

**Introduced by Senator Allen**February 25, 2015

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An act to amend Section 18551 of the Health and Safety Code, relating to manufactured housing.

## LEGISLATIVE COUNSEL'S DIGEST

SB 434, as introduced, Allen. Manufactured housing: vehicle license fee: property taxation.

The Mobilehome Parks Act requires the Department of Housing and Community Development to establish regulations for manufactured home, mobilehome, and commercial modular foundation systems. Existing law requires the installation of a manufactured home, mobilehome, or commercial modular as a fixture or improvement to real property to comply with specified provisions, including obtaining a building permit and submission of plans as required by the department's regulations.

The Vehicle License Fee Law exempts from imposition of the vehicle license fee mobilehomes sold and installed on a foundation system pursuant to the above-described provisions and provides that a mobilehome exempted by this provision is subject to local property taxation. Existing law also requires the Department of Housing and Community Development to transfer a manufactured home or mobilehome which is subject to the vehicle license fee to local property taxation upon a request executed by the owner, legal owner, and each junior lienholder.

This bill would require the owner of a manufactured home or mobilehome to request a transfer from the vehicle license fee to local property taxation in order for the manufactured home or mobilehome to be installed as a fixture or improvement on real property.

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 18551 of the Health and Safety Code is  
 2 amended to read:  
 3 18551. (a) The department shall establish regulations for  
 4 manufactured home, mobilehome, and commercial modular  
 5 foundation systems that shall be applicable throughout the state.  
 6 When established, these regulations supersede any ordinance  
 7 enacted by any city, county, or city and county applicable to  
 8 manufactured home, mobilehome, and commercial modular  
 9 foundation systems. The department may approve alternate  
 10 foundation systems to those provided by regulation if the  
 11 department is satisfied of equivalent performance. The department  
 12 shall document approval of alternate systems by its stamp of  
 13 approval on the plans and specifications for the alternate foundation  
 14 system. A manufactured home, mobilehome, or commercial  
 15 modular may be installed on a foundation system as either a fixture  
 16 or improvement to the real property, in accordance with subdivision  
 17 ~~(a)~~, (b), or a manufactured home or mobilehome may be installed  
 18 on a foundation system as a chattel, in accordance with subdivision  
 19 ~~(b)~~, (c).  
 20 ~~(a)~~  
 21 (b) Notwithstanding any other law, prior to a manufactured  
 22 home, mobilehome, or commercial modular being deemed a fixture  
 23 or improvement to the real property, the installation shall comply  
 24 with all of the following:  
 25 (1) Prior to installation of a manufactured home, mobilehome,  
 26 or commercial modular on a foundation system, the manufactured  
 27 home, mobilehome, or commercial modular owner or a licensed  
 28 contractor shall obtain a building permit from the appropriate  
 29 enforcement agency. To obtain a permit, the owner or contractor  
 30 shall provide the following:  
 31 (A) Written evidence acceptable to the enforcement agency that  
 32 the manufactured home, mobilehome, or commercial modular  
 33 owner owns, holds title to, or is purchasing the real property where  
 34 the mobilehome is to be installed on a foundation system. A lease  
 35 held by the manufactured home, mobilehome, or commercial

1 modular owner, that is transferable, for the exclusive use of the  
2 real property where the manufactured home, mobilehome, or  
3 commercial modular is to be installed, shall be deemed to comply  
4 with this paragraph if the lease is for a term of 35 years or more,  
5 or if less than 35 years, for a term mutually agreed upon by the  
6 lessor and lessee, and the term of the lease is not revocable at the  
7 discretion of the lessor except for cause, as described in  
8 subdivisions 2 to 5, inclusive, of Section 1161 of the Code of Civil  
9 Procedure.

10 (B) Written evidence acceptable to the enforcement agency that  
11 the registered owner owns the manufactured home, mobilehome,  
12 or commercial modular free of any liens or encumbrances or, in  
13 the event that the legal owner is not the registered owner, or liens  
14 and encumbrances exist on the manufactured home, mobilehome,  
15 or commercial modular, written evidence provided by the legal  
16 owner and any lienors or encumbrancers that the legal owner,  
17 lienor, or encumbrancer consents to the attachment of the  
18 manufactured home, mobilehome, or commercial modular upon  
19 the discharge of any personal lien, that may be conditioned upon  
20 the satisfaction by the registered owner of the obligation secured  
21 by the lien.

22 (C) Plans and specifications required by department regulations  
23 or a department-approved alternate for the manufactured home,  
24 mobilehome, or commercial modular foundation system.

25 (D) The manufactured home, mobilehome, or commercial  
26 modular manufacturer's installation instructions, or plans and  
27 specifications signed by a California-licensed architect or engineer  
28 covering the installation of an individual manufactured home,  
29 mobilehome, or commercial modular in the absence of the  
30 manufactured home, mobilehome, or commercial modular  
31 manufacturer's instructions.

32 (E) Building permit fees established by ordinance or regulation  
33 of the appropriate enforcement agency.

34 (F) A fee payable to the department in the amount of eleven  
35 dollars (\$11) for each transportable section of the manufactured  
36 home, mobilehome, or commercial modular, that shall be  
37 transmitted to the department at the time the certificate of  
38 occupancy is issued with a copy of the building permit and any  
39 other information concerning the manufactured home, mobilehome,

1 or commercial modular that the department may prescribe on forms  
2 provided by the department.

3 (2) (A) Within five business days of the issuance of the  
4 certificate of occupancy for the manufactured home, mobilehome,  
5 or commercial modular by the appropriate enforcement agency,  
6 the enforcement agency shall record a document naming the owner  
7 of the real property, describing the real property with certainty,  
8 and stating that a manufactured home, mobilehome, or commercial  
9 modular has been affixed to that real property by installation on a  
10 foundation system pursuant to this subdivision. The document  
11 shall be recorded with the county recorder of the county where the  
12 real property, upon which the manufactured home, mobilehome,  
13 or commercial modular that has been installed, is situated.

