

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 253B.11, subdivision 2, is amended to read:

Subd. 2. **FACILITIES.** Each county or a group of counties shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care. When the confinement is provided at a regional center, the commissioner shall charge the responsible county of financial responsibility for the costs of confinement of persons hospitalized under section 253B.05, subdivisions 1 and 2, and section 253B.07, subdivision 6. “County of financial responsibility” means the county in which the person resides at the time of confinement or, if the person has no residence in this state, the county which initiated the confinement. The charge shall be based on the commissioner’s determination of the average per capita cost, other than that paid from the Minnesota state building fund, for persons hospitalized pursuant to section 253B.05, subdivision 2 and section 253B.07, subdivision 6, at all of the regional centers during the prior fiscal year cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to which county is the county of financial responsibility, the county charged for the costs of confinement shall pay for them pending final determination of the dispute over financial responsibility. Disputes about the county of financial responsibility shall be submitted to the commissioner to be settled in the manner prescribed in section 256D.18, subdivision 4.

Sec. 2. **EFFECTIVE DATE.**

This act is effective July 1, 1983.

Approved May 12, 1983

CHAPTER 142 — H.F.No. 830

An act relating to manufactured homes; clarifying the prohibition of net listing agreements; adding an appeals provision; correcting cross-references; amending Minnesota Statutes 1982, sections 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivisions 1 and 2, and by adding a subdivision; 327B.07, subdivision 1; and 327B.09, subdivisions 1 and 4.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 327B.01, subdivision 11, is amended to read:

Subd. 11. **IN PARK SALE.** “In park sale” has the meaning specified in section 327C.01, subdivision 3 2.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1982, section 327B.01, subdivision 14, is amended to read:

Subd. 14. **MANUFACTURED HOME PARK.** "Manufactured home park" has the meaning specified in section 327C.01, subdivision 6 5.

Sec. 3. Minnesota Statutes 1982, section 327B.04, subdivision 4, is amended to read:

Subd. 4. **LICENSE PREREQUISITES.** No application shall be granted nor license issued until the applicant proves to the commissioner that:

(a) the applicant has a permanent, established place of business at each licensed location. An "established place of business" means a permanent enclosed building other than a residence, or a commercial office space, either owned by the applicant or leased by the applicant for a term of at least one year, located in an area where zoning regulations allow commercial activity, and where the books, records and files necessary to conduct the business are kept and maintained. The owner of a licensed manufactured home park who resides in or adjacent to the park may use his residence as the established place of business required by this subdivision, unless prohibited by local zoning ordinance.

If a license is granted, the licensee may use unimproved lots and premises for sale, storage, and display of manufactured homes, if the licensee first notifies the commissioner in writing;

(b) if the applicant desires to sell, solicit or advertise the sale of new manufactured homes, it has a bona fide contract or franchise in effect with a manufacturer or distributor of the new manufactured home it proposes to deal in;

(c) the applicant has secured a surety bond in the amount of \$20,000 for the protection of consumer customers, executed by the applicant as principal and issued by a surety company admitted to do business in this state. The bond shall be exclusively for the purpose of reimbursing consumer customers and shall be conditioned upon the faithful compliance by the applicant with all of the laws and rules of this state pertaining to the applicant's business as a dealer or manufacturer, including sections 325D.44, 325F.67 and 325F.69, and upon the applicant's faithful performance of all its legal obligations to consumer customers; ~~and~~

(d) the applicant has established a trust account as required by section ~~327B.09~~ 327B.08, subdivision 3, unless the applicant states in writing its intention to limit its business to selling, offering for sale, soliciting or advertising the sale of new manufactured homes; ~~and~~

(e) the applicant has provided evidence of having had at least two years' prior experience in the sale of manufactured homes, working for a licensed dealer.

Sec. 4. Minnesota Statutes 1982, section 327B.05, subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **GROUND.** The commissioner may by order deny, suspend or revoke any license if he finds (1) that the order is in the public interest and (2) that the applicant or licensee or any of its directors, officers, limited or general partners, controlling shareholders or affiliates:

(a) has filed an application for a license or a license renewal which fails to disclose any material information or contains any statement which is false or misleading with respect to any material fact;

(b) has violated any of the provisions of sections 327B.01 to 327B.12 or any rule or order issued by the commissioner or any prior law providing for the licensing of manufactured home dealers or manufacturers;

(c) has had a previous manufacturer or dealer license revoked in this or any other state;

(d) has engaged in acts or omissions which have been adjudicated or amount to a violation of any of the provisions of section 325D.44, 325F.67 or 325F.69;

(e) has sold or brokered the sale of a home containing a material violation of sections 327.31 to 327.35 about which the dealer knew or which should have been obvious to a reasonably prudent dealer;

(f) has failed to make or provide to the commissioner all listings, notices and reports required by him;

(g) has failed to pay a civil penalty assessed under subdivision 6 5 within ten days after the assessment becomes final;

