

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-393
SENATE BILL 941

AN ACT TO UPDATE THE MANUFACTURED HOUSING BOARD STATUTES, TO PROVIDE FOR CONTINUING EDUCATION FOR LICENSEES, TO IMPROVE THE BUYER CANCELLATION LAW, AND TO UPDATE THE LAW ON MANUFACTURED HOME STANDARDS TO COMPLY WITH FEDERAL LAWS AND REGULATIONS.

The General Assembly of North Carolina enacts:

Section 1. Article 9A of Chapter 143 of the General Statutes reads as rewritten:

"ARTICLE 9A.

"North Carolina Manufactured Housing Board –
Manufactured Home Warranties.

"§ 143-143.8. Purpose.

The General Assembly finds that ~~mobile~~-manufactured homes have become a primary housing resource for many of the citizens of North Carolina. The General Assembly finds further that it is the responsibility of the ~~mobile~~-manufactured home industry to provide homes which are of reasonable quality and safety and to offer warranties to buyers that provide a means of remedying quality and safety defects in ~~mobile~~-manufactured homes. The General Assembly also finds that it is in the public interest to provide a means for enforcing such warranties.

Consistent with these findings and with the legislative intent to promote the general welfare and safety of ~~mobile~~-manufactured home residents in North Carolina, the General Assembly finds that the most efficient and economical way to assure safety, quality and responsibility is to require the licensing and bonding of all segments of the ~~mobile~~-manufactured home industry. The General Assembly also finds that it is reasonable and proper for the ~~mobile~~-manufactured home industry to cooperate with the Commissioner of Insurance, through the establishment of the North Carolina Manufactured Housing Board, to provide for a comprehensive framework for industry regulations.

"§ 143-143.9. Definitions.

The following ~~words, terms and phrases, when used in this Article, shall have the meanings respectively ascribed to them in this section, except where the context clearly indicates a different meaning:~~ definitions apply in this Article:

- (1) ~~"Board" means the Board.~~ – The North Carolina Manufactured Housing Board.
- (2) ~~"Buyer" means a Buyer.~~ – A person who purchases at retail from a dealer or manufacturer a manufactured home for personal use as a residence or other related use.
- (3) ~~"Code" means the appropriate Code.~~ – Engineering standards adopted by the Commissioner.
- (4) ~~"Commissioner" means the Commissioner.~~ – The Commissioner of Insurance of the State of North Carolina.
- (5) ~~"Department" means the Department.~~ – The Department of Insurance of the State of North Carolina.
- (5a) License. – A license issued under this Article.
- (5b) Licensee. – A person who has been issued a license under this Article by the North Carolina Manufactured Housing Board.
- (6) ~~"Manufactured home" or "mobile home" means a Manufactured home.~~ – A structure, transportable in one or more sections, which, in the travelling mode, is eight feet or more in width or is 40 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.
- (7) ~~"Manufactured home dealer" or "dealer" means any Manufactured home dealer or dealer.~~ – Any person engaged in the business of buying, buying or selling or dealing in manufactured homes or offering or displaying manufactured homes for sale in North Carolina. Any person who buys, sells or deals in buys or sells three or more manufactured homes in any 12-month period, or who offers or displays for sale three or more manufactured homes in any 12-month period shall be presumed to be a manufactured home dealer. The terms 'selling' and 'sale' include lease-purchase transactions. The term 'manufactured home dealer' does not include banks and finance companies that acquire manufactured homes as an incident to their regular business.
- (8) ~~"Manufactured home manufacturer" or "manufacturer" means any Manufactured home manufacturer or manufacturer.~~ – Any person, resident or nonresident, who manufactures or assembles manufactured homes for sale to dealers in North Carolina.
- (9) ~~"Manufactured home salesman" or "salesman" means any Manufactured home salesman or salesman.~~ – Any person employed as a salesman by a manufactured home dealer to sell manufactured homes to buyers.

- (10) ~~"Person" means any Person.~~ – Any individual, natural persons, firm, partnership, association, corporation, legal representative or other recognized legal entity.
- (11) ~~"Responsible party" means a Responsible party.~~ – A manufacturer, dealer, supplier, or set-up contractor.
- (12) ~~"Setup" means the Setup.~~ – The operations performed at the occupancy site which render a manufactured home fit for habitation. ~~Such operations include, but are not limited to, transportation by a bona fide private or exempt carrier operating under the provisions of the Public Utilities Act, positioning, blocking, leveling, supporting, tying down, connecting utility systems, making minor adjustments, or assembling multiple or expandable units. Such operations do not include lawful transportation services performed by public utilities operating under certificates or permits issued by the North Carolina Utilities Commission.~~
- (13) ~~"Set up contractor" means a Set-up contractor.~~ – A person who engages in the business of performing ~~set up operations~~ setups for compensation in North Carolina.
- (14) ~~"Substantial defect" means any Substantial defect.~~ – Any substantial deficiency in or damage to materials or workmanship occurring in a manufactured home which has been reasonably maintained and cared for in normal use. The term also means any structural element, utility system or component part of the manufactured home which fails to comply with the Code.
- (15) ~~"Supplier" means the Supplier.~~ – The original producer of completed components, including refrigerators, stoves, hot water heaters, dishwashers, cabinets, air conditioners, heating units, and similar components, and materials such as floor coverings, panelling, siding, trusses, and similar materials, which are furnished to a manufacturer or dealer for installation in the manufactured home prior to sale to a buyer.

"§ 143-143.10. Manufactured Housing Board created; membership; terms; meetings.

(a) There is ~~hereby~~ created the North Carolina Manufactured Housing Board within the ~~Department of Insurance.~~ Department. The Board shall be composed of nine members as follows:

- (1) The Commissioner of Insurance or his ~~designee~~ designee.
- (2) A manufactured home ~~manufacturer~~ manufacturer.
- (3) A manufactured home ~~dealer~~ dealer.
- (4) A representative of the banking and finance ~~business~~ business.
- (5) A representative of the insurance ~~industry~~ industry.
- (6) A manufactured home ~~supplier~~ supplier.
- (7) A set-up ~~contractor~~ contractor.
- (8) Two representatives of the general public.

