

1 Department of Administration

2 Building Codes and Standards Division

3

4 Adopted Rules Governing Licensing of Manufactured Home Dealers

5 and Manufacturers

6 Rules as Adopted

7 2 MCAR S 1.8001 Authority. Rules 2 MCAR SS 1.8001-1.8023 are  
8 adopted by the commissioner pursuant to Laws of 1982, chapter  
9 526, article I, section 10 to implement and administer the  
10 provisions of Laws of 1982, chapter 526, article I, sections 1  
11 to 12 relating to the licensing of manufactured home  
12 manufacturers, dealers, and dealers' subagencies.

13 2 MCAR S 1.8002 Definitions.

14 A. Scope. The terms used in 2 MCAR SS 1.8001-1.8023 have  
15 the meanings given them in this rule and in Laws of 1982,  
16 chapter 526, article I, section 1.

17 B. Applicant. "Applicant" means a person who is applying for  
18 a manufactured home manufacturer or dealer license.

19 C. Commissioner. "Commissioner" means the Commissioner of  
20 Administration.

21 D. Distributor. "Distributor" means a manufacturer.

22 E. Length of a manufactured home. "Length of a manufactured  
23 home" means its largest overall length in the traveling mode,  
24 including cabinets and other projections which contain interior  
25 space. Length does not include bay windows, roof projections,  
26 overhangs, or eaves under which there is no interior space, or  
27 drawbars, couplings, or hitches.

28 F. Licensee. "Licensee" means a person licensed under Laws  
29 of 1982, chapter 526, article I, section 4.

30 G. Manufacturer's sale agreement. "Manufacturer's sale  
31 agreement" means a franchise or written contract between a  
32 manufacturer and a dealer which authorizes the dealer to sell or  
33 distribute manufactured homes made by the manufacturer and  
34 establishes such things as the length of the agreement, model  
35 names, responsibility for warranty service, any other

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responsibilities between the parties, and, if applicable, the area of the state under contract to the dealer.

H. Width of a manufactured home. "Width of a manufactured home" means its largest overall width in the traveling mode, including cabinets and other projections which contain interior space. Width does not include bay windows, roof projections, overhangs, or eaves under which there is no interior space.

2 MCAR S 1.8003 License application.

A. Forms; requirements. An applicant shall apply for a manufacturer, dealer, or dealer subagency license on forms furnished by the commissioner and shall comply with the requirements in Laws of 1982, chapter 526, article I, section 4.

B. Required information. The kinds of information listed in 1. and 2. satisfy the related requirements in Laws of 1982, chapter 526, article I, section 4, subdivisions 3 and 4.

1. An application for a dealer's license must contain the information in a.-i.

a. A photocopy of the applicant's valid driver's license clearly showing the applicant's signature and photograph, or, if the applicant has no current driver's license, some other form of identification showing a photograph and the signature of the applicant.

b. The name under which the applicant desires to do business in this state.

If the name is an assumed name the applicant shall submit proof of filing the assumed name with the Secretary of State.

If the business is a corporation the applicant shall submit a copy of its Minnesota Certificate of Incorporation.

c. The type of business to be operated by the applicant such as manufacturing, selling (new or used), or brokering manufactured homes, and the applicant's business location.

d. The names, home and business addresses, and telephone numbers of the applicant's directors, officers, limited and general partners, controlling shareholders, and affiliates.

1 e. The signature of the applicant's owner, general  
2 partner, or corporate president verified under oath.

3 f. A statement of the applicant's qualifications for  
4 licensure as a dealer, such as education, work experience, and  
5 any other qualifications in manufactured home construction,  
6 sales, repair, or related fields involving sales, financing,  
7 title transfer, or contracts.

8 g. A statement of all other manufactured home dealer  
9 or manufacturer licenses held by the applicant either directly  
10 or indirectly in this or another state.

11 h. A statement of the type of businesses the applicant  
12 has previously been involved in, either directly or indirectly,  
13 for the past five years by company name, address, directors,  
14 officers, limited or general partners, controlling shareholders,  
15 affiliates, dates, and current business status.

16 i. The original copy of the surety bond required by  
17 Laws of 1982, chapter 526, article I, section 4, subdivision 4  
18 on a form furnished by the commissioner.

19 2. An application for a manufacturer's license must  
20 contain the information in a.-d.

21 a. The name under which the applicant desires to do  
22 business in this state.

23 If the name is an assumed name the applicant shall submit  
24 proof of filing the assumed name with the Secretary of State.

