

SECOND REGULAR SESSION

HOUSE BILL NO. 1474

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES CUNNINGHAM (86) (Sponsor), SCHARNHORST,
STEVENSON AND RUESTMAN (Co-sponsors).

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D. ADAM CRUMBLISS, Chief Clerk

3708L.01I

AN ACT

To repeal section 700.111, RSMo, and to enact in lieu thereof one new section relating to manufactured homes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 700.111, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 700.111, to read as follows:

700.111. 1. The owner of a manufactured home may convert the manufactured home to real property by:

(1) Attaching the manufactured home to a permanent foundation situated on real estate owned by the manufactured home owner; and

(2) The removal or modification of the transporting apparatus including but not limited to wheels, axles and hitches rendering it impractical to reconvert the real property thus created to a manufactured home.

2. **(1) If the owner of a manufactured home converts the manufactured home to real property under subsection 1 of this section, the owner shall surrender the certificate of title for the manufactured home or the manufacturer's certificate of origin if the manufactured home has not been previously titled to the director of revenue for cancellation and deletion of the manufactured home from the personal property tax rolls. If no certificate of title exists for the manufactured home, the applicant may note on the**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 application required under subdivision (2) of this subsection that no certificate of title
15 exists which shall serve the same purpose as surrendering the original certificate of title.

16 (2) To eliminate a certificate of title which has been issued or is required to be
17 issued for a manufactured home under section 700.320, the owner of the manufactured
18 home shall make application to the director of revenue, including the submission of the
19 following:

20 (a) An affidavit, in the form prescribed by the director of revenue, signed by all
21 owners of the manufactured home and all parties having a mortgage, lien, or other security
22 interest in the manufactured home as evidence of consent to the cancellation or deletion of
23 the certificate of title, and containing:

24 a. The date;

25 b. The names of all the owners of record of the manufactured home;

26 c. The legal description of the real property where the manufactured home is
27 located;

28 d. A description of the manufactured home, including model year, make, width,
29 length, and identification number;

30 e. The names of all parties holding a security interest or otherwise entitled to a lien
31 or encumbrance in the manufactured home, and such affidavit shall be notice to all current
32 lienholders that the transfer may be made and they may protect their liens with the
33 recorder of deeds, as otherwise provided in this section. Such lienholder shall have the
34 right to impose a reasonable charge on the debtor-owner plus recording fees for such
35 effort;

36 f. A statement that the owner or one of the owners of the manufactured home owns
37 the real property where the manufactured home is or will be located; and

38 g. The name and address of an owner, lending agency, or other entity to which the
39 approved application may be delivered;

40 (b) The certificate of title for the manufactured home issued under section 700.320;

41 (c) Proof of payment of all applicable fees and taxes; and

42 (d) Any other information deemed necessary by the director.

43 (3) The director of revenue shall approve the application for cancellation or
44 deletion of the title and shall delete or cancel the certificate of title when all the
45 requirements of this subdivision and subdivision (2) of this subsection have been satisfied.
46 Such approved application shall be known as a certificate of conversion. As used in this
47 section, a "certificate of conversion" shall mean a document in the form acceptable to the
48 recorder of deeds under chapter 59, RSMo, which provides public notice of the
49 manufactured home convergence from personal property to real property and real

50 property to personal property. Such certificate of conversion shall bear the date of
51 issuance by the director of revenue and shall be maintained in a file available to
52 lienholders. The director of revenue shall also, issue notice of approval of the deletion to
53 the applicant, and delete the certificate of title, provided:

54 (a) The department of revenue reviews its records for any additional notice of lien
55 creating a lien on the manufactured home not in the affidavit. When such notice of lien is
56 discovered, the affidavit shall be rejected with the reason stated;

57 (b) Within thirty days, the owner or at the owner's request the lienholder shall
58 record the certificate of conversion in the office of the recorder of deeds. The recorded
59 certificate of conversion shall be a conditional transfer of all rights to the manufactured
60 home, including lien rights, for thirty days. Failure to record within thirty days shall void
61 the certificate of conversion; and