The Commissioner of Insurance or his designee shall ~~serve as chairman of chair~~ the Board. The Governor shall appoint to the Board the manufactured home manufacturer and the manufactured home dealer. The General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 shall appoint the representative of the banking and finance industry and the representative of the insurance industry. The General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 shall appoint the manufactured home supplier and set-up contractor. The Commissioner of Insurance shall appoint two representatives of the general public. Except for the representatives from the general public and the persons appointed by the General Assembly, each member of the Board shall be appointed by the appropriate appointing authority from a list of nominees submitted to the appropriate appointing authority by the Board of Directors of the North Carolina Manufactured Housing Institute. At least three nominations shall be submitted for each position on the Board. The members of the Board shall be residents of the State.

The members of the Board shall serve for terms of three years ~~to begin on October 1, 1981, except that the persons appointed by the General Assembly upon the recommendation of the Speaker shall serve two year terms to expire on September 30, 1985, and the persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate shall serve for three year terms to expire on September 30, 1986.~~ years. In the event of any vacancy of a position appointed by the Governor or ~~Commissioner of Insurance, Commissioner,~~ the appropriate appointing authority shall appoint a replacement in the same manner as provided for the original appointment to serve the remainder of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122. In the event of any vacancy, the appropriate appointing authority shall appoint a replacement to serve the remainder of the unexpired term. Such appointment shall be made in the same manner as provided for the original appointment. No member of the Board shall serve more than two consecutive, three-year terms.

The member of the Board representing the general public shall have no financial interest connected with the manufactured housing industry. No member of the Board shall participate in any proceeding before the Board involving that member's own business.

Each member of the Board, except the Commissioner of Insurance and any other State employee, shall receive per diem and allowances as provided with respect to occupational licensing boards by G.S. 93B-5. All per diem and travel expenses shall be paid exclusively out of the fees received by the Board as authorized by this Article. In no case shall any salary, expense, or other obligation of the Board be charged against the ~~Treasury~~ General Fund of the State of North Carolina. All moneys and receipts shall be kept in a special fund by and for the use of the Board for the exclusive purpose of carrying out the provisions of this Article. At the end of the fiscal year, the Board shall retain fifteen percent (15%) of the unexpended funds collected and received during that year. The remaining eighty-five percent (85%) of these funds shall be credited to the General Fund.

(b) In accordance with the provisions of this Article, the ~~North Carolina Manufactured Housing Board~~ shall have the following powers and duties:

- (1) To issue licenses to manufacturers, dealers, ~~salesmen~~ salespersons, and ~~set-up contractors;~~ contractors.
- (2) To require that an adequate bond or other security be posted by all licensees, except manufactured housing ~~salesmen;~~ salespersons.
- (3) To receive and resolve complaints from buyers of manufactured homes and from persons in the manufactured housing industry, in connection with the warranty, warranty service, licensing requirements or any other provision under this ~~Article;~~ and Article.
- (4) To ~~promulgate~~ adopt rules in accordance with Chapter 150B of the General Statutes as are necessary to carry out the provisions of this Article.
- (5) To file against the bond posted by a licensee for warranty repairs and service on behalf of a buyer.

"§ 143-143.11. License required; application for license.

(a) It shall be unlawful for any manufactured home manufacturer, dealer, ~~salesman~~ salesperson, or set-up contractor to engage in business as such in this State without first obtaining a license from the Board, as provided in this Article. The fact that a person is licensed by the Board as a set-up contractor or a dealer does not preempt any other licensing boards' applicable requirements for that person.

(b) Application for ~~such~~ the license shall be made to the Board at such time, in such form, and contain ~~such~~ information as the Board ~~shall require,~~ requires, and shall be accompanied by the ~~required~~ fee established by the Board. ~~Such~~ The fee shall not exceed three hundred dollars (\$300.00) for any license.

(c) In ~~such~~ the application, the Board shall require information relating to the matters set forth in G.S. 143-143.13 as grounds for refusal of a license, and information relating to other pertinent matters consistent with safeguarding the public interest. All ~~such~~ of this information shall be considered by the Board in determining the fitness of the ~~applicant to engage in the business for which a license is sought.~~ applicant.

(d) All licenses ~~that are granted~~ shall expire, unless ~~sooner~~ revoked or suspended, on June 30 of each year following the date of issue.

(e) Every ~~registrant under this Chapter~~ licensee shall, on or before the first day of July of each year, obtain a renewal of a license for the ~~ensuing~~ next year, by application, accompanied by the ~~required fee;~~ and ~~upon~~ fee. Upon failure to renew, ~~his~~ a license shall automatically expire; ~~but such~~ expires. The license may be renewed at any time within one year upon payment of the ~~prescribed renewal fee and upon evidence satisfactory to the Board that the applicant has not engaged in business as a manufactured home manufacturer, dealer, salesman or set up contractor after expiration of the license and is otherwise eligible for registration under the provisions of this Chapter.~~ renewal fee.

(f) Supplemental licenses shall be issued for each place of business, operated or proposed to be operated by the licensee, that is not contiguous to other premises for which a license is issued. The fee for a supplemental license shall be established by the

Board and shall not exceed three hundred dollars (\$300.00), provided that no supplemental license shall be required for a place of business operated by a licensee that is used exclusively for storage.

(g) Notwithstanding the provisions of subsection (a), the Board may provide by rule that a manufactured home ~~salesman~~ salesperson will be allowed to engage in business during the time period after making application for a license but before such license is granted.

(h) ~~To obtain~~ As a prerequisite to obtaining a license under this Article, a person ~~must~~ may be required to pass an examination prescribed by the Board that is based on the ~~North Carolina Manufactured/Mobile Home Regulations and Administrative Procedures required to enforce the Codes.~~ Code, this Article, and any other subject matter considered relevant by the Board.

"§ 143-143.11A. Notification of change of address; service of notice.

(a) Every applicant for a license shall inform the Board of the applicant's business address. Every licensee shall give written notification to the Board of any change in the licensee's business address, for whatever reason, within 10 business days after the licensee moves to a new address or a change in the address takes place. A violation of this subsection shall not constitute grounds for revocation, suspension, or non-renewal of a license or for the imposition of any other penalty by the Board.

(b) Notwithstanding any other provision of law, whenever the Board is authorized or required to give notice to a licensee under this Article, the notice may be delivered personally to the licensee or sent by first-class mail to the licensee at the address provided to the Board under subsection (a) of this section. Notice shall be deemed given four days after mailing, and any Department employee may certify that notice has been given.

"§ 143-143.11B. Continuing education.

