

1 PUBLIC PROTECTION CABINET

2 Department of Housing, Buildings and Construction

3 Division of Building Code Enforcement

4 (Amendment)

5 815 KAR 25:060. Licensing and certifications with manufactured homes and mobile homes.

6 RELATES TO: KRS 227.550, 227.560, 227.570, 227.580, 227.590, 227.600, 227.610,
7 227.620, 227.630, 227.990

8 STATUTORY AUTHORITY: KRS 227.570(1)(a), (2), (3), [(4)], 227.580, 227.590

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 227.590(1)[227.790] requires the
10 department of Housing, Buildings and Construction to promulgate administrative regulations
11 reasonably required to effectuate the provisions of KRS 227.550 to 227.660~~[governing the stand-~~
12 ~~ards for the manufacture and sale of manufactured homes and mobile homes]~~. KRS 227.580
13 makes it unlawful for a manufacturer to manufacture, import, or sell manufactured homes in
14 Kentucky without a certificate of acceptability. KRS 227.570(3)[227.570(4)] requires the de-
15 partment to promulgate administrative regulations to establish standards for the certified installer
16 seal program. KRS 227.570(1)(a) requires the department to promulgate administrative regula-
17 tions establishing a process for licensing retailers and issuing certificates of acceptability. KRS
18 227.620(4)(a) requires the department to establish fees for a retailer's license, manufacturer's
19 "certificate of acceptability," and "Class B," "Class B1," and "Class B2" seals, in accordance
20 with KRS 227.620(4)(a) 1. to 4. This administrative regulation establishes the standards for li-
21 censing persons and companies engaged in the sale of manufactured homes and mobile homes,

1 establishes, standards for certificate of acceptability for manufacturers of manufactured homes,
2 and establishes the requirements for certified installer seals and certification of manufactured
3 home installers.

4 Section 1. Licensed Retailer.

5 (1) License application.

6 (a) Except as provided in subsection (2) of this section, a person shall not engage in the busi-
7 ness of selling manufactured homes or mobile homes within this state without holding a valid li-
8 cense issued by the department for each location.

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

10 1. The completed Form HBC MH-2;

11 2. A copy of a valid Kentucky sales tax certificate;

12 3. A check or money order for the annual license fee, in the amount of \$250 for a full year, or
13 a reduced amount prorated on a monthly basis for a period of less than a full year, payable to the
14 Kentucky State Treasurer; and

15 4. Proof of insurance for general liability coverage that complies with KRS 227.610 in the
16 amount of at least:

17 a. \$200,000 bodily injury or death for each person;

18 b. \$300,000 bodily injury or death for each accident;

19 c. \$100,000 for damage to property.

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

22 1. Comply with this section;

23 2. Not be required to maintain an established place of business within Kentucky, if the appli-

1 cant is not offering a home for sale within Kentucky; and

2 3. Provide a Kentucky B seal for a used manufactured home or mobile home unit sold for de-
3 livery into Kentucky.

4 (2) Exemptions from Licensure as Retailer.

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

7 1. Is brought into Kentucky for exhibition purposes only;

8 2. Is not sold in Kentucky; and

9 3. Inspection does not reveal a condition hazardous to health or safety.

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

13 1. The developer receives prior written approval from the department;

14 2. The home was installed by a certificated installer;

15 3. The developer owns the homes and the lots upon which the homes are installed;

16 4. The manufacturer's warranty period begins upon possession and shall be transferred from
17 the developer to the consumer-occupant;

18 5. The manufacturer's warranty support shall be performed in accordance with generally ac-
19 cepted standards for retail transactions;

20 6. The developer's documentation contains the name and location of the:

21 a. Developer;

22 b. Development; and

23 c. Retailer; and

7. The retailer and installer provide 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 for 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 for 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 or 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 a 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) Business~~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 the manufacturing facility;

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

(f) A principal officer of the firm.

(4) A change in ownership 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 installer certification~~[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. A passing score on the certified installer examination administered by the department;

5. A certificate verifying current worker's compensation insurance coverage or a notarized waiver of exemption.

6. Proof of general liability insurance coverage in an amount not less than \$250,000; and

7. Proof of experience in the form of:

a. A completed Form HBC MH-3A documenting the applicant's experience assisting in site preparation and installation of manufactured homes under the supervision of a certified installer for at least sixty (60) days and on at least five (5) homes; or

~~[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;]~~

b. An affidavit documenting the applicant's experience assisting in site preparation and installation of manufactured homes under the supervision of a certified installer for at least one (1)

1 year, as attested to by three individuals who are licensed retailers, manufacturers, manufactured
2 home community managers, manufactured home design professionals, or certified installers.