(h) has failed to pay to the commissioner or other responsible government agency all taxes, fees and arrearages due;

(i) has failed to duly apply for license renewal;

(j) has violated any applicable manufactured home building or safety code;

(k) has failed or refused to honor any express or implied warranty as provided in section 327B.03;

(l) has failed to continuously occupy a permanent, established place of business licensed under section 327B.04;

(m) has, without first notifying the commissioner, sold a new and unused manufactured home other than the make of manufactured home described in a franchise or contract filed with the application for license or license renewal;

(n) has wrongfully failed to deliver a certificate of title to a person entitled to it;

(o) is insolvent or bankrupt;

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(p) holds an impaired or canceled bond;

(q) has failed to notify the commissioner of bankruptcy proceedings within ten days after a petition in bankruptcy has been filed by or against the dealer or manufacturer;

(r) has, within the previous ten years, been convicted of a crime that either related directly to the business of the dealer or manufacturer or involved fraud, misrepresentation or misuse of funds;

(s) has suffered a judgment within the previous five years in a civil action involving fraud, misrepresentation or misuse of funds; or

(t) has failed to reasonably supervise any employee or agent of the dealer or manufacturer, resulting in injury or harm to the public.

The commissioner may establish rules pursuant to section 327B.10 further specifying, defining or establishing standards of conduct for manufactured home dealers and manufacturers.

Sec. 5. Minnesota Statutes 1982, section 327B.05, subdivision 2, is amended to read:

Subd. 2. **DENIAL; RECONSIDERATION.** If the commissioner denies an application for a license, he shall inform the applicant and summarize in writing the reasons for the denial. Within 15 days of receiving the commissioner's notice, the applicant may request in writing that the commissioner reconsider. The request for reconsideration shall explain why the commissioner's previous decision was wrong and shall specifically address each reason given by the commissioner for the denial. Within 20 days of receiving the request for reconsideration, the commissioner shall decide whether to withdraw the denial and grant a license. If the commissioner reaffirms the denial, the applicant may appeal in the manner provided in subdivision 7 6. An applicant whose application is denied may also cure the defects in the application cited by the commissioner and resubmit the application at no extra charge.

Sec. 6. Minnesota Statutes 1982, section 327B.05, is amended by adding a subdivision to read:

Subd. 6. APPEALS. The contested case provisions of chapter 14 shall apply to appeals from any order by the commissioner denying, suspending or revoking a license, or assessing penalties.

Sec. 7. Minnesota Statutes 1982, section 327B.07, subdivision 1, is amended to read:

Subdivision 1. **LIABILITY.** Each dealer is responsible for the activities of any person employed by or acting on behalf of that dealer when the activities occur in connection with the sale or attempted sale of a manufactured home. Each ~~officer~~ of a corporation licensed as a dealer is responsible for the activities of any person employed by or acting on behalf of the corporation when such activities occur in connection with the sale or attempted sale of a manufactured home.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 8. Minnesota Statutes 1982, section 327B.09, subdivision 1, is amended to read:

Subdivision 1. **LICENSE REQUIRED.** No person shall engage in the business, either exclusively or in addition to any other occupation of manufacturing, selling, offering to sell, soliciting or advertising the sale of manufactured homes, or act as a broker without being licensed as a manufacturer or a dealer as provided in section ~~327B.05~~ 327B.04. Any person who manufactures, sells, offers to sell, solicits or advertises the sale of manufactured homes, or acts as a broker in violation of this subdivision shall nevertheless be subject to the duties, prohibitions and penalties imposed by sections 327B.01 to 327B.12. This subdivision does not prohibit an individual from reselling, without a license, a manufactured home which is or has been his or her residence.

Sec. 9. Minnesota Statutes 1982, section 327B.09, subdivision 4, is amended to read:

Subd. 4. **NET LISTING PROHIBITED.** ~~Except as otherwise provided in this subdivision,~~ No dealer shall use or offer to use a net listing agreement.

Subd. 5. **BROKER OR DEALER ARRANGEMENT OF FINANCING.** A dealer who is acting as a broker for the sale of a manufactured home and who can arrange financing for the sale may charge a separate fee for that service, if:

(a) the listing agreement does not require that the seller or buyer use the dealer's services to arrange financing;

(b) in arranging the financing, the dealer will pay a fee or will guarantee all or part of the buyer's performance to a third person; and

(c) the listing agreement clearly and conspicuously discloses the amount of the fee, the fact that the fee is in addition to the dealer's commission and the fact that the seller and buyer are not required to use the dealer's services to arrange financing.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 9 are effective the day following final enactment.

Approved May 12, 1983

CHAPTER 143 — H.F.No. 725

An act relating to transportation; classifying right-of-way appraisals as confidential data; regulating the conveyancing and leasing of certain rights-of-way; providing that the consideration to be paid upon reconveyance be equal to the estimated current market value of the property reconveyed; authorizing the acquisition of fee title under certain conditions; authorizing the lease of certain easements and providing for the distribution of rents;

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