(a) The Board may establish programs and requirements of continuing education for licensees, but shall not require licensees to complete more than eight credit hours of continuing education. Prior to the renewal of a license, a licensee shall present evidence to the Board that he or she has completed the required number of continuing education hours in courses approved by the Board during the two months immediately preceding the expiration of his or her license.

(b) The Board may establish nonrefundable fees for the purpose of providing staff and resources to administer continuing education programs, and may establish nonrefundable course application fees, not to exceed one hundred fifty dollars (\$150.00), for the Board's review and approval of proposed continuing education courses. The Board may charge the sponsor of an approved course a nonrefundable fee not to exceed seventy-five dollars (\$75.00) for the annual renewal of course approval. The Board may also require a course sponsor to pay a fee, not to exceed five dollars (\$5.00) per credit hour per licensee, for each licensee completing an approved continuing education course conducted by the sponsor. The Board may award continuing education credit for a course that has not been approved by the Board or for related educational activity and may prescribe the procedures for a licensee to submit information on the course or related educational activity for continuing education credit.

The Board may charge the licensee a fee not to exceed fifty dollars (\$50.00) for each course or activity submitted.

(c) The Board may adopt any reasonable rules not inconsistent with this Article to give purpose and effect to the continuing education requirement, including rules that govern:

- (1) The content and subject matter of continuing education courses.
- (2) The criteria, standards, and procedures for the approval of courses, course sponsors, and course instructors.
- (3) The methods of instruction.
- (4) The computation of course credit.
- (5) The ability to carry forward course credit from one year to another.
- (6) The waiver of or variance from the continuing education requirement for hardship or other reasons.
- (7) The procedures for compliance and sanctions for noncompliance.

(d) The license of any person who fails to comply with the continuing education requirements under this section shall lapse. The Board may, for good cause shown, grant extensions of time to licensees to comply with these requirements. Any licensee who, after obtaining an extension, offers evidence satisfactory to the Board that he or she has satisfactorily completed the required continuing education courses shall be deemed in compliance with this section.

(e) A manufactured home manufacturer or manufacturer is exempt from the requirements of this section.

"§ 143-143.12. Bond required.

(a) A person licensed as a manufactured home ~~salesman~~-salesperson shall not be required to furnish a bond, but each applicant approved by the Board for license as a manufacturer, dealer, or set-up contractor shall furnish a corporate surety bond, cash bond or fixed value equivalent ~~thereof~~ in the following amounts:

- (1) For a ~~manufactured,~~ manufacturer, two thousand dollars (\$2,000) per manufactured home manufactured in the prior license year, up to a maximum of one hundred thousand dollars (\$100,000). When no manufactured homes were produced in the prior year, the amount required shall be based on the estimated number of manufactured homes to be produced during the current ~~year;~~ year.
- (2) For a dealer ~~who buys, sells, or deals in manufactured homes and~~ who has four or less places of business, the amount shall be twenty-five thousand dollars ~~(\$25,000);~~ (\$25,000).
- (3) For a dealer ~~who buys, sells, or deals in manufactured homes and~~ who has more than four places of business, the amount shall be fifty thousand dollars ~~(\$50,000);~~ (\$50,000).
- (4) For a set-up contractor, the amount shall be five thousand dollars (\$5,000).

(b) A corporate surety bond shall be approved by the Board as to form and shall be conditioned upon the obligor faithfully conforming to and abiding by the provisions of this Article. A cash bond or fixed value equivalent ~~thereof~~ shall be approved by the

Board as to form and terms of deposits in order to secure the ultimate beneficiaries of the bond. A corporate surety bond shall be for a one-year period, and a new bond or a proper continuation certificate shall be delivered to the Board at the beginning of each subsequent one-year period.

(c) Any buyer of a manufactured home who suffers any loss or damage by any act of a licensee that constitutes a violation of this Article ~~shall have the right to~~ may institute an action to recover against ~~such~~ the licensee and the surety.

(d) The Board may adopt rules to assure satisfaction of claims.

**"§ 143-143.13. Grounds for denying, suspending, or revoking license-
licenses; civil penalties.**

(a) A license may be denied, suspended or revoked by the Board on any one or more of the following grounds:

- (1) ~~Material~~ Making a material misstatement in application for ~~license;~~ license.
- (2) ~~Failure~~ Failing to post an adequate corporate surety bond, cash bond or fixed value ~~equivalent thereof;~~ equivalent.
- (3) Engaging in the business of manufactured home manufacturer, dealer, ~~salesman~~ salesperson, or set-up contractor without first obtaining a license from the ~~Board;~~ Board.
- (4) ~~Failure~~ Failing to comply with the warranty service obligations and claims procedure established by this ~~Article;~~ Article.
- (5) ~~Failure~~ Failing to comply with the ~~set-up and tie-down~~ set-up requirements established by this ~~Article;~~ Article.
- (6) ~~Having knowingly failed or refused~~ Failing or refusing to account for or to pay over moneys or other valuables belonging to others ~~which that~~ that have come into licensee's possession arising out of the sale of manufactured ~~homes;~~ homes.
- (7) ~~Use of~~ Using unfair methods of competition or committing unfair or deceptive ~~commercial acts or practices;~~ practices.
- (8) ~~Failure~~ Failing to comply with any provision of this ~~Article;~~ Article.
- (9) ~~Failure~~ Failing to appear for a hearing before the Board or for a prehearing conference with a person or persons designated by the Board upon due after proper notice or failing to follow directives comply with orders of the Board issued pursuant to this ~~Article;~~ Article.
- (10) Employing unlicensed ~~retail salesmen;~~ salespersons.
- (11) ~~Knowingly offering for sale the products of manufacturers who are not licensed pursuant to this Article or selling, to dealers not licensed pursuant to this Article, manufactured homes which are to be sold in this State to buyers as defined in this Article;~~ Offering for sale manufactured homes manufactured or assembled by unlicensed manufacturers or selling manufactured homes to unlicensed dealers for sale to buyers in this State.

- (12) Conviction of a felony or any crime involving moral ~~turpitude;~~
turpitude.
- (13) Having had a license revoked, suspended or denied by the ~~Board under~~
~~this Article;~~ Board; or having had a license revoked, suspended or
denied by a similar entity in another state; or engaging in conduct in
another state which conduct, if committed in this State, would have
been a violation under this ~~Article;~~ Article.
- (14) ~~Knowingly engaging~~ Employing or contracting with any person to
perform ~~set-up operations~~ setups who is not licensed by the Board as a
set-up contractor.

