

58-4207. Same; requirements for licensure as a manufactured home dealer; application, contents, term of license; fees; financial responsibility requirements, bonding; place of business requirements. (a) No manufactured home dealer shall engage in business in this state without obtaining a license therefor. Any person holding a valid dealer's license and acting as a salesperson shall not be required to secure a salesperson's license.

(b) No manufactured home manufacturer or factory representative shall engage in business in this state without a license as required by this act, regardless of whether or not an office or other place of business is maintained in this state for the purpose of conducting such business.

(c) An application for a license shall be made to the director and shall contain the information provided for by this section, together with such other information as may be deemed reasonable and pertinent, and shall be accompanied by the required fee. The director may require in the application, or otherwise, information relating to the applicant's solvency, financial standing or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business, all of which may be considered by the director in determining the fitness of the applicant to engage in business as set forth in this section. The director may require the applicant for licensing to appear at such time and place as may be designated by the director for examination to enable the director to determine the accuracy of the facts contained in the written application, either for initial licensure or renewal thereof. Every application under this section shall be verified by the applicant.

(d) All licenses shall be granted or refused within 30 days after application is received by the director. All licenses, except licenses issued to manufactured home salespersons, shall expire, unless previously suspended or revoked, on December 31 of the calendar year for which they are granted, except that where a complaint respecting the cancellation, termination or nonrenewal of a sales agreement is in the process of being heard, no replacement application shall be considered until a final order is issued by the director. Applications for renewals, except for renewals of licenses issued to salespersons, received by the director after February 15 shall be considered as new applications. All salesperson's licenses shall expire, unless previously suspended or revoked, on June 30 of the calendar year for which they are granted. Applications for renewals of salesperson's licenses received by the director after July 15 shall be considered as new applications.

(e) License fees for each calendar year, or any part thereof, shall be as follows:

- (1) For new manufactured home dealers, \$50;
- (2) for used manufactured home dealers, \$50;
- (3) for manufactured home manufacturers, \$200 plus \$50 for each branch in this state;
- (4) for factory representatives, \$25;
- (5) for brokers, \$50;
- (6) for lending agencies, \$25;
- (7) for manufactured home salespersons, \$15; and
- (8) for insurance companies, \$50.

Any new manufactured home dealer who also is licensed as a used manufactured home dealer shall be required to pay only one \$50 fee for both licenses.

(f) Dealers establishing supplemental places of business within the same county of their licensure shall be required to pay a supplemental license fee of \$10. Original inspections by the division of a proposed established place of business shall be made at no charge, except that a \$5 fee shall be charged by the division for each additional inspection the division must make of such premises in order to approve the same.

(g) The license of all persons licensed under the provisions of the Kansas manufactured housing act shall state the address of the established place of business, office or branch and must be conspicuously displayed therein. If such address is changed, the director shall endorse the change of address on the license without charge, if it is within the same county. A change of address to a different county shall require a new license and payment of the required fees.

(h) Every salesperson or factory representative shall carry on their person a certification that the person holds a valid state license. The certification shall name the person's employer and shall be displayed upon request. An original copy of the state license for a salesperson shall be mailed or otherwise delivered by the division to the employer of the salesperson for public display in the employer's established place of business. When a salesperson ceases to be employed as such, the former employer shall mail or otherwise return the original copy of the employee's state license to the division. A salesperson or factory representative who terminates employment with one employer may file an application with the director to transfer the person's state license in the name of another employer. The application shall be accompanied by a \$2 transfer fee. A salesperson or factory representative who terminates employment, and does not transfer the state license, shall mail or otherwise return the certification that the person holds a valid state license to the division.

(i) If the director has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with the provisions of this act, the director may require the applicant or licensee to furnish and maintain a bond in such form, amount and with such sureties as the director approves, but such amount shall be not less than \$5,000 nor more than \$20,000, conditioned upon the applicant or licensee complying with the provisions of the statutes applicable to the licensee and as indemnity for any loss sustained by any person by reason of any act by the licensee constituting grounds for suspension or revocation of the license. Every bond shall be a corporate surety bond issued by a company authorized to do business in the state of Kansas and shall be executed in the name of the state of Kansas for the benefit of any aggrieved party. The aggregate liability of the surety for all breaches of the conditions of the bond in no event shall exceed the amount of such bond. The surety on the bond shall have the right to cancel the bond by giving 30 days' notice to the director, and thereafter the surety shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. Bonding requirements shall not apply to salespersons. The proceeds of the bond on deposit or in lieu of bond provided by subsection (j) shall be paid upon receipt by the director of a final judgment from a Kansas court of competent jurisdiction against the dealer and in favor of an aggrieved party.

(j) An applicant or licensee may elect to satisfy the bonding requirements of subsection (i) by depositing with the state treasurer cash, negotiable bonds of the United States or of the state of Kansas, negotiable certificates of deposit of any bank organized under the laws of the United States or of the state of Kansas or irrevocable letters of credit of any such bank. The cash deposit or market value of any such securities shall be equal to or greater than the

amount of the bond required for the bonded area and any interest on those funds shall accrue to the benefit of the depositor.

(k) No license shall be issued by the director to any person to act as a new or used dealer or broker, unless the applicant maintains an established place of business which has been inspected and approved by the division.

(l) Dealers required under the provisions of this act to maintain an established place of business shall own or have leased and use sufficient lot space at the established place of business and any supplemental place of business to display the dealer's inventory of manufactured homes or mobile homes.

(m) A sign with durable lettering at least 10 inches in height and easily visible from the street identifying the established place of business shall be displayed by every dealer. Notwithstanding the other provisions of this subsection, the height of lettering of the required sign may be less than 10 inches as necessary to comply with local zoning regulations.

(n) If the established or supplemental place of business or lot is zoned, approval must be secured from the proper zoning authority and proof that the use complies with the applicable zoning law, ordinance or resolution must be furnished to the director by the applicant for licensing.

(o) An established or supplemental place of business, otherwise meeting the requirements of the Kansas manufactured housing act, may be used by a dealer to conduct more than one business as long as suitable space and facilities exist therein to properly conduct the business of a manufactured home dealer.

(p) If a supplemental place of business is not operated on a continuous, year-round basis, the dealer shall give the department 15 days' notice as to the dates on which the dealer will be engaged in business at the supplemental place of business.

(q) Any dealer selling, exchanging or transferring or causing to be sold, exchanged or transferred new manufactured homes in this state must satisfactorily demonstrate to the director that such dealer has a bona fide manufactured home sales agreement with the manufacturer to sell, exchange or transfer the same or to cause it to be sold, exchanged or transferred.

(r) The director of vehicles shall publish a suitable Kansas manufactured home salesperson's manual. Before a salesperson's license is issued, the applicant for an original license or renewal thereof shall be required to pass a written examination based upon information in the manual.

(s) The annual fee for each dealer license plate is \$25. There shall be no refund of fees for dealer license plates in the event of suspension, revocation or voluntary cancellation of a license. The director is hereby authorized to designate by identifying symbols on a dealer's license plate the types of dealer's licenses that the person has been issued. If a dealer has an established place of business in more than one county, such dealer shall secure a separate and distinct dealer's license and dealer license plates for each established place of business.

History: L. 1991, ch. 33, § 7; July 1.