

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on March 3, 2005 in Room 241-N of the Capitol.

All members were present except:

Dale Swenson- unexcused
Mike Kiegerl- excused
Patricia Kilpatrick- unexcused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Norm Furse, Office of Revisor of Statutes
Renaë Jefferies, Office of Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee:

Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association
Sandy Jacquot, League of Municipalities
Robert Haley, Kansas Development Finance Authority

Others attending:

See attached list.

The Chairman continued the hearing on **SB 4** and said since there were concerns with the drafting of **SB 4 - Establishing installation licenses and standards for the installation and siting of manufactured homes** in addition to many perceived problem areas the hearing would be continued to try and answer questions. During the briefing by staff it was brought to the committee's attention the bill may have constitutional problems and may need to be corrected/amended.

The Chairman appointed a sub-committee to work on the bill: Representative Jack, Chairman; Representatives Ruff and Huntington. Since the full committee is not meeting on Friday or Monday of next week, the sub-committee could meet and report back to the full committee next week or the following week.

Representative Pauls asked if rules and regulations procedure was "to present" or does the President of the Kansas Housing Resources Corporation (KHRC) act on his own? Does the President "present" and the board "approve"?

Robert Haley, KHRC, said he was not sure but believes the board has "to adopt".

The Chairman stated the sub-committee would address this question.

Representative Grant asked how many states has HUD gone into, i.e., taken over the licensing?

Ms. Smith said none right now but the law would go into effect December 27, 2005.

Representative Ruff asked how we ended up with the group (KHRC) we now have in the bill rather than a state agency.

Ms. Smith said KMHA proposed the Kansas Department of Revenue (KDOR) be in authority but the Secretary of Revenue did not want that because KDOR is not in the housing market.

Mr. Haley stated the Department of Housing was eliminated last year from the Department of Commerce and is now the Kansas Housing Resources Corporation.

Ms. Smith said most states have a Housing Authority but Kansas does not.

It was questioned in Section 10 what the statute of limitations would be if there was a complaint. There is no time frame mentioned.

CONTINUATION SHEET

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Ms. Smith said the rules and regulations on page 12, lines 25-28 addresses this.

Representative Jack said that was redundant.

Ms. Smith will check on the federal law.

It was asked concerning Section 10, if the manufactured home is not covered under warranty and there is a problem later what happens?

Ms. Smith said there was a one year warranty on the home and installation by HUD and the Manufactured Housing but was not sure what the statute of limitations is. An independent third party inspection is completed before the homes leave the factory. There is no on-site inspection.

Representative Huntington asked if there were rules and regulations for contractors?

Ms. Smith stated there are local regulations. The federal law says that is needed.

Sandy Jacquot said most large, middle-sized cities and counties have local regulations.

The Chairman closed the hearing on **SB 4**.

A hearing was on the calendar for **HB 2500 - Consumer protection, refunds** but there were no proponents or opponents appearing. The Chairman said the bill would go to the bottom on the bone pile.

The Chairman said the minutes of February 1, 2, 3,4, 7, 8, 9 and 10 that were distributed to the members offices on February 24 would stand as presented since there were no corrections.

The minutes of February 11, 14, 15, 16, 17, 18, and 21 were distributed today. If there are any corrections, additions or deletions contact the secretary.

The meeting adjourned at 9:30 a.m. The next meeting will be March 8.