(b) Repealed by Session Laws 1985, c. 666, s. 38.

(c) In addition to the authority to deny, suspend, or revoke a license under this Article, the Board ~~also has the authority to~~ may impose a civil penalty upon any person violating the provisions of this Article. Upon a finding by the Board of a violation of this Article, the Board shall ~~direct order~~ the payment of a penalty of not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00). In determining the amount of the penalty, the Board shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was committed willfully, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. Each day during which a violation occurs shall constitute a separate offense. The penalty shall be payable to the Board. The Board shall remit the clear proceeds of penalties provided for in this subsection to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

Payment of the civil penalty under this section shall be in addition to payment of any other penalty for a violation of the criminal laws of this State. Nothing in this subsection shall prevent the Board from negotiating a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty.

"§ 143-143.14. ~~Notice and hearing.~~ Hearings; rules.

(a) License suspensions, revocations, and renewal refusals are subject to the provisions of Chapter 150B of the General Statutes.

(b) If the Board finds that an applicant has not met the requirements for licensure, the Board shall refuse to issue the applicant a license and shall notify the applicant in writing of the denial and the grounds for the denial. The application may also be denied for any reason for which a license may be suspended or revoked or not renewed under G.S. 143-143.13. Within 30 days after receipt of a notification that an application for a license has been denied, the applicant may make a written request for a review by a member of the Department staff designated by the ~~chairman~~ chair of the Board to determine the reasonableness of the Board's action. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing as to the outcome of the review. Within 30 days after service of the notification as to the outcome, the applicant may make a written request for a hearing under Article 3A of Chapter 150B of the General Statutes if the applicant disagrees with the outcome.

(c) The Board may adopt rules for hearings and prehearing conferences under this Article, and the rules may include provisions for prefiled evidence, the use of evidence, testimony of parties, prehearing statements, prehearing conference procedures, settlement conference procedures, discovery, subpoenas, sanctions, motions, intervention, consolidation of cases, continuances, and the rights and responsibilities of parties and witnesses.

"§ 143-143.15. ~~Set-up and tie-down~~ Set-up requirements.

(a) Manufactured homes shall be set up ~~and anchored~~ in accordance with the standards adopted by the Commissioner.

(b) ~~In the event that~~ If a manufactured home is insured against damage caused by windstorm and subsequently sustains windstorm damage ~~of a nature that~~ indicates the manufactured home was not ~~anchored or tied down~~ set up in the manner required by this section, the insurer issuing the ~~homeowner's~~ insurance policy on the manufactured home shall not be relieved from meeting the obligations specified in the insurance policy with respect to such damage on the basis that the ~~mobile~~ manufactured home was not properly ~~anchored or tied down~~ set up.

"§ 143-143.16. Warranties.

Each manufacturer, dealer and supplier of manufactured homes shall warrant each new manufactured home sold in this State ~~and the setup of each such manufactured home~~ in accordance with the warranty requirements prescribed by this section for a period of at least 12 months, measured from the date of delivery of the manufactured home to the buyer. The warranty requirements for each manufacturer, dealer, supplier and set-up contractor of manufactured homes are as follows:

- (1) The manufacturer warrants that all structural elements, plumbing systems, heating, cooling and fuel burning systems, electrical systems, and any other components included by the manufacturer are manufactured and installed free from substantial ~~defect~~ defects.
- (2) The dealer warrants:
 - a. That any modifications or alterations made to the manufactured home by the dealer or authorized by the dealer are free from substantial defects. Alterations or modifications made by a dealer shall relieve the manufacturer of warranty responsibility as to the item altered or modified and any ~~damage resulting therefrom~~ resulting damage.
 - b. That ~~set-up operations~~ a setup performed by the dealer on the manufactured home ~~are~~ is performed in compliance with ~~applicable standards adopted by the Commissioner for the installation of manufactured homes~~ the Code.
 - c. ~~That, during the course of setup~~ That the setup and transportation of the manufactured home ~~performed by the dealer, substantial defects do not occur to the manufactured home~~ dealer did not result in substantial defects.
- (3) The supplier warrants that any warranties generally offered in the ordinary sale of his product to consumers shall be extended to buyers

of manufactured homes. The manufacturer's warranty shall remain in effect notwithstanding the existence of a supplier's warranty.

- (4) The set-up contractor warrants that set-up operations are performed the manufactured home is set up in compliance with applicable standards adopted by the Commissioner for the installation of manufactured homes, the Code and that during the course of set-up operations performed on the manufactured home, substantial defects do not occur to the manufactured home. the setup did not result in any substantial defects.

"§ 143-143.17. Presenting claims for warranties and substantial defects.

(a) Whenever a claim for warranty service or about a substantial defect is made to a licensee, it shall be handled as provided by in this Article. ~~A The licensee shall make a record shall be made~~ of the name and address of each claimant and the date, substance, and disposition of each claim about a substantial defect. The licensee may request that a claim be in writing, but must nevertheless record it as provided above, and may not delay service pending receipt of the written claim.

(b) When the licensee notified is not the responsible party, he shall in writing immediately notify the claimant ~~of that fact, and shall also in writing immediately notify~~ and the responsible party of the claim. When a responsible party is asked to remedy defects, it may not fail to remedy those defects because another party may also be responsible. ~~Nothing herein shall prevent such in this section prevents~~ a party from obtaining compensation by way of contribution or subrogation from another responsible party in accordance with any other provision of law or contract.

(c) Within the time limits provided in this Article, the licensee shall either resolve the claim or determine that it is not justified. At any time a licensee determines that a claim for warranty service is not justified in whole or in part he shall immediately notify the claimant in writing that the claim or part of the claim is rejected and why, and shall inform the claimant that he is entitled to complain to the Board, for which a complete mailing address shall be provided. ~~Within five working days of its receipt of a complaint, the Board shall send a complete copy thereof to the Attorney General and to the Commissioner of Insurance.~~

"§ 143-143.18. Warranty service.

(a) When a service agreement exists between or among a manufacturer, dealer and supplier to provide warranty service, the agreement shall specify which party is to remedy warranty defects. Every ~~such~~ service agreement shall be in writing. Nothing contained in such an agreement shall relieve the responsible party, as provided by this Article, of responsibility to perform warranty service. However, any licensee undertaking by such agreement to perform the warranty service obligations of another shall thereby himself become responsible both to that other licensee and to the buyer for his failure adequately to perform as agreed.