25 If the business is a corporation the applicant shall submit  
26 a copy of its Minnesota Certificate of Incorporation.

27 b. A current list of Minnesota dealers with whom the  
28 applicant has a manufacturer's sale agreement, as required by  
29 Laws of 1982, chapter 526, article I, section 4, subdivision 4.

30 c. A list of the manufacturer's manufacturing  
31 facilities that will be shipping manufactured homes into this  
32 state.

33 d. A list of the brand names of manufactured homes  
34 that the manufacturer will ship into this state.

35 C. Fee. An applicant shall submit with the application  
36 required in A. the fee set in 2 MCAR S 1.8014.

1 D. Copy for applicant's records. An applicant shall copy  
2 the complete application, bond, and any revisions as submitted  
3 to the commissioner and shall keep the copies on file at all  
4 times at the applicant's principal place of business.

5 2 MCAR S 1.8004 Established place of business.

6 A. Proof required. The commissioner shall not grant a  
7 dealer license until the applicant has furnished the  
8 commissioner with proof that he has an established place of  
9 business, as required by Laws of 1982, chapter 526, article 1,  
10 section 4, subdivision 4, and that the requirements in B.-G.  
11 have been met.

12 B. Building or office space. An applicant for a dealer  
13 license must have a permanent enclosed building, other than a  
14 residence, or a commercial office space for the principal place  
15 of business and for each subagency location.

16 A manufactured home, other than a residence, qualifies as  
17 an established place of business if it is set up in a permanent  
18 manner, it is connected to sewer, water, and electricity, it is  
19 skirted, it is owned by the applicant, and it is not being  
20 offered for or subject to sale while being used as an office.

21 A commercial office space used as a place of business must  
22 be self-contained and must have its own entrance to a public  
23 corridor or to the exterior of the building. The commercial  
24 office space must be separated from other areas of the building  
25 by floor-to-ceiling walls.

26 C. Unimproved sales lots. Unimproved lots and premises may  
27 be used for sale and display of manufactured homes if they are  
28 in proximity to the applicant's principal place of business or  
29 subagency location so as to avoid confusion or uncertainty as to  
30 their relationship to the business. A photo or drawing must be  
31 submitted to the commissioner clearly indicating the  
32 relationship of the unimproved lot or premises to the business  
33 location.

34 D. Unimproved storage lots. Unimproved lots and premises  
35 may be used for storage of manufactured homes. The applicant  
36 shall notify the commissioner of the location of the unimproved

1 lot or premises prior to storage of manufactured homes there.

2 E. Photograph. The applicant shall submit a current  
3 photograph which accurately depicts the principal place of  
4 business, each subagency location, and unimproved lots to be  
5 used for sales and display for which the applicant is requesting  
6 a license.

7 F. Deed, contract, or lease. The applicant shall submit a  
8 copy of a valid warranty deed, contract for deed, or lease for a  
9 term of not less than one year for the premises housing the  
10 principal place of business and each subagency.

11 G. Sole licensed occupant. Only one licensee may own or  
12 lease and occupy an established place of business or commercial  
13 office space. Two or more licensees may occupy one established  
14 place of business if they are related by means of ownership or  
15 are one legal entity.

16 2 MCAR S 1.8005 Manufacturer's sale agreement. A dealer shall  
17 furnish a copy of the contract or franchise required by Laws of  
18 1982, chapter 526, article I, section 4, subdivision 4, clause  
19 (b), to the commissioner. The dealer shall notify the  
20 commissioner within 14 days of the time when a contract or  
21 franchise expires or becomes void.

22 2 MCAR S 1.8006 Trust account. A broker shall establish a trust  
23 account with a bank located in this state, and must comply with  
24 Laws of 1982, chapter 526, article I, section 8, subdivisions 3  
25 to 5. The trust account information must be submitted on a form  
26 furnished by the commissioner.

27 2 MCAR S 1.8007 Returned checks. When a check is offered to the  
28 commissioner in payment for fees or changes pursuant to 2 MCAR  
29 SS 1.8001-1.8023 and the check is returned without payment for  
30 any reason, the fee set in 2 MCAR S 1.8014 becomes due and is a  
31 part of the total obligation in addition to other consequences  
32 permitted by law and 2 MCAR SS 1.8001-1.8023.

