

HB 2325 -- MANUFACTURED HOMES

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Manufacturers and dealers of "manufactured homes", as defined in the bill, are required to have a written agreement signed by both parties. The bill specifies requirements for manufacturers with regard to dealers' exclusive sales areas, product advertisement and pricing, and termination and renewal of dealer agreements (Section 700.203, RSMo).

The bill requires manufacturers to provide dealers with written notice prior to terminating a dealer agreement, as detailed in the bill. Dealers are given an opportunity to notify the manufacturer of their intention to cure any alleged deficiencies, extending the time period after which the dealer agreement will be terminated, and if the deficiencies are cured, the manufacturer's notice shall be void. The bill specifies certain grounds for termination allowing manufacturers to terminate dealer agreements within a shorter notice period or immediately, and provides that a dealer may terminate a dealer agreement at any time with 30 days written notice (Section 700.206).

Under certain circumstances specified in the bill, manufacturers shall repurchase certain items from dealers, including inventory, accessories and parts, diagnostic equipment, special tools, and signage, at costs detailed in the bill (Section 700.209).

The bill enacts a framework for how manufacturers and dealers are required to address certain damages that may occur to manufactured homes or modular units prior to delivery, including requirements for providing notice to the consumer that damage has occurred, and a requirement to obtain written acknowledgment from the consumer. When a unit is damaged prior to or in transit to the dealer, and the carrier has been determined by the manufacturer or distributor, the dealer can notify the manufacturer or distributor the day after delivery and either request replacement parts or reject the vehicle. If the manufacturer or distributor fails to authorize repair of the damage within 10 days of notification, or if the dealer rejects the vehicle, ownership of the manufactured home reverts to the manufacturer or distributor. The dealer must exercise due care while it is in the dealer's custody, but will not have any other obligations with respect to the manufactured home (Section 700.213).