(b) When no service agreement exists for warranty service, the responsible party as designated by ~~the provisions of this Article~~ is responsible for remedying the warranty defect.

(c) A substantial defect shall be remedied within 45 days ~~of~~ after the receipt of written notification from the claimant. If no written notification is given, the defect shall be remedied within 45 days ~~of~~ after the mailing of notification by the Board, unless the claim is unreasonable or bona fide reasons exist for not remedying the defect within the 45-day period. The responsible party shall respond to the claimant in writing with a copy to the Board stating its reasons for not promptly remedying the defect and stating what further action is contemplated by the responsible party. Notwithstanding the foregoing provisions of this subsection, defects, which constitute an imminent safety hazard to life and health shall be remedied within five working days of receipt of the written notification of the warranty claim. An imminent safety hazard to life and health shall include but not be limited to (i) inadequate heating in freezing weather; (ii) failure of sanitary facilities; (iii) electrical shock, leaking gas; or (iv) major structural failure. The Board may suspend this five-day time period in the event of widespread defects or damage resulting from adverse weather conditions or other natural catastrophes.

(d) When the person remedying the defect is not the responsible party as designated by the provisions of this Article, he shall be entitled to reasonable compensation paid to him by the responsible party. Conduct ~~which~~ that coerces or requires a nonresponsible party to perform warranty service is a violation of this Article.

(e) Warranty service shall be performed at the site at which the ~~mobile~~ manufactured home is initially delivered to the buyer, except for components which can be removed for service without substantial expense or inconvenience to the buyer.

(f) Any dealer, manufacturer or supplier ~~shall have the right to~~ may complain to the Board when warranty service obligations under this Article are not being enforced.

"§ 143-143.19. Dealer alterations.

(a) No alteration or modification shall be made to a manufactured home by a dealer after shipment from the manufacturer's plant, unless such alteration or modification is authorized by this Article or the manufacturer. The dealer shall ensure that all authorized alterations and modifications are performed, if so required, by qualified persons as defined in subsection (d). An unauthorized alteration or modification performed by a ~~manufactured home~~ dealer or his agent or employee shall place primary warranty responsibility for the altered or modified item upon the dealer. If the manufacturer fulfills or is required to fulfill the warranty on the altered or modified item, he shall be entitled to recover damages in the amount of his cost and attorney's fee from the dealer.

(b) An unauthorized alteration or modification of a manufactured home by the owner or his agent shall relieve the manufacturer of responsibility to remedy defects caused by such alteration or modification. A statement to this effect, together with a warning specifying those alterations or modifications which should be performed only by qualified personnel in order to preserve warranty protection, shall be displayed clearly and conspicuously on the face of the warranty. Failure to display such statement shall result in warranty responsibility on the manufacturer.

(c) The Board is authorized to ~~promulgate~~ adopt rules in accordance with Chapter 150B of the General Statutes ~~which~~ that define the alterations or modifications which must be made by qualified personnel. The Board may require qualified personnel

only for those alterations and modifications which could substantially impair the structural integrity or safety of the manufactured home.

(d) In order to be designated as a person qualified to alter or modify a manufactured home, a person must comply with State licensing or competency requirements in skills relevant to performing alterations or modifications on manufactured homes.

"§ 143-143.20. Disclosure of manner used in determining length of manufactured homes.

In any advertisement or other communication regarding the length of a manufactured home, a manufacturer or dealer shall not include the coupling mechanism in describing the length of the home.

"§ 143-143.21: Repealed by Session Laws 1993, c. 409, s. 6, and applicable to purchase agreements executed on or after that date.

"§ 143-143.21A. ~~Refund of buyer deposit.~~ Purchase agreements; buyer cancellations.

(a) ~~A dealer shall record the following information in a retail~~ A purchase agreement for a manufactured home: home shall include all of the following:

- (1) A description of the manufactured home and all accessories included in the ~~purchase;~~ purchase.
- (2) The purchase price for the home and all ~~accessories;~~ accessories.
- (3) The amount of ~~deposit;~~ deposit or other payment toward or payment of the purchase price of the manufactured home and accessories that is made by the buyer.
- (4) The date the retail purchase agreement is ~~signed;~~ and signed.
- (5) The estimated terms of financing the purchase, if any, including the estimated interest rate, number of years financed, and monthly payment.
- (6) The buyer's signature.
- (7) The dealer's signature.

(b) ~~A dealer must present to the buyer and obtain his signature to a retail purchase agreement at the time the deposit is received.~~ The purchase agreement shall contain, in immediate proximity to the space reserved for the signature of the buyer and in at least ten point, all upper-case Gothic type, ~~a statement in substantially the following form:~~ statement:

I UNDERSTAND THAT I HAVE THE RIGHT TO CANCEL THIS PURCHASE PRIOR TO BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE THAT I HAVE SIGNED THIS AGREEMENT. I UNDERSTAND THAT THIS CANCELLATION MUST BE IN WRITING. IF I ATTEMPT TO CANCEL THE PURCHASE AFTER THE THREE-DAY PERIOD, I UNDERSTAND THAT THE DEALER HAS NO MAY NOT HAVE ANY OBLIGATION TO REFUND THE ENTIRE AMOUNT OF MY DEPOSIT.' 'GIVE ME BACK ALL OF THE MONEY THAT I PAID THE DEALER.'

(c) ~~The~~ At the time the deposit or other payment toward or payment for the purchase price is received by the dealer, the dealer must shall give to the buyer a copy of the purchase agreement along with and a completed form in duplicate, captioned 'Notice of Cancellation', 'Cancellation,' which shall be attached to the purchase agreement, be easily detachable, and shall explain in plain English the buyer's right to cancel the agreement purchase and how that right can be exercised.

(d) ~~A dealer~~ The dealer shall refund to a buyer the full amount of a deposit on the purchase of a manufactured home return the deposit or other payment toward or payment for the purchase price to the buyer if the buyer cancels the purchase before midnight of the third business day after the date the buyer signed the purchase agreement. In order to make an effective cancellation, the buyer must notify the dealer, in writing, of the buyer's intent to cancel the purchase agreement. To make the cancellation effective, the buyer shall give the dealer written notice of the buyer's cancellation of the purchase. The dealer shall make the refund promptly and, in any event, return the deposit or other payment toward or payment for the purchase price to the buyer within 15 business days from after receipt of the notice of cancellation. For purposes of this section, 'business day' shall mean Monday through Saturday, excluding means any day except Sunday and legal holidays.

