2018 Regular Session

HOUSE BILL NO. 545

## BY REPRESENTATIVE COUSSAN

HOUSING: Creates the Factory Built Home Property Act

1	AN ACT
2	To amend and reenact R.S. 9:1149.1, 1149.2(introductory paragraph), (2) through (5), (7),
3	and (10), 1149.3, 1149.4(A), (B), and (D)(1), 1149.5, and 1149.6 and to enact R.S.
4	1149.2(3.1) and (13); relative to creating the "Factory Built Home Property Act; to
5	provide for definitions; to change the term "manufactured home" to "factory built
6	home"; to provide for technical changes; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 9:1149.1, 1149.2(introductory paragraph), (2) through (4), (5), (7),
9	and (10), 1149.3, 1149.4(A), (B), and (D)(1), 1149.5, and 1149.6 are hereby amended and
10	reenacted and R.S. 1149.2(3.1) and (13) are hereby enacted to read as follows:
11	PART IV. MANUFACTURED FACTORY BUILT HOME PROPERTY ACT
12	§1149.1. Short title
13	This Part shall be known and may be cited as the "Manufactured Factory
14	Built Home Property Act."
15	§1149.2. Definitions
16	In this Chapter, the following words and phrases shall have the meaning
17	ascribed to them unless the content or subject matter clearly indicates otherwise:
18	* * *
19	(2) "Manufactured home" means a mobile home or residential mobile home
20	factory built home that is a residential dwelling unit constructed to standards and

1	codes, as promulgated by the United States Department of Housing and Urban
2	Development (HUD), under the National Manufactured Construction and Safety
3	Standards Act of 1974, 42 USC 5401, et seq., as amended. The terms "manufactured
4	housing" and "manufactured home" have the same meaning and may be used
5	interchangeably and apply to structures bearing the permanently affixed seal of the
6	United States Department of Housing and Urban Development.
7	(3) "Mobile home" means a factory assembled structure or structures
8	transportable in one or more sections, with or without a permanent foundation, built
9	home that is a residential dwelling unit built to voluntary standards prior to the
10	passage of the National Manufactured Housing Construction and Safety Standards
11	Act of 1974 and includes the plumbing, heating, air conditioning, and electrical
12	systems contained therein.
13	(3.1) "Modular home" means a factory built home that is residential dwelling
14	unit built to the International Residential Code as adopted by the Louisiana State
15	Uniform Construction Code Council, or as defined in R.S. 51:911.22.
16	(4) "Manufacturer" means any person regularly engaged in the business of
17	assembling manufactured factory built homes, either within or without this state.
18	(5) "Dealer" means any person engaged in the business of buying, selling,
19	or exchanging manufactured factory built homes which are subject to license under
20	Chapter 4 of the Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.
21	* * *
22	(7) "Vehicle" means mobile homes and residential mobile homes a factory
23	built home.
24	* * *
25	(10) "Residential mobile home" "Immobilized factory built home" means a
26	manufactured factory built home designed to be used as a dwelling, and may include
27	a mobile home or a residential mobile home that has been declared to be a part of the
28	realty immovable property as provided in R.S. 9:1149.4.
29	* * *
30	(13) "Factory built home" has the same meaning as provided in R.S. 47:301.
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§1149.3. Classification

2 Except as otherwise provided in R.S. 9:1149.4, when any manufactured home 3 shall be factory built home is moved to and located in or upon any immovable property, or installed therein or thereon in a manner which, under any law, might 4 5 make the manufactured factory built home an immovable or component part thereof, 6 the manufactured factory built home shall be and will remain a movable subject to the provisions of Chapter 4 of Title 32 of the Louisiana Revised Statutes of 1950 7 8 governing its mortgage or sale and subject to the provisions of Chapter 9 of Title 10 9 of the Louisiana Revised Statutes and Chapter 10 of Title 6 of the Louisiana Revised 10 Statutes of 1950 and Code Book III, Code Title XII, Chapter 2 of Title 9 of the 11 Louisiana Revised Statutes of 1950 governing its financing. Title to the vehicle shall 12 not pass by the sale of the immovable property to which it has been actually or fictitiously attached, whether such sale be conventional or judicial. No sale or 13 14 mortgage of or lien upon the immovable property shall in any manner affect or 15 impair the rank or privilege of a chattel mortgage or security interest under Chapter 16 9 of the Louisiana Commercial Laws on such manufactured factory built home, or 17 the remedies of the holder thereof for its enforcement.

18 §1149.4. Immobilization

19 A. A manufactured factory built home placed upon a lot or tract of land shall 20 be an immovable when there is recorded in the appropriate conveyance or mortgage 21 records of the parish where the said lot or tract of land is situated an authentic act or 22 a validly executed and acknowledged sale or mortgage or sale with mortgage which 23 contains a description of the manufactured factory built home as described in the 24 certificate of title or manufacturer's certificate of origin and a description of the lot 25 or tract of land upon which the manufactured factory built home is placed, and 26 contains a declaration by the owner of the manufactured home and, when applicable, 27 the holder of a mortgage or security interest under Chapter 9 of the Louisiana 28 Commercial Laws on the manufactured home, that it shall remain permanently 29 attached to the lot or tract of land described in the instrument.