62 (c) Sixty days since the issuance of the certificate of conversion the department of
63 revenue has not received an affidavit from the lienholder as provided in subdivision (6) of
64 this subsection;

65 (4) Once the certificate of conversion is recorded, as provided in subdivision (3) of
66 this subsection, the property and lien or security interest is transferred without break in
67 lien coverage by operation of law as part of the certificate of conversion recorded by the
68 recorder of deeds;

69 (5) To perfect his or her lien, the lienholder shall:

70 (a) Determine that the manufactured home is permanently attached to the real
71 property;

72 (b) Within sixty days from the approval of the application by the department of
73 revenue, record the lienholder's deed of trust executed by the owner of the manufactured
74 home;

75 (c) Extend the original note by operation of law as a successor note representing
76 the outstanding obligations secured by the lien; and

77 (d) Send notice of such recording to the department of revenue;

78 (6) If the owner of the manufactured home is unable or unwilling to sign the deed
79 of trust:

80 (a) The lienholder may file a request in the form of an affidavit with the
81 department of revenue to revive the original certificate of title including the lienholder's
82 lien;

83 (b) After receiving the request in the form required, the department of revenue
84 shall not cancel or delete the certificate of title with the lienholder's lien and restore it to
85 active status; and

(c) Within thirty days, the lienholder shall record with the recorder of deeds a notice of rescission of its consent to the conversion on such real property in the certificate of conversion issued by the department of revenue.

3. Notwithstanding any laws to the contrary, the owner of a manufactured home may reconvert the manufactured home from real property to personal property by:

(1) Detaching the manufactured home from the permanent foundation situated on the real estate owned by the manufactured home owner; and

(2) Attaching transporting apparatuses, including but not limited to wheels, axles, and hitches to the manufactured home.

4. (1) If the manufactured home which is permanently affixed to real property as provided in subsection 1 of this section is to be reconverted to the status of personal property as provided in subsection 3 of this section, and no longer affixed to real estate, the owner shall make application to the director of revenue for a new certificate of title. Application for a certificate of title shall be made in the manner prescribed in section 700.320, for obtaining a new certificate of title. In addition in lieu of surrendering the certificate of ownership, the owner shall provide:

(a) An affidavit in the form prescribed by the director and signed by the owners of the real property from which the manufactured home is being removed and all parties having a mortgage, lien, or other security interest in such real property as evidence of consent to the removal of the manufactured home from the real property;

(b) Proof of payment of all applicable fees and taxes;

(c) Certification by a title insurance agency listing the owners of and all parties having a mortgage, lien, or other security interest in the real property; and

(d) Any other information deemed necessary by the director.

(2) The director shall approve the application for a certificate of title when the requirements of section 700.320 and this subsection have been satisfied and issue a new certificate of title in accordance with section 700.320. Within thirty days, the owner shall record the certificate of conversion with the recorder of deeds of the county where the real property on which the manufactured home was affixed. Any lienholder shall have thirty days from that date to file a notice of lien on the manufactured home and such notice shall serve to continue the lien without break in the lien priority. Separately, any lienholder that only financed such manufactured home and not the real property on which the manufactured home was located shall release its deed of trust on such real property.

5. The conversion of a manufactured home to real property by the method provided in subsection 1 of this section shall prohibit any political subdivision of this state from declaring or treating that manufactured home as other than real property.

122 **6. The director of revenue may promulgate rules to implement the provisions of this**
123 **section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
124 **that is created under the authority delegated in this section shall become effective only if**
125 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
126 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
127 **and if any of the powers vested with the general assembly under chapter 536, RSMo, to**
128 **review, to delay the effective date, or to disapprove and annul a rule are subsequently held**
129 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
130 **after August 28, 2008, shall be invalid and void.**

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