(e) ~~If the buyer cancels the purchase agreement after the three-day cancellation period, but before the home is delivered to the buyer, then, sale is completed, and if:~~

- (1) ~~If the~~ The manufactured home is in the dealer's inventory, the dealer may retain from the deposit or other payment received from the buyer actual damages up to a maximum of ten percent (10%) of the purchase price; or
- (2) ~~If the~~ The manufactured home is specially ordered from the manufacturer for the buyer, the dealer may retain actual damages up to the full amount of the buyer's deposit. deposit or other payment received from the buyer.

"§ 143-143.22. Inspection of service records.

~~The Board is authorized to~~ may inspect the pertinent service records of a manufacturer, dealer, supplier or set-up contractor relating to a written warranty claim or complaint made to the Board against such the manufacturer, dealer, supplier, or set-up contractor. Every licensee shall send to the Board upon request within 10 days a true ~~copy~~ copy of every document or record pertinent to any complaint or claim for service.

"§ 143-143.23. Other remedies not excluded.

~~Nothing in this Article nor Article, rules adopted by the Board, or any decision by action of the Board shall limit any right or remedy available to the buyer at common law or under any other statute, nor limit or~~ any power or duty of the Attorney General.

"§ 143-143.24. Engaging in business without license a Class 1 misdemeanor.

~~If any person shall unlawfully act as a manufactured home manufacturer, dealer, salesman, salesperson, or set-up contractor without first obtaining a license from the North Carolina Manufactured Housing Board, as provided in this Article, he shall be guilty of a Class 1 misdemeanor.~~

"§ 143-143.25. Staff support for Board.

The Manufactured ~~Housing~~ Building Division of the Department shall provide clerical and other staff services required by the Board; and shall administer and enforce all provisions of this Article and all rules adopted under this Article, subject to the direction of the Board; except for powers and duties delegated by this Article to local units of government, other State agencies, or to any persons."

Section 2. Article 9B of Chapter 143 of the General Statutes reads as rewritten:

"ARTICLE 9B.

"Uniform Standards Code for Manufactured Homes.

"§ 143-144. Short title.

This Article shall be known and may be cited as 'The Uniform Standards ~~Code~~ for Manufactured Homes Act.'

"§ 143-145. Definitions.

The following definitions apply in this Article:

~~Unless clearly indicated otherwise by context, the following words when used in this Article, for the purpose of this Article, shall have the meanings respectively ascribed to them in this section:~~

...

- (1) ~~"Certificate of compliance" means a certificate issued by an inspection department approved and licensed by the Council as being competent which certificate shall be valid only within the jurisdiction of the inspection department and on which certificate shall be recorded:~~
 - a. ~~The inspection department issuing such certificate;~~
 - b. ~~The date of issue;~~
 - c. ~~The serial or other identification number of such manufactured home and the name of the manufacturer;~~
 - d. ~~A certification that such manufactured home was on the day of inspection so opened that its entire structural, electrical, heating, plumbing and air conditioning systems could be closely observed and inspected;~~
 - e. ~~A certification that said manufactured home complies in full with the standards and rules and regulations prescribed in this Article.~~

Act. – The National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. § 5401, et seq., federal regulations adopted under the Act, and any laws enacted by the United States Congress that supersede or supplement the Act.

- (2) ~~"Commissioner" means the Commissioner. – The Commissioner of Insurance of the State of North Carolina. Carolina or an authorized designee of the Commissioner.~~
- (3) ~~"Competent" shall mean competent to technically evaluate, test, and inspect in accordance with the standards, rules and regulations prescribed in this Article: the structural features, the plumbing,~~

~~heating, electrical and air conditioning systems and the materials used in the construction of a manufactured home.~~

- (4) ~~"Council" means the North Carolina State Building Code Council. HUD. – The United States Department of Housing and Urban Development or any successor agency.~~
- (5) ~~"Inspection department" means a Inspection department. – A North Carolina city or county building inspection department authorized by Chapter ~~160-160A~~ or Chapter ~~153-153A~~ of the General Statutes.~~
- (6) ~~"Label of compliance" shall mean a permanent label or seal permanently attached to a manufactured home at completion of construction thereof which is issued by any independent, solvent, and trustworthy person approved and licensed by the Council as being competent and as having and utilizing initial and follow up manufacturing inspection services which provide the highest degree of quality control, and on which seal or label shall be recorded:~~
- ~~a. The person issuing such label or seal and the serial number of the label or seal;~~
 - ~~b. The serial or other identification number of said manufactured home;~~
 - ~~c. A certification that said manufactured home was evaluated, tested, and inspected in accordance with the standards and rules and regulations prescribed in this Article.~~

Label. – The form of certification required by HUD to be permanently affixed to each transportable section of each manufactured home manufactured for sale to a purchaser in the United States to indicate that the manufactured home conforms to all applicable federal construction and safety standards.

- (7) ~~"Manufactured home" means a Manufactured home. – 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 permanent foundation when connected to the required utilities, including the plumbing, heating, air conditioning and electrical systems contained therein. 'Manufactured home' includes any structure that meets all of the requirements of this subsection except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of ~~the United States Department of Housing and Urban Development HUD~~ and complies with the standards established under the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. §5401, et seq. Act.~~

For manufactured homes built ~~prior to~~ before June 15, 1976, 'manufactured home' means a portable manufactured housing unit

designed for transportation on its own chassis and placement on a temporary or semipermanent foundation having a measurement of over 32 feet in length and over eight feet in width. 'Manufactured home' also means a double-wide manufactured home, which is two or more portable manufactured housing units designed for transportation on their own chassis that connect on site for placement on a temporary or semipermanent foundation having a measurement of over 32 feet in length and over eight feet in width.

- (8) ~~"Person" means any corporation, partnership, association, voluntary organization or governmental agency of the United States or any state therein and does not mean an individual natural person.~~

"§ 143-146. Statement of policy; rule-making power.

