

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6723

BILL NUMBER: SB 447

NOTE PREPARED: Jan 1, 2013

BILL AMENDED:

SUBJECT: Manufactured Home Installers.

FIRST AUTHOR: Sen. Yoder

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *BMV*- The bill requires the Bureau of Motor Vehicles (BMV) to provide information concerning titles for manufactured homes to the Manufactured Home Installer Licensing Board.

Quarterly Reports- The bill requires manufactured home installers to make quarterly reports to the Board. The bill requires the Board to investigate violations by manufactured home installers.

Compliance Fund- The bill creates the Licensed Manufactured Home Installer Safety Compliance Fund (Compliance Fund), and continually appropriates money in the Compliance Fund.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *BMV*- Under current law, all motor vehicles, trailers, mobile homes, and recreational vehicles must be titled. The BMV already provides title information to persons that submit the proper request (written or via the Office of Technology computer gateway) and pay the required fee. Additionally, the BMV keeps track of manufactured homes that are transferred to real estate. Therefore, depending on the format that the information is reported, it is likely the BMV could provide title information, required under the bill, to the Manufactured Home Installer Licensing Board within existing resources.

Quarterly Reports- Although the bill states that the Board would obtain the title information from the BMV and compare the title data with the installation data from the quarterly reports from licensees, the Professional Licensing Agency (PLA) would provide the administrative services to the Board to accomplish this provision. Based on the current number of licensed manufactured home installers, the PLA would have to review and

compare the BMV data with approximately 1,100 reports annually. Currently, the PLA has two case managers that serve the Board. Additionally, they also provide licensing administrative services to accountants, auctioneers, and private investigator/security guards. If additional staff were needed to process and analyze the quarterly reports from manufactured home installers, a COMOT III-level staff member would require expenditures of approximately \$38,700 in the first year of employment. The estimate includes base salary, fringe benefits, and other indirect costs such as office supplies and a computer.

Rules Adoption- The Board would be required to adopt rules in order to implement the requirements of the bill. The Board would likely be able to adopt rules within the course of a regular meeting of the Board. The Board, to date, is scheduled to meet three times during CY 2013.

Compliance Fund- The establishment of a compliance fund would provide funding for the administration of quarterly reports and the enforcement actions taken against licensees that commit violations.

Explanation of State Revenues: *Compliance Fund-* The Compliance Fund would consist of civil penalties/fines and appropriations. The maximum penalty that could be assessed by the Board, under the bill, would be \$1,000 per violator. Money in the Compliance Fund would not revert to the state General Fund at the end of a state fiscal year.

A 2% noncompliance rate, with each violation assessed the maximum penalty of \$1,000, might generate approximately \$22,100 annually.

Background Information- As of September 19, 2012, there were 227 manufactured home installers holding an active Indiana license. Multiplying the number of active licensees by four would yield the expected number of annual reports to be filed in the first year of implementation at 1,108.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Manufactured Home Installer Licensing Board.

Local Agencies Affected:

Information Sources: Professional Licensing Agency; Bureau of Motor Vehicles.

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