3 ~~[5. A passing score on the certified installer examination given by the department; and~~
4 ~~— 6. A certificate verifying current worker's compensation insurance coverage, if the applicant~~
5 ~~is employed at the time of application.]~~

6 (b) An applicant who possesses an active installation license issued by the United States De-
7 partment of Housing and Urban Development pursuant to 24 CFR § 3286.201 through 24 CFR §
8 3286.211 shall be exempt from the requirements of subparagraphs 4. and 7. of paragraph (a) of
9 this subsection.

10 (c) An applicant who possesses an active installation license or certification in good standing
11 from a jurisdiction with which the department has reciprocity shall be exempt from the require-
12 ments of subparagraphs 4. and 7. of paragraph (a) of this subsection.

13 ~~(d)[(b)]~~ If an initial certificate is for a period of less than twelve (12) months, the fee shall be
14 prorated pursuant to the schedule provided in Form HBC MH-3~~[reduced on a pro-rata monthly~~
15 ~~basis].~~

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

19 (3)

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

23 (b) If the certified installer is no longer associated with a company, that company shall not

1 hold itself out as a certified installer or as having in its employ a certified installer until another
2 certified person has become associated with that company.

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

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

7 (b) The application shall be:

8 1. Filed on Form HBC MH-12, Application for Purchasing Seals; and

9 2. Accompanied by a fee of twenty-five (25) dollars for each seal.

10 (5) Application and placement of certified installer seals.

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

12 1. One (1) part shall be placed two (2) inches above the HUD label on the outside left corner
13 of a manufactured home or on the outside left corner of a mobile home if a HUD label is not re-
14 quired; and

15 2. One (1) part shall be placed on the inside of the electrical panel in the manufactured home.

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

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

20 1. The manufacturer;

21 2. The manufactured or mobile home serial number; and

22 3. The certified installer seal number, if known.

23 (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 5. Renewals.

(1) Expiration of licenses~~[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 business organizations~~[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 licenses and~~[a license or]~~ certificates.

(a) A retailer, manufacturer, or 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 renewal~~[annual license]~~ fee, in the amount of:

1 a. \$250 for a licensed retailer;

2 b. \$500 for a certificate of acceptability; or

3 c. Fifty (50) dollars for an installer certification.

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

6 (c) A certified installer shall submit proof of completion of the continuing education require-
7 ments established in 815 KAR 1:030.

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

10 (3) A certified installer may place his or her certification in inactive status.

11 (a) To place an installer certification in inactive status, a certified installer shall pay an initial
12 inactive fee of fifty (50) dollars.

13 (b) An inactive certified installer shall return any unused certified installer seals to the de-
14 partment within thirty (30) days of his or her certification becoming inactive.

15 (c) An inactive certified installer shall not install manufactured or mobile homes, represent
16 him or herself as a certified installer, or otherwise engage in the work of a certified installer.

17 (d) To reactivate an inactive installer certification, the certificate holder shall complete all re-
18 newal requirements of subsection (2) of this section and pay a fifty (50) dollar renewal fee.

19 Section 6. Incorporation by Reference.

20 (1) The following material is incorporated by reference:

21 (a) Form HBC MH/RV-1, "Application of Certificate of Acceptability ~~[for Manufactured~~
22 ~~Homes]~~", April 2023~~[May 2020]~~;

23 (b) Form HBC MH-2, "Application for Manufactured Home Retailer's License", April

1 2023~~[May 2020]~~;

2 (c) Form HBC MH-3, “Certified Installer Application”, April 2023~~[May 2020]~~;

3 (d) Form HBC MH-3A, “Installer Training Verification Form”, April 2023;

4 (e)~~[(e)]~~ Form HBC MH/RV-3, “License and Certification Renewal”, April 2023~~[May 2020]~~;

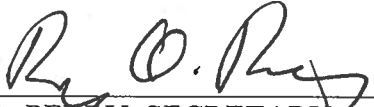
5 (f)~~[(e)]~~ Form HBC MH-12, “Application for Purchasing Seals”, May 2020;

6 (g)~~[(f)]~~ Form HBC MH-7, “Monthly Manufactured Home Retailer Certification Form”, May
7 2020; and

8 (h) ~~[(g)]~~ Form HBC MH 40-30, “Monthly Certified Installer Certification”, May 2020.

9 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law,
10 at the Department of Housing, Buildings and Construction, Division of Building Code Enforce-
11 ment, Manufactured Housing Branch~~[Section]~~, 500 Mero Street, First Floor~~[101 Sea Hero Road,~~
12 ~~Suite 100]~~, Frankfort, Kentucky 40601~~[40601-5412]~~, Monday through Friday, 8 a.m.
13 through~~[and]~~ 4:30 p.m. and is available online at https://dhbc.ky.gov~~[http://dhbc.ky.gov]~~.