(a) Manufactured homes, because of the manner of their construction, assembly and use and that of their systems, components and appliances (including heating, plumbing and electrical systems) like other finished products having concealed vital parts may present hazards to the health, life and safety of persons and to the safety of property unless properly manufactured. In the sale of manufactured homes, there is also the possibility of defects not readily ascertainable when inspected by purchasers. It is the policy and purpose of this State to provide protection to the public against those possible hazards, and for that purpose to forbid the manufacture and sale of new manufactured homes, which are not so constructed as to provide reasonable safety and protection to their owners and users. This Article ~~is intended to provide~~ provides to the Commissioner all necessary authority to enable the State to obtain approval as a State Administrative Agency under the provisions of the ~~National Manufactured Housing Construction and Safety Standards Act of 1974.~~ Act.

~~(b) The Commissioner shall make and promulgate rules embodying the standards for construction or manufacture of manufactured homes set by the Department of Housing and Urban Development under the provisions of the National Manufactured Housing Construction and Safety Standards Act of 1974, as these standards may be amended.~~

~~(c) The Council is authorized to make and promulgate reasonable rules and regulations governing the procedure to be followed by a person or inspection department seeking to obtain a license pursuant to the provisions of this Article which shall provide opportunity for hearing before the Council on such application.~~

~~(d) In order to insure the highest degree of quality control in the manufacture of manufactured homes, the Council is further authorized and empowered to make and promulgate reasonable rules and regulations governing the initial and follow up manufacturing inspection practices and procedures to be performed by any person granted a license to issue a label of compliance pursuant to this Article. In order to assure uniformity in standards and enforcement, such rules and regulations may also provide that any such licensee and its operations may be inspected from time to time by any other person or licensee designated by the Council who shall report the results of such examination to the Council. In such case the reasonable expense incurred by the~~

examiner in making such inspection shall be borne by the licensee whose operations were examined.

(e) ~~The Commissioner is authorized to promulgate such may adopt rules as are necessary to carry out the provisions of the Act and this Article, including rules regarding for consumer complaint procedures, and such other procedures and rules as are necessary to enable the State to assume responsibility for the enforcement of the National Manufactured Housing Construction and Safety Standards Act of 1974. standards and regulations established and adopted by HUD under the Act.~~

~~"§ 143-147. **Approval and licensing of persons and inspection departments. Structures built under previous standards.**~~

(a) ~~Any qualified person may make application to the Council for approval for license to issue labels of compliance. Any inspection department may make application to the Council for approval for issuing certificates of compliance. The Council after notice and hearing, if satisfied that such person or inspection department meets the qualifications prescribed in this Article, shall cause a license to be issued which license shall be valid for a consecutive period of 12 months and may be renewed for like consecutive periods on application to and approval by the Council;~~

(b) ~~Any such license issued to a person other than an inspection department may be suspended or revoked after notice and hearing if such person:~~

- ~~(1) Is either insolvent, not competent, not independent, or untrustworthy;~~
- ~~(2) Has made false statements in his application to the Council for license;~~
- ~~(3) Fails or neglects to perform evaluations, testing, or manufacturing inspections in accordance with its proposed plans and procedures submitted to the Council or fails to comply with any applicable rules and regulations promulgated by the Council pursuant to G.S. 143-146(d);~~
- ~~(4) Has repeatedly, specifically or by implication authorized the attachment of its label of compliance to manufactured homes and such manufactured homes did not meet the standards and rules and regulations provided by this Article at the time said labels were attached.~~

(c) ~~Any such license issued to an inspection department may be suspended or revoked after notice and hearing if such department:~~

- ~~(1) Is not competent;~~
- ~~(2) Has issued a certificate of compliance on a manufactured home when such manufactured home was not opened for inspection so that the entire structural, electrical, heating, plumbing and air conditioning systems could be closely observed and inspected;~~
- ~~(3) Has issued a certificate of compliance on a manufactured home and such manufactured home did not at the time of inspection meet the standards and rules and regulations provided by this Article.~~

The legal status of any structure built before the effective date of the Act shall not be affected by any changes made in this Article by the General Assembly.

~~"§ 143-148. **Certain structures excluded from coverage.**~~

The Commissioner may by rule provide for the exclusion of certain structures by certification in accordance with the ~~National Manufactured Housing Construction and Safety Standards Act of 1974. Act.~~

"§ 143-149. Necessity for obtaining label ~~or certificate for purposes of sale.~~

No ~~individual natural person, firm, partnership, association or corporation person~~ shall after ~~September 1, 1971,~~ sell or offer for sale any manufactured home in this ~~State,~~ which manufactured home State that does not bear permanently attached thereto a label of compliance or for which ~~manufactured home the individual natural person, firm, partnership, association, or corporation~~ selling or offering to sell such manufactured home does not have a certificate of compliance; ~~provided it shall be~~ have a label. It is a defense to any prosecution for a violation of the ~~provisions of this section if such individual natural person, firm, partnership, association or corporation shall show a person shows~~ that a certificate of title for ~~such the~~ manufactured home as required by G.S. 20-52 was obtained ~~prior to September 1, 1971, before June 15, 1976,~~ or produces other satisfactory evidence on file with the North Carolina ~~Department~~ Division of Motor Vehicles that ~~such the~~ manufactured home was manufactured ~~prior to September 1, 1971. before June 15, 1976.~~

"§ 143-150. No electricity to be furnished units not in compliance.

It is unlawful for any person to ~~initially~~ furnish electricity for use in any manufactured home without first ascertaining that the manufactured home and its electrical supply has been inspected pursuant to G.S. 143-139 by the inspection authority having jurisdiction and found to comply with the requirements of the State Electrical Code. The certificate of compliance issued by the inspection jurisdiction shall be accepted as evidence of compliance.

"§ 143-151. Penalties.

(a) ~~Whoever violates (i) the provisions of this Article; or (ii) Any person who is found by the Commissioner to have violated the provisions of the Act, this Article, or any rules promulgated adopted under this Article, shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) for each violation. Each such violation shall constitute a separate violation with respect to for each manufactured home or with respect to for each failure or refusal to allow or perform an act required thereby, except that the by the Act, this Article, or any rules adopted under this Article. The maximum civil penalty may not exceed one million dollars (\$1,000,000) for any related series of violations occurring within one year from after the date of the first violation. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was willful, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of civil penalties provided for in this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.~~

(b) Any individual, ~~corporation,~~ or a director, officer or agent of a corporation who knowingly and willfully violates the Act, this Article ~~Article,~~ or any rules

~~promulgated~~ adopted under this Article in a manner ~~which~~ that threatens the health or safety of any purchaser is guilty of a Class 1 ~~misdemeanor~~. I felony.

