

815 KAR 25:060. Licensing and certifications with manufactured homes and mobile homes.

RELATES TO: KRS 227.550, 227.560, 227.570, 227.580, 227.590, 227.600, 227.610, 227.620, 227.630, 227.990

STATUTORY AUTHORITY: KRS 227.570(2), (3), (4), 227.580, 227.590

NECESSITY, FUNCTION, AND CONFORMITY: KRS 227.590 requires the Department of Housing, Buildings and Construction to promulgate administrative regulations governing the standards for the manufacture and sale of manufactured homes and mobile homes. KRS 227.580 makes it unlawful for a manufacturer to manufacture, import, or sell manufactured homes in Kentucky without a certificate of acceptability. KRS 227.570(4) requires the department to promulgate administrative regulations to establish standards for the certified installer seal program. This administrative regulation establishes standards for licensing persons and companies engaged in the sale of manufactured homes and mobile homes, establishes standards for certification of acceptability for manufacturers of manufactured homes, and establishes the requirements for certified installer seals and certification of manufactured home installers.

Section 1. Licensed Retailer.

(1) License application.

(a) Except as provided in subsection (2) of this section, a person shall not engage in the business of selling manufactured homes or mobile homes within this state without holding a valid license issued by the department for each location.

(b) Before engaging in business, an applicant shall submit to the department:

1. The completed Form HBC MH-2;
2. A copy of a valid Kentucky sales tax certificate;
3. A check or money order for the annual license fee, in the amount of \$250 for a full year, or a reduced amount prorated on a monthly basis for a period of less than a full year, payable to the Kentucky State Treasurer; and
4. Proof of insurance for general liability coverage that complies with KRS 227.610 in the amount of at least:
 - a. \$200,000 bodily injury or death for each person;
 - b. \$300,000 bodily injury or death for each accident; and
 - c. \$100,000 for damage to property.

(c) An applicant whose place of business is in another state and who possesses a valid retailer license in another state shall:

1. Comply with this section;
2. Not be required to maintain an established place of business within Kentucky, if the applicant is not offering a home for sale within Kentucky; and
3. Provide a Kentucky B seal for a used manufactured home or mobile home unit sold for delivery into Kentucky.

(2) Exemptions from Licensure as a Retailer.

(a) A manufactured home shall be exempt from seal requirements and a retailer exempt from licensing if the unit:

1. Is brought into Kentucky for exhibition purposes only;
2. Is not sold in Kentucky; and
3. Inspection does not reveal a condition hazardous to health or safety.

(b) Real estate developer and retailer venture. A retail license shall not be required of a developer who purchases new HUD homes from a licensed Kentucky retailer, places the homes on a parcel of land, and offers the homes for sale to ultimate consumers, if:

1. The developer receives prior written approval from the department;
2. The home was installed by a certified installer;

3. The developer owns the homes and the lots upon which the homes are installed;
 4. The manufacturer's warranty period begins upon possession and shall be transferred from the developer to the consumer-occupant;
 5. The manufacturer's warranty support shall be performed in accordance with generally-accepted standards for retail transactions;
 6. The developer's documentation contains the name and location of the:
 - a. Developer;
 - b. Development; and
 - c. Retailer; and
 7. The retailer and installer provides the required services as warranted and as required by laws governing retailer and installer license or certification.
- (3) Retailer's satellite location.
- (a) An additional license shall not be required of a fully-licensed retailer for the display or sale of a manufactured home located on an individual lot, in a subdivision, land-lease community, or manufactured home or mobile home park.
 - (b) A suitable sign identifying the name and business location of the retailer licensee shall be posted at the location.
- (4) Qualified personnel required.
- (a) Education requirements. A new retailer license or a renewal of an existing retailer license shall not be issued unless the retailer employs at least one (1) person in a management position who has successfully completed the educational training and departmental testing program administered as part of the Certified Installer Program under Section 4 of this administrative regulation. The proof of experience in Section 4(1)(a)4. shall not be required.
 - (b) Certification. The department shall classify a person qualifying under subsection (1) of this section as a certified manager.
 - (c) Exception. A certified manager shall not be required at each licensed location for a retailer with more than one (1) in-state location if:
 1. The retailer has only one (1) set-up, installation, and delivery system located in Kentucky;
 2. A certified manager supervises the work of the system; and
 3. The arrangement is approved, in writing, by the department.
- (5) Notification by Licensees.
- (a) A retailer shall notify the department, in writing, within thirty (30) days of a change in any of the following:
 1. Dealership name;
 2. Address of business;
 3. Retailer ownership interest of twenty-five (25) percent or more within a twelve (12) month period; or
 4. A principal officer or chief managing officer of the firm.
 - (b) A change in ownership interest of less than twenty-five (25) percent of the company within a twelve (12) month period shall be reported at the time of the renewal of the license.
 - (c) A new license shall be required if an established business changes location to a different county.
- (6) Maintenance of Records. A retailer shall:
- (a) Complete and maintain Form HBC MH-7 for each new or used manufactured home or mobile home sold;
 - (b) Retain the completed Form HBC MH-7, for three (3) years; and
 - (c) Keep the form available to a field inspector upon request.

