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## Judiciary Committee

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### HB 2766

**Title:** An act relating to the maintenance of certificates of title for manufactured homes.

**Brief Description:** Concerning the maintenance of certificates of title for manufactured homes.

**Sponsors:** Representatives Harmsworth, Vick, Manweller, Springer and Zeiger.

#### Brief Summary of Bill

- Establishes a new procedure for obtaining title to a manufactured home when a person cannot provide satisfactory evidence of ownership to the Department of Licensing.
- Provides that a person may obtain a certificate of title after holding a temporary certificate of title or bonded certificate of title for one year.

**Hearing Date:** 2/3/16

**Staff:** Kelly Holler (786-7290) and Cece Clynch (786-7195).

#### Background:

##### Manufactured Homes.

Vehicles are a form of personal property that includes any device capable of being moved on a public highway. Manufactured homes are structures designed to be transportable and used as dwellings when connected to utilities. For the purposes of obtaining title, registration, and "ownership in doubt," manufactured homes are classified as vehicles.

To establish legal ownership of a vehicle, an individual must apply for, and receive from the Department of Licensing (DOL), a certificate of title that contains the name of the registered owner as it appears on the registration certificate. The DOL will issue title if the agency is satisfied that the applicant is the legal owner of the vehicle.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

When an applicant does not provide sufficient evidence of ownership or undisclosed security interests may be attached to the vehicle, the applicant may:

- petition any district or superior court in the state to receive a judgment awarding ownership of the vehicle; or
- apply for "ownership in doubt," and receive either: (1) registration without certificate of title for a three-year period; or (2) a bonded certificate of title for a three-year period, with or without registration.

If an applicant pursues a bonded certificate of title, the bond must be signed by the applicant and bonding agent and provide an amount of protection equal to one and one-half times the value of the vehicle as determined by the DOL. The bond must offer protection to any previous owner, secured party, future purchaser, or their successors against any expense, loss, or damage, including reasonable attorneys' fees.

A person who has applied for "ownership in doubt" may apply for a certificate of title at any point during the three-year period when evidence of ownership becomes available. At the end of the three-year "ownership in doubt" period, the owner must apply to the DOL for a certificate of title, which will be issued if no one contests ownership of the vehicle within the three-year period. If the ownership of the vehicle is contested, a court must resolve who has ownership.

#### **Summary of Bill:**

A separate but similar "ownership in doubt" procedure is established for individuals to obtain title of manufactured homes. There are two main differences between the process for obtaining "ownership in doubt" for vehicles and the new process for establishing "ownership in doubt" for manufactured homes:

- The time period during which an applicant holds temporary title for a manufactured home is one year as opposed to the three-year waiting period for other vehicles; and
- Those individuals with "ownership in doubt" may obtain a temporary certificate of title with the label "TEMORARY - OWNERSHIP IN DOUBT." This replaces the vehicle titling process that allows registration without certificate of title for a three-year period before the applicant may receive a certificate of title.

The "ownership in doubt" procedure for manufactured homes allows a person to obtain certificate of title to a manufactured home after one year of holding a bonded certificate of title or temporary certificate of title.

The "ownership in doubt" procedure provided for manufactured homes does not supplant the existing process for any other type of vehicle.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/28/16.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.