"§ 143-151.1. Enforcement.

The Commissioner ~~of Insurance or any inspection department~~ may initiate any appropriate action or proceeding to prevent, restrain, or correct any violation of the Act, this Article, or any rules adopted under this Article. The Commissioner, or any of his deputies or employees, upon showing proper credentials and in the discharge of their duties ~~pursuant to~~ under this Article, or the ~~National Manufactured Housing Construction and Safety Standards Act of 1974~~, Act, is authorized at reasonable hours and without advance notice to enter and inspect all factories, warehouses, or establishments in ~~the State of North Carolina~~ this State in which manufactured homes are manufactured, stored or held for sale.

"§ 143-151.2. Fees.

(a) The Commissioner ~~may~~ shall establish a monitoring inspection fee in an amount ~~established~~ required by the Secretary of ~~Housing and Urban Development~~. HUD. This monitoring inspection fee shall be an amount paid by each manufactured home manufacturer in ~~the~~ this State for each manufactured home produced by the manufacturer in ~~that state~~. this State.

(b) The monitoring inspection fee shall be paid by the manufacturer to the Secretary of ~~Housing and Urban Development~~ HUD or ~~such~~ the Secretary's agent, who ~~shall distribute the fees collected from all manufactured home manufacturers among the approved and conditionally approved states based on the number of manufactured homes whose first location after leaving the manufacturing plant is on the premises of a distributor, dealer, or purchaser in that state, and the extent of participation of the State in the joint monitoring team program established under the National Manufactured Housing Construction and Safety Standards Act of 1974~~. agent.

"§ 143-151.3. Reports.

Each manufacturer, distributor, and dealer of manufactured homes shall establish and maintain such records, make such reports, and provide such information as the Commissioner or the Secretary of ~~Housing and Urban Development~~ HUD may reasonably require to be able to determine whether ~~such~~ the manufacturer, distributor, or dealer has acted or is acting in compliance with this Article, or the ~~National Manufactured Housing Construction and Safety Standards Act of 1974~~ Act and shall, upon request of a person ~~duly~~ designated by the Commissioner or the Secretary of ~~Housing and Urban Development~~, HUD, permit ~~such~~ the person to inspect appropriate books, papers, records and documents relevant to determining whether ~~such~~ the manufacturer, distributor, or dealer has acted or is acting in compliance with this Article or the ~~National Manufactured Housing Construction and Safety Standards Act of 1974~~. Act, and any rules adopted by the Commissioner under this Article.

"§ 143-151.4. Notification of defects. defects and correction procedures.

Every manufacturer of manufactured homes shall ~~furnish~~ provide for notification ~~of any defect and correction procedures~~ in any manufactured home produced by ~~such~~ the manufacturer ~~and correct such defect~~ in accordance with the Act, this Article, and any procedures specified rules adopted by the Commissioner.

"§ 143-151.5. Prohibited acts.

(a) No person shall:

- (1) Manufacture for sale, lease, sell, offer for sale or lease, or introduce or deliver, or import into the United States, any manufactured home ~~which that~~ is manufactured on or after the effective date of any applicable manufactured home construction and safety standard under the Act or this Article and ~~which that~~ does not comply with ~~such the~~ standard, except as provided in ~~subsection (b);~~ subsections (b), (c), and (d) of this section.
- (2) Fail or refuse to permit access to or copying of records, or fail to make reports or provide information, or fail or refuse to permit entry or inspection, as required under the Act or this Article; ~~Article.~~
- (3) Fail to furnish notification of any defect as required by ~~G.S. 143-151.4;~~ the Act or this Article.
- (4) Fail to issue a ~~certificate of compliance,~~ label or issue a ~~certification to the effect that a manufactured home conforms to all applicable manufactured home construction and safety standards,~~ label if ~~such the~~ person in the exercise of due care has reason to know that ~~such certification the label~~ is false or misleading in a material ~~respect;~~ respect.
- (5) Fail to comply with a rule adopted or an order issued by the Commissioner under this ~~Article;~~ or Article.
- (6) Issue a certification pursuant to G.S. 143-148 if ~~such the~~ person in the exercise of due care has reason to know that ~~such the~~ certification is false or misleading in a material respect.

(b) (1) ~~Paragraph (1) of subsection (a) shall~~ Subdivision (a)(1) of this section does not apply to the sale, the offer for sale, or the introduction or delivery of any manufactured home after the first purchase of it in good faith for purposes other than resale.

(2) ~~Paragraph (1) of subsection (a) shall~~ Subdivision (a)(1) of this section does not apply to any person who establishes that he did not have reason to know in the exercise of due care that ~~such the~~ manufactured home was not in conformity with applicable manufactured home construction and safety ~~standards,~~ standards. ~~or~~

(c) Subdivision (a)(1) of this section shall not apply to any person who, ~~prior to such before the~~ first purchase, holds a certificate of compliance issued by the manufacturer or importer of ~~such the~~ manufactured home to the effect that ~~such mobile the manufactured~~ home conforms to all applicable manufactured home construction and safety standards, unless ~~such the~~ person knows that ~~such the~~ manufactured home does not so conform.

"§§ 143-151.6, 143-151.7: Reserved for future codification purposes."

Section 3. Article 9D of Chapter 143 of the General Statutes is repealed.

Section 4. G.S. 58-2-55 reads as rewritten:

"§ 58-2-55. Designated hearing officers.

In any contested case under ~~Articles 1 through 64, 65 and 66, 67, 69, 70, or 71 of this Chapter, Chapter~~ or Article 9A or Article 9B of Chapter 143 of the General Statutes, the Commissioner may designate a member of his staff to serve as a hearing officer. When the Commissioner is unable or elects not to hear a contested case and elects not to designate a hearing officer to hear a contested case, he shall apply to the director of the Office of Administrative Hearings for the designation of an administrative law judge to preside at the hearing of a contested case. Upon receipt of the application, the Director shall, without undue delay, assign an administrative law judge to hear the case."

Section 5. Structures built before the effective date of the Act shall not be affected by any changes made in this Article.

Section 6. G.S. 143-143.21A, as amended in Section 1 of this act, becomes effective January 1, 2000. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of July, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 10:20 p.m. this 4th day of August, 1999