer's purchase price of these items also must include any labor charges for affixing the property when the labor is performed by other than the retailer-consumer.

A mobilehome dealer is the retailer of certain other items which are not an integral part of the mobilehome, such as furniture. The mobilehome dealer is also the retailer of mobilehome accessories, such a window awnings, skirting, and air conditioning units, provided these items are not affixed to a mobilehome situated on a permanent foundation or directly affixed to realty. Tax is due on the entire retail selling price to the customer.

2. Certification of Exemption. If a purchaser certifies in writing at the time of the sale that the mobilehome will be used in a manner or for a purpose entitling the retailer to report tax on the transaction based on 75 percent of the retailer's purchase price and subsequently uses the property in some other manner or for some other purpose not qualifying for the exemption, then the purchase shall be liable for payment of tax measured by the entire sales price or gross receipts from the sale less an amount equal to 75 percent of sales price or gross receipts from the sale of the mobilehome to the retailer.

5. Purchase of a Mobilehome from a Retailer at an Out-of-State Location. If the out-of-state retailer is engaged in business in this state in this state within the meaning of Revenue and Taxation Code Section 6203, the out-of-state retailer is a retailer-consumer with respect to its qualifying sales of new mobilehomes and must report and pay tax as provided in Subdivision (b)(3)(B)(1).

If the out-of-state retailer is not engaged in business in this state, then the purchaser must report and pay use tax measured by 75 percent of the out-of-state retailer's purchase price of any new mobilehome as set forth in Subdivision (b)(3)(B)(1) of this regulation. In the absence of satisfactory evidence of the out-of-state vendor's purchase price, it shall be presumed that the measure of use tax for the transaction is an amount equivalent to 60 percent of the sales price of the mobilehome to the purchaser, provided the vendor is not the manufacturer of the mobilehome. If the out-of-state vendor is the manufacturer, tax will apply as provided in Subdivision (b)(3)(B)(4) above.

(4) USED MOBILEHOMES.

(A) In General. Tax applies to the "gross receipts" from the sale of a used mobilehome and the "sales price" of a used mobilehome stored, used, or otherwise consumed in this state if, at the time of sale or use, the mobilehome is subject to annual license fees under the Health and Safety Code. Tax does not apply to the sale of a used mobilehome if, at the time of sale, the mobilehome is subject to property tax pursuant to Part 13 of Division 1 of the Revenue and Taxation Code (commencing with Section 5800); however, if, subsequent to the time of sale, the mobilehome is removed from the property tax rolls and reinstated under the annual license fee

system, then tax applies in the same manner as if the mobilehome had been subject to the annual license fees at the time of sale.

Where a dealer, who is acting on its own account and not as a broker, sells a used mobilehome, the dealer is a retailer and tax applies to the retail sales price of the used mobilehome including separately stated charges for awnings, skirting, and other items of tangible personal property sold with the used mobilehome provided these items are not affixed to a mobilehome situated on a permanent foundation or directly affixed to realty. However, it a used mobilehome is sold in-place by a dealer, any separately stated values of existing real property improvements such as cement and landscaping or separately stated in-place location value are not subject to tax.

Regulation 1660. LEASES OF TANGIBLE PERSONAL PROPERTY - IN GENERAL

(d) PARTICULAR APPLICATIONS.

(9) MOBILEHOMES.

(A) The leasing of any mobilehome purchased by a retailer without payment of sales tax reimbursement or use tax and first leased prior to July 1, 1980, is a continuing sale and tax is due measured by the periodic lease payments unless the mobilehome becomes subject to local property taxation, in which event the lease of the property is thereafter exempt from the sales and use tax.

(B) The lease of a new mobilehome purchased by a retailer without payment of sales tax reimbursement or use tax and first leased on or after July 1, 1980, is excluded from classification as a continuing sale and lessor's use of such property by leasing is subject to the use tax.

If the use of the property is for occupancy as a residence then the tax is measured by an amount equivalent to 75 percent of the purchase price paid by the lessor's vendor. In the absence of satisfactory evidence of the vendor's purchase price it shall be presumed that the measure of use tax is a amount equivalent to 60 percent of the sales price of the mobilehome to the lessor unless the vendor is also the manufacturer. If such mobilehome is purchased by the lessor from the manufacturer, the measure of the use tax liability is 75 percent of the purchase price of the mobilehome to the lessor.

If the use of the property is not for occupancy as a residence, then the tax is measured by the full retail sales price to the lessor.

(C) The subsequent lease of a used mobilehome which was first sold new in this state after July 1, 1980, is exempt from the sales and use tax.

Regulation 1699. PERMITS

(a) IN GENERAL - NUMBER OF PERMITS REQUIRED. *Every person engaged in the business of selling (or leasing under a lease defined as a sale in Section 6006(g) tangible personal property of a kind the gross receipts from the retail sale of which are required to be included in the measure of the sales tax, and only a person actively so engaged, is required to hold a permit for each place of business in this state at which transactions relating to sales are customarily negotiated with his customers. For example:*

A permit is required for a branch sales office at which orders are customarily taken and contracts negotiated, whether or not merchandise is stocked there.

No additional permits are required for warehouses or other places at which merchandise is merely stored and which customers do not customarily visit for the purpose of making purchases and which are maintained in conjunction with a place of business for which a permit is held; but at least one permit must be held by every person maintaining stocks of merchandise in this state for sale.

Regulation 1700. REIMBURSEMENT FOR SALES TAX

(b) EXCESS TAX REIMBURSEMENT

(1) DEFINITION. When an amount represented by a person to a customer as constituting reimbursement for sales tax is computed upon an amount that is not taxable or is in excess of the taxable amount and is actually paid by the customer to the person, the amount so paid is excess tax reimbursement. Excess tax reimbursement is charged when reimbursement is computed on a transaction which is not subject to tax, when reimbursement is computed on an amount in excess of the amount subject to tax, when reimbursement is computed using a tax rate higher than the rate imposed by law, and when mathematical or clerical errors result in an overstatement of the reimbursement on a billing.

(2) PROCEDURE UPON ASCERTAINMENT OF EXCESS TAX REIMBURSEMENT. Whenever the board ascertains that a person has collected excess tax reimbursement, the person will be afforded an opportunity to refund the excess collections to the customers from whom they were collected. In the event of failure or refusal of the person to make such refunds, the board will make a determination against the person for the amount of the excess tax reimbursement collected and not previously paid to the state, plus applicable interest and penalt

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