815 KAR 25:060:



RAY A. PERRY, SECRETARY
PUBLIC PROTECTION CABINET

4.12.23

Date



RICK W. RAND, COMMISSIONER
DEPARTMENT OF HOUSING, BUILDINGS
AND CONSTRUCTION

4-12-23

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on June 27, 2023, at 10:00 a.m., eastern time, in the Department of Housing, Buildings and Construction, 500 Mero Street, First Floor, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through June 30, 2023, at 11:59 p.m., eastern time. Send written notification of the intent to be heard at the public hearing or written comments on the proposed administrative regulation by the above date to the contact person below:

Contact Person: Molly B. Cassady, General Counsel
Department of Housing, Buildings and Construction
500 Mero St.
Frankfort, Kentucky 40601
Telephone: 502-782-5448
Fax: 502-573-1057
Email: molly.cassady@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative

Regulation: 815 KAR 25:060
Contact Person: Molly B. Cassady
Phone Number: (502) 782-5448
Email: molly.cassady@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the standards for licensing persons and companies engaged in the sale of manufactured homes and mobile homes, establishes standards for certificates of acceptability for manufacturers of manufactured homes, and establishes the requirements for certified installer seals and certification of manufactured home installers.

(b) The necessity of this administrative regulation: KRS 227.590 requires the Department of Housing, Buildings and Construction to promulgate administrative regulations reasonably required to effectuate the provisions of KRS 227.550 to 227.660 and to carry out the department's responsibilities as a state administrative agency for the enforcement and administration of the National Manufactured Housing Construction and Safety Standards Act of 1974. 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(3) requires the department to promulgate administrative regulations to establish standards for the certified installer seal program. KRS 227.570(1)(a) requires the Department of Housing, Buildings and Construction to promulgate administrative regulations establishing a process for licensing retailers and issuing certificates of acceptability. KRS 227.620(4)(a) requires the department to establish fees for a retailer's license, manufacturer's "certificate of acceptability," and "Class B," "Class B1," and "Class B2" seals, in accordance with KRS 227.620(4)(a) 1. to 4.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 227.590 requires the Department of Housing, Buildings and Construction to promulgate administrative regulations reasonably required to effectuate the provisions of KRS 227.550 to 227.660 and to carry out the department's responsibilities as a state administrative agency for the enforcement and administration of the National Manufactured Housing Construction and Safety Standards Act of 1974. 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(3) requires the department to promulgate administrative regulations to establish standards for the certified installer seal program. KRS 227.570(1)(a) requires the Department of Housing, Buildings and Construction to promulgate administrative regulations establishing a process for licensing retailers and issuing certificates of acceptability. KRS 227.620(4)(a) requires the department to establish fees for a retailer's license, manufacturer's "certificate of acceptability," and "Class B," "Class B1," and "Class B2" seals, in accordance with KRS 227.620(4)(a) 1. to 4.

This administrative regulation establishes the standards for licensing persons and companies engaged in the sale of manufactured homes and mobile homes, establishes standards for certificates of acceptability for manufacturers of manufactured homes, and establishes the requirements for certified installer seals and certification of manufactured home installers.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the standards for licensing persons and companies engaged in the sale of manufactured homes and mobile homes, establishes standards for certificates of acceptability for manufacturers of manufactured homes, and establishes the requirements for certified installer seals and certification of manufactured home installers in accordance with KRS 227.590, KRS 227.570(3), and KRS 227.620.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment establishes new pathways to installer certification, requires certified installers to carry \$250,000 general liability coverage, establishes an inactive status for certified installers, makes grammatical and technical edits for clarity, and removes from forms language related to KRS 164.772, which was repealed in 2019. Further, this amendment removes unnecessary requirements from retailer applications.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to update forms and assist in streamlining the application and renewal processes for licensees and certificate holders. This amendment is also necessary to create new pathways to installer certification, require certified installers to carry general liability insurance, and establish an inactive status for certified installers.

(c) How the amendment conforms to the content of the authorizing statutes: 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 227.570(3) requires the department to promulgate administrative regulations to establish standards for the certified installer seal program.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in making updates to forms, streamlining application and renewal processes for licensees and certificate holders, and creating new pathways to installer certification.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Manufacturers, retailers, and certified installers of manufactured homes are affected by this administrative regulation. The Department of Housing, Buildings and Construction is also affected by this administrative regulation.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in Question (3) will have to take to comply with this administrative regulation or amendment: Manufacturers, retailers, and certified installers of manufactured homes will be required to utilize the amended forms to comply with this amendment. Initial applicants for installer certification will have new pathways to fulfill certification requirements. Initial applicants for retailer licensure will have a less burdensome form to complete when applying. Certified installers will now be required to carry general liability insurance in an amount of not less than \$250,000.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Certified installers will be required to carry general liability insurance coverage in an amount of not less than \$250,000. This is the only additional cost the entities identified in question (3) will face.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): New pathways to installer certifications are created. Application and renewal processes are streamlined.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no anticipated additional costs to implement this administrative regulation initially.