33 2 MCAR S 1.8008 Posting of license. A current license must be  
34 posted at the principal place of business and at each subagency

1 location in a conspicuous place and clearly visible to all  
2 consumer customers. The posted license must be the license  
3 issued for the specific location at which it is posted. Only  
4 valid licenses may be posted.

5 2 MCAR S 1.8009 Reapplying for a license. A person whose  
6 license has been suspended, revoked, or whose license  
7 application has been denied may not reapply for a license until  
8 the error, omission, or cause for suspension, revocation, or  
9 denial has been corrected to the satisfaction of the  
10 commissioner. This does not limit the applicant's rights  
11 pursuant to Laws of 1982, chapter 526, article I, section 5,  
12 subdivision 2.

13 2 MCAR S 1.8010 Closing of principal place of business or  
14 subagency. When a dealer closes a principal place of business  
15 or subagency the dealer must notify the commissioner and return  
16 the appropriate license certificate within 14 days of the  
17 closing.

18 2 MCAR S 1.8011 License renewal. Licensees must renew their  
19 licenses pursuant to Laws of 1982, chapter 526, article I,  
20 section 4 and this rule. The commissioner shall send out  
21 renewal notices by November 15 of the year a license expires.  
22 The renewal must be submitted on forms furnished by the  
23 commissioner for principal places of business and subagencies,  
24 accompanied by the fee set in 2 MCAR S 1.8014. License renewal  
25 applications must be received by the commissioner no later than  
26 December 15 of the year a license expires. All licenses expire  
27 at midnight, December 31 of the year of expiration.

28 2 MCAR S 1.8012 Dealer's records. A dealer shall retain copies  
29 of all records as required by Laws of 1982, chapter 526, article  
30 I, section 6, subdivision 1. All records must be retained in  
31 one centralized place designated by the dealer. The dealer  
32 shall notify the commissioner as to the location of the records  
33 either at the principal or subagency location. All records  
34 shall be on file at the dealers designated location within 14

1 days after the closing of the sales transaction.

2 2 MCAR S 1.8013 Salespeople. Every dealer shall submit a  
3 written list to the commissioner of all salespersons employed by  
4 the dealer, as required by Laws of 1982, chapter 526, article I,  
5 section 7, subdivision 2. The list must include the starting  
6 date and, when applicable, the termination date, for each  
7 salesperson. A running list must be maintained to show all the  
8 salespersons currently employed and previously employed. Any  
9 change of a salesperson's status must be noted on the running  
10 list and the entire list must be submitted to the commissioner  
11 within ten days of a change. A copy of the current complete  
12 salesperson list as submitted to the commissioner must be  
13 retained and kept on file at all times at the dealer's principal  
14 place of business. The format of the salesperson list shall  
15 conform to that contained in sample forms provided by the  
16 commissioner.

17 2 MCAR S 1.8014 Fees. Fees for licenses and services associated  
18 with 2 MCAR SS 1.8001-1.8023 are as follows:

19	Initial license for principal location	\$100.00
20	(remainder of calendar year)	
21	Initial license for dealer subagency location	25.00
22	License biennial renewal	
23	Principal location	200.00
24	Dealer subagency location	50.00
25	Change of bonding company	5.00
26	Reinstatement of bond after cancellation	5.00
27	Duplicate license	5.00
28	Checks returned without payment	10.00

29 2 MCAR S 1.8015 Trust funds. The broker with whom trust funds  
30 are to be deposited in satisfaction of Laws of 1982, chapter  
31 526, article I, section 8, subdivision 3, shall be the broker  
32 under contract for the sale of the manufactured home with the  
33 seller.

34 Trust funds must be maintained in the trust account until  
35 they are disbursed in accordance with the terms of the

1 applicable agreements. Disbursement must be made within 14 days  
2 following the consummation or termination of a transaction if  
3 the applicable agreements are silent as to the time of  
4 disbursement.

5 2 MCAR S 1.8016 Notice to the commissioner.

6 A. Notification requirement. A licensee shall notify the  
7 commissioner of the occurrence of any of the events in B.-E.

8 B. Change in application information. A licensee shall  
9 notify the commissioner in writing within ten days of the change  
10 of any change in information contained in a license application  
11 on file with the commissioner.

12 C. Civil judgment. A licensee shall notify the commissioner  
13 in writing within ten days of any decision of a court regarding  
14 a proceeding in which the dealer was named as a defendant, and  
15 in which fraud, misrepresentation, or the conversion of funds  
16 was found to have been committed by the licensee.