14 (B) When recorded, the document referred to in subparagraph  
15 (A) shall be indexed by the county recorder to the named owner  
16 and shall be deemed to give constructive notice as to its contents  
17 to all persons thereafter dealing with the real property.

18 (C) Fees received by the department pursuant to subparagraph  
19 (F) of paragraph (1) shall be deposited in the  
20 Mobilehome-Manufactured Home Revolving Fund established  
21 under subdivision (a) of Section 18016.5.

22 (3) The certification of title and other indicia of registration  
23 shall be surrendered to the department pursuant to regulations  
24 adopted by the department providing for the cancellation of  
25 registration of a manufactured home, mobilehome, or commercial  
26 modular that is permanently attached to the ground on a foundation  
27 system pursuant to ~~subdivision (a)~~. *this subdivision*. For the  
28 purposes of this subdivision, permanent affixation to a foundation  
29 system shall be deemed to have occurred on the day a certificate  
30 of occupancy is issued to the manufactured home, mobilehome,  
31 or commercial modular owner and the document referred to in  
32 subparagraph (A) of paragraph (2) is recorded. Cancellation shall  
33 be effective as of that date and the department shall enter the  
34 cancellation on its records upon receipt of a copy of the certificate  
35 of occupancy. This subdivision shall not be construed to affect the  
36 application of existing laws, or the department's regulations or  
37 procedures with regard to the cancellation of registration, except  
38 as to the requirement therefor and the effective date thereof.

39 (4) Once installed on a foundation system in compliance with  
40 this subdivision, a manufactured home, mobilehome, or commercial

1 modular shall be deemed a fixture and a real property improvement  
2 to the real property to which it is affixed. Physical removal of the  
3 manufactured home, mobilehome, or commercial modular shall  
4 thereafter be prohibited without the consent of all persons or  
5 entities who, at the time of removal, have title to any estate or  
6 interest in the real property to which the manufactured home,  
7 mobilehome, or commercial modular is affixed.

8 (5) For the purposes of this subdivision:

9 (A) “Physical removal” shall include, without limitation, the  
10 unattaching of the manufactured home, mobilehome, or commercial  
11 modular from the foundation system, except for temporary  
12 purposes of repair or improvement thereto.

13 (B) Consent to removal shall not be required from the owners  
14 of rights-of-way or easements or the owners of subsurface rights  
15 or interests in or to minerals, including, but not limited to, oil, gas,  
16 or other hydrocarbon substances.

17 (6) At least 30 days prior to a legal removal of the manufactured  
18 home, mobilehome, or commercial modular from the foundation  
19 system and transportation away from the real property to which it  
20 was formerly affixed, the manufactured home, mobilehome, or  
21 commercial modular owner shall notify the department and the  
22 county assessor of the intended removal of the manufactured home,  
23 mobilehome, or commercial modular. The department shall require  
24 written evidence that the necessary consents have been obtained  
25 pursuant to this section and shall require application for either a  
26 transportation permit or manufactured home, mobilehome, or  
27 commercial modular registration, as the department may decide  
28 is appropriate to the circumstances. Immediately upon removal,  
29 as defined in this section, the manufactured home, mobilehome,  
30 or commercial modular shall be deemed to have become personal  
31 property and subject to all laws governing the same as applicable  
32 to a manufactured home, mobilehome, or commercial modular.

33 (7) *When an owner of a manufactured home or a mobilehome*  
34 *subject to the vehicle license fee submits building plans to, and*  
35 *requests building permits from, the department pursuant to*  
36 *paragraph (1) to rebuild the manufactured home or mobilehome*  
37 *on a foundation system, leaving only the chassis of the original*  
38 *home in place, the manufactured home or mobilehome owner shall*  
39 *also request a transfer from the vehicle license fee to local property*  
40 *taxation as specified in subdivision (c) of Section 18119.*

1     ~~(b)~~  
 2     (c) The installation of a manufactured home or a mobilehome  
 3 on a foundation system as chattel shall be in accordance with  
 4 Section 18613 and shall be deemed to meet or exceed the  
 5 requirements of Section 18613.4. This subdivision shall not be  
 6 construed to affect the application of sales and use or property  
 7 taxes. No provisions of this subdivision are intended, nor shall  
 8 they be construed, to affect the ownership interest of any owner  
 9 of a manufactured home or mobilehome.

10    ~~(e)~~  
 11    (d) Once installed on a foundation system, a manufactured home,  
 12 mobilehome, or commercial modular shall be subject to  
 13 state-enforced health and safety standards for manufactured homes,  
 14 mobilehomes, or commercial modulares enforced pursuant to  
 15 Section 18020.

16    ~~(d)~~  
 17    (e) No local agency shall require that any manufactured home,  
 18 mobilehome, or commercial modular currently on private property  
 19 be placed on a foundation system.

20    ~~(e)~~  
 21    (f) No local agency shall require that any manufactured home  
 22 or mobilehome located in a mobilehome park be placed on a  
 23 foundation system.

24    ~~(f)~~  
 25    (g) No local agency shall require, as a condition for the approval  
 26 of the conversion of a rental mobilehome park to a resident-owned  
 27 park, including, but not limited to, a subdivision, cooperative, or  
 28 condominium for mobilehomes, that any manufactured home or  
 29 mobilehome located there be placed on a foundation system. This  
 30 subdivision shall only apply to the conversion of a rental  
 31 mobilehome park that has been operated as a rental mobilehome  
 32 park for a minimum period of five years.