(b) On a continuing basis: There are no anticipated additional costs to implement this administrative regulation on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Funding for implementation and enforcement of this administrative regulation will be met with existing agency funds.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This amendment will not require the agency to establish new fees or increase existing fees for implementation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This amendment does not establish new fees or increase existing fees.

(9) TIERING: Is tiering applied? Explain why or why not: Tiering is not applied as all regulated entities are subject to the same amended requirements.

FISCAL NOTE

Administrative

Regulation: 815 KAR 25:060
Contact Person: Molly B. Cassady
Phone Number: (502) 782-5448
Email: molly.cassady@ky.gov

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Housing, Buildings and Construction.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 227.590; KRS 227.570(1)(a) and (3); and KRS 227.620(4)(a).

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This amendment is not anticipated to generate additional revenue for state or local government in the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This amendment is not anticipated to generate additional revenue for state or local government in subsequent years.

(c) How much will it cost to administer this program for the first year? There are no anticipated additional costs to administer this amendment in the first year.

(d) How much will it cost to administer this program for subsequent years? There are no anticipated additional costs to administer this amendment for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: None.

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? This administrative regulation is not anticipated to result in cost savings for the regulated entities for the first year.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? This administrative regulation is not anticipated to result in cost savings for the regulated entities for subsequent years.

(c) How much will it cost the regulated entities for the first year? For the first year, this administrative regulation will cost certified installers the price of a general liability insurance premium in an amount not less than \$250,000. Licensing and certification fees remain unchanged.

(d) How much will it cost the regulated entities for subsequent years? For subsequent years, this administrative regulation will cost certified installers the price of a general liability insurance premium in an amount not less than \$250,000. Licensing and certification fees remain unchanged.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: None.

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. *"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]*

This administrative regulation will not have a major economic impact, as defined above.

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

Application for Certificate of Acceptability, Application for Manufactured Home Retailer's License, Certified Installer Application, Installer Training Verification Form, License and Certification Renewal

FILED: April 2023

Form HBC MH/RV-1, Application for Certificate of Acceptability, is a four (4) page application that captures information necessary for the Department of Housing, Buildings and Construction to issue a certificate of acceptability to manufacturers of manufactured homes or recreational vehicles.

Form HBC MH-2, Application for Manufactured Home Retailer's License, is a seven (7) page application form that captures information necessary for the Department of Housing, Buildings and Construction to issue a Manufactured Home Retailer's license to an applicant. The form includes data related to the business, the site on which the business will be located, and a prorated fee schedule.

Form HBC MH-3, Certified Installer Application, is a three (3) page application form that captures information necessary for the department to issue an installer certification to an applicant. The form includes biographical data and a prorated fee schedule.

Form HBC MH-3A, Installer Training Verification Form, is a two (2) page form utilized by applicants who wish to apply for installer certification pursuant to 815 KAR 25:060 Section 3(1)(a)7.a. that captures information related to manufactured homes the applicant has assisted in installing. This form used to be included in Form HBC MH-3 but has removed to reflect the changes to the administrative regulation allowing new pathways to installer certification.

Form HBC MH/RV-3, License and Certification Renewal, is a one (1) page document utilized by manufactured housing and recreational vehicle licensees and certificate holders who wish to renew their license or certificate.

KRS 227.590 requires the Department of Housing, Buildings and Construction to promulgate administrative regulations reasonably required to effectuate the provisions of KRS 227.550 to 660 and to carry out the department's responsibilities as a state administrative agency for the enforcement and administration of the National Manufactured Housing Construction and Safety Standards Act of 1974. 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(3) requires the department to promulgate administrative regulations to establish standards for the certified installer seal program. KRS 227.570(1)(a) requires the Department of Housing, Buildings and Construction to promulgate administrative regulations establishing a process for licensing retailers and issuing certificates of acceptability. KRS 227.620(4)(a) requires the department to establish fees for a retailer's license, manufacturer's "certificate of acceptability," and "Class B," "Class B1," and "Class B2" seals, in accordance with KRS 227.620(4)(a) 1. to 4.

Summary of changes to material incorporate by reference:

1. Form HBC MH-2, Application for Manufactured Home Retailer's License has had numerous unnecessary submittal requirements removed, including sensitive financial information and employment history.
2. Form HBC MH-3, Certified Installer Application, has had the verification form removed and made a separate form to reflect changes to the administrative regulation allowing new pathways to certification. Check box for liability insurance requirement added.
3. Removed references to KRS 164.772, which was repealed in 2019.
4. Removed outdated logos from all forms.