

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1006 (Second Edition)

SHORT TITLE: Manufactured Housing

SPONSOR(S): Representatives Hunter and Barnhart

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund	No Impact	No Impact	No Impact	No Impact	No Impact
NC Division of Motor Vehicles	\$17,075	\$17,075	\$17,075	\$17,075	\$17,075
Local Governments	* See Assumptions and Methodology *				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Division of Motor Vehicles					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY: The bill makes several changes to the laws surrounding manufactured housing. Sections 1 and 3 changes a manufactured home owner's options for title surrender if a 20 year or greater lease is involved and file an appropriate declaration with the Register of Deeds. Section 2 authorizes the Division of Motor Vehicles to charge \$5.00 for canceling a title to a manufactured home. Section 4 clarifies that manufactured homes with a lease of at least 20 years are real property for tax purposes. Section 5 addresses the notice requirements for conversion of a manufactured home community. Section 6 requires the display of pricing information on manufactured homes if that manufacturer has published a suggested retail price, as well as information on warranties and filing complaints. Section 7 allows for the cancellation of the purchase agreement if any of the material terms of the agreement are changed by the dealer, requires that deposits be returned within three business days if such an agreement is cancelled, and directs the Manufactured Housing Board to adopt rules on this process.

ASSUMPTIONS AND METHODOLOGY: With regard to fiscal impact, the proposed bill changes the G.S. 47-20.6(a) by authorizing the NC Division of Motor Vehicles (DMV) to charge a five-dollar cancellation fee when the certificate title of a manufactured home is surrendered after the home had been qualified as real property. According to the DMV data, between 1996 and 2002 the average number of surrendered titles to manufactured home as the result of their qualification as real property constituted 3,415. If for the next five years this number will remain

the same, DMV will be able to generate \$17,075 in revenue from title cancellations for manufactured homes.

The bill will also have a local impact. Section 4 of the bill amends the statute to include as real property manufactured homes where the owner of the manufactured home has a lease of at least 20 years for the land on which the home is affixed. Currently, some manufactured homes are classified as real property while others are classified as personal property. The bill could move some homes that are currently listed as personal property into the real property category. Neither the Department of Revenue nor Fiscal Research can estimate the impact this will have on local units, although whatever revenue change occurs should be small and positive.

SOURCES OF DATA: North Carolina Division of Motor Vehicles.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Linda Struyk Millsaps and Alexei Pavlichev

APPROVED BY: James D. Johnson, Director, Fiscal Research Division

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