Section 2. Manufacturer's Certificate of Acceptability.

(1) Requirements for issuance. An applicant for a manufacturer's certificate of acceptability shall submit to the department:

(a) A completed Form HBC MH/RV-1;

(b) Proof of insurance for general liability coverage that complies with KRS 227.610 in the amount of at least:

1. \$300,000 bodily injury or death for each person;
2. \$400,000 bodily injury or death for each accident; and
3. \$100,000 for damage to property; and

(c) A certificate of acceptability fee in the amount of \$500 for a full year, or a reduced amount prorated on a monthly basis for a period of less than a full year, by check or money order made payable to the Kentucky State Treasurer.

(2) A manufacturer who is also a retailer shall comply with retailer licensing provisions in Section 1 of this administrative regulation.

(3) A manufacturer shall notify the department in writing, within thirty (30) days of a change in any of the following:

(a) Corporate name;

(b) Company address;

(c) Ownership interest of twenty-five (25) percent or more of the company within a twelve (12) month period;

(d) Location of a manufacturing facility;

(e) The number of facilities by virtue of the establishment of new manufacturing facility; or

(f) A principal officer of the firm.

(4) A change in ownership interest of less than twenty-five (25) percent of the company within a twelve (12) month period shall be reported at the time of the renewal of the certificate of acceptability.

(5)

(a) A manufacturer who considers information relating to a building or in-plant quality control system to be proprietary shall designate the information as proprietary at the time of plan submission.

(b) The designated information shall be maintained and treated as proprietary by:

1. The department;
2. Inspection and evaluation personnel; and
3. Local enforcement agencies.

Section 3. Certified Installers.

(1) Initial application.

(a) An applicant for certified installer shall submit to the department:

1. A completed Form HBC MH-3, Certified Installer Application;
2. An application fee of \$100;
3. Proof of successful completion of a fifteen (15) hour approved course of education;
4. Proof of regularly assisting in site preparation and installation functions:
 - a. Under the supervision of a certified installer;
 - b. For at least sixty (60) days; and
 - c. On at least five (5) homes;
5. A Passing score on the certified installer examination given by the department; and
6. A certificate verifying current worker's compensation insurance coverage, if the applicant is employed at the time of application.

(b) If an initial certificate is for a period of less than twelve (12) months, the fee shall be reduced on a pro rata monthly basis.

(2) An installer certification shall be issued in the name of the individual qualified under subsection (1) of this section. The individual may request that the certificate also bear the name of the employing company.

(3)

(a) If the certified installer changes his business name or is no longer associated with the company whose name appears upon the certificate, the certified installer shall inform the department and request an amended certificate reflecting the individual's status.

(b) If the certified installer is no longer associated with a company, that company shall not hold itself out as a certified installer or as having in its employ a certified installer until another certified person has become associated with that company.

(4) Certified Installer Seal. A certified installer who installs a manufactured home or mobile home in accordance with KRS 227.570(3) and this administrative regulation shall place a certified installer seal on the home.

(a) Certified installer seals shall be obtained from the department.

(b) The application shall be:

1. Filed on Form HBC MH-12, Application for Purchasing Seals; and
2. Accompanied by a fee of twenty-five (25) dollars for each seal.

(5) Application and placement of certified installer seals.