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1	B. Upon recordation of the act described above, the manufactured factory
2	built home shall cease to be subject to the application of Chapter 4 of Title 32 of the
3	Louisiana Revised Statutes of 1950 and the taxes applicable to movables and shall
4	thereafter be subject to all laws concerning immovable property; however, nothing
5	herein shall be construed to affect the rights of the holder of a validly recorded
6	chattel mortgage or previously perfected security interest under Chapter 9 of the
7	Louisiana Commercial Laws duly noted on the certificate of title.
8	* * *
9	D.(1) Upon recordation of the act of immobilization provided by this
10	Section, the owner of the manufactured factory built home or his agent shall file with
11	the secretary of the Department of Public Safety and Corrections a certified copy of
12	the act. The secretary of the Department of Public Safety and Corrections shall
13	create an Internet accessible searchable database providing a public record of each
14	such filing, indicating the name of the owner of the manufactured factory built home,
15	the date of recording of the act of immobilization in accordance with Subsection A
16	of this Section, the parish where the act is recorded, the year of manufacture, the
17	name of the manufacturer, the dimensions and the vehicle identification number or
18	numbers of the manufactured <u>factory built</u> home, and the date of the secretary's filing
19	of a copy of the act of immobilization.
20	* * *
21	§1149.5. Security devices
22	A. Every retail installment contract, chattel mortgage, or security agreement
23	entered into for the purchase or the refinance of a manufactured factory built home
24	or its contents, or both, shall be effective as against third persons and shall take its
25	rank and priority as provided in Chapter 9 of the Louisiana Commercial Laws, R.S.
26	10:9-101 et seq. A retail installment contract, chattel mortgage, security agreement
27	or a financing statement in the form approved by the commissioner is filed when
28	received provided the receipt is subsequently validated by the office of the
29	commissioner.

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- B. Validation of the receipt of the retail installment contract or chattel mortgage, security agreement or financing statement by the commissioner shall affect third persons wherever the manufactured <u>factory built</u> home or the contents thereof are located.
- 5

§1149.6. Deimmobilization

6 A. The owner may deimmobilize a manufactured factory built home by 7 detachment or removal. However, to affect third persons, an authentic act or sale or 8 mortgage or sale with mortgage containing a description of the manufactured factory 9 built home as described in the previous certificate of title or manufacturer's 10 certificate of origin, a description of the lot or tract of land upon which the 11 manufactured factory built home has been placed, a statement of intent by the owner 12 that he no longer intends the manufactured factory built home to be an immovable and a description of the document by which the manufactured factory built home was 13 14 immobilized, including the recording information, must be filed in the appropriate 15 conveyance or mortgage records of the parish where the said lot or tract of land is 16 situated.

B. Thereafter the owner may apply to the commissioner for a certificate of
title according to the provisions of Chapter 4 of Title 32 of the Louisiana Revised
Statutes of 1950. The commissioner shall issue a certificate of title upon the
furnishing of all of the following:

21 (a) a (1) A certificate of mortgages;

22 (b) a (2) A certified copy of the act of deimmobilization as provided in R.S.
23 9:1149.6(A); and.

24 (c) a (3) A release of all mortgages previously secured by the manufactured
 25 <u>factory built</u> home and/or or the immovable property upon which the manufactured
 26 <u>factory built</u> home was located.

C. Upon the issuance of a certificate of title by the commissioner, the
 manufactured <u>factory built</u> home shall be deemed a movable, and shall be subject to
 all laws concerning movable property.

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### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Coussan
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Abstract: Changes the "Manufactured Home Property Act" to the "Factory Built Home Property Act".

Present law provides for the "Manufactured Home Property Act".

Proposed law modifies present law to provide for the "Factory Built Home Property Act".

<u>Present law</u> provides certain definitions. Defines "manufactured home", "mobile home", "manufacturer", "dealer", "vehicle", and "residential mobile home".

<u>Proposed law</u> amends the aforementioned <u>present law</u> definitions, except "residential mobile home". <u>Proposed law</u> deletes that definition.

<u>Proposed law</u> adds definitions for "modular home", "immobilized factory built home", and "factory built home".

<u>Present law</u> provides provisions for classification, immobilization, security devices, and deimmobilization relative to a manufactured home. <u>Proposed law</u> changes every <u>present law</u> "manufactured home" reference to "factory built home".

Proposed law generally otherwise retains present law.

Proposed law provides technical changes.

(Amends R.S. 9:1149.1, 1149.2(intro. para.), (2)-(4), (5), (7), and (10), 1149.3, 1149.4(A), (B), and (D)(1), 1149.5, and 1149.6; Adds R.S. 1149.2(3.1) and (13))