17 D. Disciplinary action in another state. A licensee shall  
18 notify the commissioner in writing within ten days of the  
19 suspension or revocation of the licensee's manufactured home  
20 dealer license or other occupational license issued in another  
21 jurisdiction.

22 E. Criminal offense. A dealer shall notify the commissioner  
23 in writing within ten days if the dealer is found guilty of a  
24 felony, gross misdemeanor, misdemeanor, or any comparable  
25 offense related to manufactured home sales, improper business  
26 practices, fraud, misrepresentation, misuse of funds, or  
27 violation of the consumer laws.

28 2 MCAR S 1.8017 Required documents. A dealer shall furnish to  
29 the parties to a transaction at the time the documents are  
30 signed or become available, true and accurate copies of listing  
31 agreements, earnest money receipts, purchase agreements,  
32 contracts for title, option agreements, disclosure statements,  
33 energy audits, the formaldehyde warning which is required by  
34 Minnesota Statutes, section 325F.18, and other records,  
35 instruments, or documents which are material to the transaction



1 and which are in the dealer's possession.

2 The format of the disclosure statement must conform to that  
3 contained in sample forms provided by the commissioner and the  
4 statement must be signed by the dealer or the dealer's  
5 authorized salesperson, the buyer, and the seller. A copy of  
6 the disclosure must be kept on file by the dealer.

7 2 MCAR S 1.8018 Standards of conduct. The methods, acts, or  
8 practices set forth in 2 MCAR S 1.8019 are standards of conduct  
9 governing the activities of a dealer. Failure to comply with  
10 those standards is a ground for denial, suspension, or  
11 revocation of the dealer's license.

12 2 MCAR S 1.8019 Responsibilities of dealers.

13 A. Supervision of personnel. Dealers shall closely  
14 supervise the activities of their salespersons and employees  
15 which are related to the sale of manufactured homes.  
16 Supervision includes the ongoing monitoring of listing  
17 agreements, purchase agreements, and other manufactured home  
18 documents which are prepared or drafted by the dealer's  
19 salespersons or employees or which are otherwise received by the  
20 dealer's office, and the review of all trust account books and  
21 records.

22 B. Preparation and safekeeping of documents. Dealers are  
23 responsible for the preparation, custody, safety, and accuracy  
24 of all manufactured home contracts, documents, and records, even  
25 though another person may be assigned these duties by the dealer.

26 C. Resolution of complaints. Dealers shall investigate and  
27 attempt to resolve complaints made regarding the practices of  
28 individuals employed by them.

29 D. Supervision of place of business. Each principal place  
30 of business and each subagency shall be under the direction and  
31 supervision of a manager. The dealer shall furnish the  
32 commissioner with the name of each manager responsible for a  
33 licensed location. Designation of a manager does not relieve  
34 the dealer of overall responsibility for the actions of  
35 salespersons or the manager.

1 2 MCAR S 1.8020 Disclosures by salesperson. All dealers shall  
2 require their salespersons to conduct business only under the  
3 licensed name of and on behalf of the dealer by whom they are  
4 employed or to whom they are under contract and to disclose in  
5 every transaction the name of the dealer by whom they are  
6 employed or to whom they are under contract.

7 2 MCAR S 1.8021 Length and width. The length and width of a  
8 manufactured home when shown on sales contracts, documents, and  
9 records is the length and width to the nearest foot as defined  
10 in 2 MCAR S 1.8002, except on an application or permit to  
11 transport a manufactured home if the total length of the  
12 manufactured home is required to include drawbars, couplings, or  
13 hitches. Room additions must be noted and measured separately.

14 2 MCAR S 1.8022 Disclosure. If a manufactured home being sold  
15 is located in a manufactured home park, the dealer, prior to the  
16 buyer's signing of the purchase agreement, shall obtain a  
17 written statement signed by the buyer acknowledging the dealer's  
18 disclosure of the contents of Laws of 1982, chapter 526, article  
19 II, section 7, subdivision 1, regarding in-park sales of  
20 manufactured homes.

21 2 MCAR S 1.8023 Enforcement. The commissioner shall administer  
22 and enforce 2 MCAR SS 1.8001-1.8023. Any authorized  
23 representative of the commissioner may at any reasonable time  
24 enter the premises where manufactured homes are manufactured, or  
25 where new or used manufactured homes are sold, solicited,  
26 brokered, or advertised for sale, and may examine the  
27 manufacturer's or dealer's records to the extent necessary to  
28 enforce the provisions of 2 MCAR SS 1.8001-1.8023.