

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****DIVISION OF CODES AND STANDARDS**

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January 14, 1993

**INFORMATION BULLETIN MH 93-01**

**TO: MANUFACTURED HOME/MOBILEHOME MANUFACTURERS AND DEALERS  
ESCROW AGENTS  
REGISTRATION AND TITLING INTERESTED PARTIES  
CONTINUING EDUCATION COURSE PROVIDERS  
OTHER INTERESTED PARTIES  
DIVISION STAFF**

**SUBJECT: 1992 LEGISLATIVE CHANGES AMENDING THE HEALTH AND SAFETY CODE**

This Information Bulletin summarizes the 1992 legislative changes to the California Health and Safety Code (HSC), Division 13, Part 2, commencing with Section 18000. There may be changes to other state laws affecting Department of Housing and Community Development (HCD) licensees. The Health and Safety Code Sections amended or added by 1992 legislation, with an effect on HCD licensees, are listed below with a brief summary of the substantive change.

1. Senate Bill 1716 (Chapter 686, effective January 1, 1993, by Craven) enacts new Section 18003.5 and amends Sections 18005.3, 18005.8, 18009.5, 18021.7, 18035, 18035.3, and 18080.4 of the Health and Safety Code, affecting licensees as follows:

- **18003.5.** Adds a definition for "escrow agent" to include the person, firm, or corporation authorized to conduct escrows.
- **18005.3.** Redefines "junior lienholder" to include a person, other than a legal owner holding a security interest in a floating home.
- **18005.8.** Redefines "legal owner" to include a person holding a security interest in a floating home.
- **18009.5.** Redefines "registered owner" to include a person registered as the owner of a floating home.
- **18021.7.** Authorizes the Department to issue citations assessing civil penalties for violation of Health and Safety Code Section 18032 regarding the Manufacturer's Suggested Retail Price Label on new manufactured homes, and Section 18080.5 regarding the reporting of dealer sales of new

and used manufactured homes, mobilehomes, and commercial coaches. The amount of the penalty shall be \$100 for each violation and shall be increased to \$250 for subsequent violations recurring within one year.

- **18035.** Amendments require all checks, money orders or similar payments by a purchaser of a new or used manufactured home or mobilehome subject to registration, to be made payable to only the escrow agent, and not the selling dealer.

The deadline for establishing an escrow account for the sale of a new or used manufactured home or mobilehome is increased from three to five working days.

- **18035.3.** This section requires specific information to be printed on the purchase documents for every sale by a dealer of a new or used manufactured home or mobilehome. Among the information is the requirement for a printed notice to inform purchasers that unresolved complaints against the dealer may be referred to the Department. The section is amended to eliminate the listed address of the Department but instead requires the notice to print the Department's current address at the time of the manufactured home or mobilehome sale.

**2. Assembly Bill 1259 (Chapter 857, effective January 1, 1993, by Chacon) amends Section 18032 of the Health and Safety Code, as follows:**

Amendments permit the Manufacturer's Suggested Retail Sales Price Label for new manufactured homes and mobilehomes to be removed by any person when the home has been installed as a display model within a designated model center with two or more new manufactured homes or mobilehomes, located in close proximity to each other, along with an installed vehicle garage or carport in a mobilehome park or subdivision. When the label is removed, the dealer is required to provide a buyer or potential buyer with the information required by Section 18032 except for the manufacturer's suggested retail price.

Previous to these amendments, the label could only be removed by the purchaser after delivery or by any person when the home was installed on a foundation system.

The section still requires all new manufactured homes or mobilehomes displayed for retail sale on dealer lots or in mobilehome parks except as described above to display the Manufacturer's Suggested Retail Price Label.

**3. Assembly Bill 3538 (Chapter 608, effective January 1, 1993, by Conroy) amends Sections 18045.6 and 18054 of the Health and Safety Code, as follows:**

- **18045.6.** Amendments permit manufactured home and mobilehome dealers and salespersons to negotiate listing agreements for the sale of a used manufactured home or mobilehome which has been titled by the Department, and to negotiate and execute offers to purchase and purchase documents for the sale of a new or used manufactured home or mobilehome at locations other than at the established place of business. This is to allow for the completion of offers, listings and purchase documents at the site of the intended sale instead of requiring all parties to travel to the dealer's place of business. This does not authorize unlicensed places of business.
- **18054.** Amendments authorize the Department to issue other forms of identification to licensees in addition to the currently issued license.

**4. Assembly Bill 2629 (Chapter 1206, effective January 1, 1993, by Umberg) amends Sections 18070, 18070.1, 18070.2, 18070.3, 18070.6 of the Health and Safety Code, as follows:**

- **18070.** The Mobilehome Recovery Fund is renamed the Manufactured Home Recovery Fund. Amendments authorize payments from the Fund to recover Department costs for administration of the Fund and for investigations resulting from claims against the Fund.  
Amendments give priority for claims against the Fund by persons purchasing or selling a manufactured home used as a primary residence over those purchased or sold for investment purposes.
- **18070.3.** Amendments establish procedures for claims involving bankrupt licensees, and authorizes the Department to issue an order directing payment from the Fund when it is determined by investigation that the claimant would qualify for relief if a final judgement or administrative determination in a court of competent jurisdiction would have been obtained if not offset by bankruptcy.

Amendments allow a person with qualifying losses resulting from a purchase or sale of a manufactured home for investment purposes, to file a claim, one time only.

Amendments establish time limitations for the Department's processing and investigating claims against the Fund.

**The Department requests that all dealers make this Information Bulletin available to their employed salespersons so they too are aware of the changes to the California Health and Safety Code.**

**The Department's Occupational Licensing Examination Study Guide is being revised to incorporate the 1992 legislative changes to the Health and Safety Code and other codes contained in the Guide. It should be available for purchase at the Department's Area and District Offices offering Occupational Licensing services, by mid January.**

**Questions may be directed to our Occupational Licensing Program at (916) 323-9803.**

A handwritten signature in black ink, appearing to read "Travis Pitts", with a large, sweeping flourish that loops back under the name.

**Travis Pitts**  
**Deputy Director**