(a) Each certified installer seal consists of two (2) parts that shall be affixed as follows:

1. One (1) part shall be placed two (2) inches above the HUD label on the outside left corner of a manufactured home or on the outside left corner of a mobile home if a HUD label is not required; and
2. One (1) part shall be placed on the inside of the electrical panel in the manufactured home.

(b) Other seals, stamps, covers, or other markings shall not be placed within two (2) inches of the certified installer seal.

(6) Lost or damaged seals.

(a) If a certified installer seal becomes lost or damaged, the owner shall notify the department immediately, in writing, specifying:

1. The manufacturer;
2. The manufactured or mobile home serial number; and
3. The certified installer seal number, if known.

(b) A damaged seal shall be:

1. Promptly returned to the department; and
2. Replaced by the department for a fee of twenty-five (25) dollars.

(7) Recordkeeping. A certified installer shall:

(a) Complete and maintain Form HBC MH 40-30, Monthly Certified Installer Certification, for each certified installation;

(b) Retain the completed Form HBC MH 40-30, Monthly Certified Installer Certification, for three (3) years; and

(c) Make a copy of the form available to a state inspector upon request.

(d) A certified installer shall send the department a monthly report of the information found in HBC MH 40-30 by mail, electronic mail, or facsimile.

Section 4. Incorrect or Incomplete Applications. If there is an incorrect or incomplete application, the department shall:

(1) Issue a correction notice to an applicant within thirty (30) days of receiving a defective or incomplete application specifying the defect;

(2) Deem the application abandoned and the fee forfeited for an applicant who fails to submit a corrected application in accordance with the information supplied on the application correction notice, within thirty (30) days of receipt; and

(3) Process as a new application, a corrected application submitted after the thirty (30) day period.

Section 5. Renewals.

(1) Expiration of a license and certificates. A license, a certificate of acceptability, and an installer certification, unless renewed, revoked, or suspended, shall expire on:

- (a) For individuals, the last day of the licensee's birth month in the following year; or
- (b) For corporations:
 - 1. The licensee's month of incorporation in the following year; or
 - 2. The last day of the licensee's birth month in the following year.

(2) Renewal of a license or certificates.

(a) A retailer, manufacturer, or a certified installer, wishing to renew a license or certification, shall submit the following:

- 1. A completed License and Certification Renewal Form HBC MH/RV-3;
- 2. Proof of continuing general liability insurance coverage; and
- 3. A check or money order for the annual license fee, in the amount of:
 - a. \$250 for a licensed retailer;
 - b. \$500 for a certificate of acceptability; or
 - c. Fifty (50) dollars for an installer certification.

(b) A retailer, manufacturer, or certified installer shall renew a license or certificate before the license or certificate expires according to subsection (1) of this section.

(c) A certified installer shall submit proof of completion of the continuing education requirements established in 815 KAR 1:030.

(d) A retailer and a manufacturer shall maintain at least minimum general liability insurance and shall notify the department if there is a change in insurance coverage.

Section 6. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) Form HBC MH/RV-1, "Application of Certificate of Acceptability for Manufactured Homes", May 2020;
- (b) Form HBC MH-2, "Application for Manufactured Home Retailer's License", May 2020;
- (c) Form HBC MH-3, "Certified Installer Application", May 2020;
- (d) Form HBC MH/RV-3, "License and Certification Renewal", May 2020;
- (e) "Form HBC MH-12, Application for Purchasing Seals", May 2020;
- (f) "Form HBC MH-7, Monthly Manufactured Home Retailer Certification Format", May 2020; and
- (g) "Form HBC MH 40-30, Monthly Certified Installer Certification", May 2020.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Housing, Buildings and Construction, Division of Building Code Enforcement, Manufactured Housing Section, 101 Sea Hero Road, Suite 100, Frankfort, Kentucky 40601-5412, Monday through Friday, 8 a.m. and 4:30 p.m. and is available online at <http://dhbc.ky.gov>.

(27 Ky.R. 2975; 3257; eff. 6-8-2001; 34 Ky.R. 869; 1434; eff. 1-4-2008; 35 Ky.R. 2367; 2746; eff. 7-6-2009; 45 Ky.R. 827, 1560; eff. 1-4-2019; TAm eff. 5-29-2020.)