

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

815 KAR 25:060

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(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 administrative regulation changes incorporated document MH-2: Application for Manufactured Home Retailer License by adding a request for the applicant's birth date, rather than merely the applicant's birth month.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to ensure that the written form obtains the same information as the electronic form.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment directly conforms to the authorizing statutes by establishing the requirements for the inspection process for used manufactured homes.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will ensure that the department has updated information regarding all license applicants.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation will affect Kentucky's used manufactured home purchasers.

(5) Provide an analysis of how the entities identified in question (4) 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 (4) will have to take to comply with this administrative regulation or amendment: Manufactured home retailer applicants will need to provide their date of birth, rather than merely their birth month, in order to apply for a retailer license.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): This administrative regulation amendment will not lead to a cost increase.

(c) As a result of compliance, what benefits will accrue to the entities identified in question

(4): The department's license records will be more thorough and contain updated information.

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

(a) Initially: There are no anticipated initial costs to administer this regulatory amendment.

(b) On a continuing basis: There are no anticipated continuing costs to administer this regulatory amendment.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Implementation of these amendments is anticipated to result in no additional costs to the agency. Any agency costs resulting from these administrative amendments will be met with existing agency funds.

(8) 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: No.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No.

(10) TIERING: Is tiering applied? Tiering is not applied as all used manufactured home retailers will be subject to the amended requirement.

FISCAL IMPACT STATEMENT

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(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. This regulation is authorized and required by KRS 227.590 and 227.600.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 227.570(1)(a), (2), (3), 227.580, 227.590, and 227.620(4)(a).

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: Public Protection Cabinet, Department of Housing, Buildings and Construction, Division of Building Code Enforcement, Manufactured Housing Branch.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None.

3. Cost Savings:

For the first year: None.

For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no anticipated local entities that will be affected by this regulatory amendment.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: None.

For subsequent years: None.

2. Revenues:

For the first year: None.

For subsequent years: None

3. Cost Savings:

For the first year: None.
For subsequent years: None.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Manufactured home retailer license applicants.

(b) Estimate the following for each regulated entity not listed in (3)(a) or (4)(a):

1. Expenditures:
For the first year: None
For subsequent years: None.
2. Revenues:
For the first year: None.
For subsequent years: None.
3. Cost Savings:
For the first year: None
For subsequent years: None.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative amendment will not have a fiscal impact.

(b) Methodology and resources used to reach this conclusion: This amendment merely requires applicants to provide their birth dates, which does not impact expenditures, revenues, and/or cost savings.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a): Please see the answer to (6)(b) above.

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This regulation will not have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion: The amendment changes “birth month” to “birth date on an incorporated form” and does not impact fees/costs.

SUMMARY OF CHANGES TO MATERIAL INCORPORATED BY REFERENCE

Form HBC MH-2 is a seven-page application for a manufactured home retailer license. The application is required for anyone who seeks to engage in the business of selling manufactured homes in the state. The application seeks several pieces of information, including, but not limited to, the following:

1. The applicant's birth date;
2. The business' incorporation date;
3. The type of applicable home sales;
4. Tax permit and ID numbers;
5. The dealership's name;
6. A credit report;
7. Contact information for the business;
8. Ownership interests in the business;
9. Sales lot and office dimensions; and
10. Information about certified installers working for the business.