



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4639

Introduced 1/21/2022, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

625 ILCS 5/Ch. 5 Art. IX heading new
625 ILCS 5/5-901 new
625 ILCS 5/5-101.2 rep.

Amends the Illinois Vehicle Code. Repeals a Section concerning the licensing of manufactured home dealers. Creates a new Article concerning the regulation of manufactured home dealers within the Chapter of the Code concerning the licensing of dealers, transporters, wreckers, and rebuilders. Defines terms and provides that no person shall engage in the business of selling or dealing in manufactured homes of any make unless licensed to do so by the Secretary of State. Adds provisions governing: applications; fees; fees; bonding; insurance; business requirements; term of license; cancellation or revocation of licenses; and other matters. Effective July 1, 2023.

LRB102 23835 RAM 33027 b

1 AN ACT concerning manufactured home dealers.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by adding
5 Article IX to Chapter 5 as follows:

6 (625 ILCS 5/Ch. 5 Art. IX heading new)

7 ARTICLE IX. MANUFACTURED HOME DEALERS

8 (625 ILCS 5/5-901 new)

9 Sec. 5-901. Regulation of manufactured home dealers.

10 (a) As used in this Article:

11 "Established place of business" means the place owned or
12 leased and occupied by any person duly licensed or required to
13 be licensed as a manufactured home dealer for the purpose of
14 engaging in selling, buying, bartering, displaying,
15 exchanging, or dealing in, on consignment or otherwise,
16 manufactured homes and for such other ancillary purposes as
17 may be permitted by the Secretary by rule.

18 "Manufactured home" means a factory-assembled structure
19 built on a permanent chassis, transportable in one or more
20 sections in the travel mode, incapable of self-propulsion,
21 bears a label indicating the manufacturer's compliance with
22 the United States Department of Housing and Urban Development

1 standards, as applicable, and is designed for year-round
2 occupancy as a single-family residence when connected to
3 approved water, sewer, and electrical utilities.

4 "Manufactured home dealer" means: (1) an individual or
5 entity that engages in the business of acquiring or disposing
6 of new or used manufactured homes; (2) an individual or entity
7 who advertises or otherwise holds the individual or the entity
8 out as being engaged in the business of acquiring or selling
9 new or used manufactured homes; or (3) an individual or entity
10 who buys or sells more than 2 new or used manufactured homes
11 within a 12-month period.

12 (b) No person shall engage in this State in the business of
13 selling or dealing in, on consignment or otherwise,
14 manufactured homes of any make, or act as an intermediary,
15 agent, or broker for any manufactured home purchaser, other
16 than as a salesperson, or to represent or advertise that he or
17 she is so engaged, or intends to so engage, in the business,
18 unless licensed to do so by the Secretary of State under this
19 Section.

20 (c) An application for a manufactured home dealer's
21 license shall be filed with the Secretary of State Vehicle
22 Services Department and duly verified by oath, on such form as
23 the Secretary of State may prescribe, and shall contain all of
24 the following:

25 (1) The name and type of business organization of the
26 applicant, and his or her established place of business in

1 this State.

2 (2) If the applicant is a corporation, a list of its
3 officers, directors, and shareholders having a 10% or
4 greater ownership interest in the corporation. If the
5 applicant is a sole proprietorship, a partnership, a
6 limited liability company, an unincorporated association,
7 a trust, or any similar form of business organization, the
8 name and residence address of the proprietor, or the name
9 and residence address of each partner, member, officer,
10 director, trustee, or manager.

11 (3) A statement that the applicant has been approved
12 for registration under the Retailers' Occupation Tax Act
13 by the Department of Revenue, except that this requirement
14 does not apply to a manufactured home dealer who is
15 already licensed with the Secretary of State, and who is
16 only applying for a renewal of his or her license. As
17 evidence of this fact, the application shall be
18 accompanied by a certification from the Department of
19 Revenue showing that the Department has approved the
20 applicant for registration under the Retailers' Occupation
21 Tax Act.

22 (4) An application for a manufactured home dealer's
23 license shall be accompanied by a \$1,000 license fee for
24 the applicant's established place of business. If the
25 application is made after June 15 of any year, the license
26 fee shall be \$500 for the applicant's established place of

1 business. License fees shall be returnable only if the
2 application is denied by the Secretary of State.

3 Of the money received by the Secretary of State as
4 license fees under this paragraph (4), 95% shall be
5 deposited into the General Revenue Fund and 5% into the
6 Motor Vehicle License Plate Fund.

7 (5) A statement that no officer, director, shareholder
8 having a 10% or greater ownership interest, proprietor,
9 partner, member, officer, director, trustee, manager, or
10 other principal in the business of the applicant has
11 committed in the past 3 years any violation, as determined
12 in any civil, criminal, or administrative hearing
13 proceeding, of any one of the following Acts:

14 (A) the Anti-Theft Laws of this Code;

15 (B) the Certificate of Title Laws of this Code;

16 (C) the Offenses against Registration and
17 Certificates of Title Laws of this Code;

18 (D) the Dealers, Transporters, Wreckers, and
19 Rebuilders Laws of this Code;

20 (E) Section 21-2 of the Criminal Code of 2012,
21 criminal trespass to vehicles;

22 (F) the Retailers' Occupation Tax Act;

23 (G) the Consumer Installment Loan Act;

24 (H) the Retail Installment Sales Act;

25 (I) the Interest Act;

26 (J) the Illinois Wage Assignment Act;

1 (K) Part 8 of Article XII of the Code of Civil
2 Procedure; or

3 (L) the Consumer Fraud and Deceptive Business
4 Practices Act.

5 (6) A bond or certificate of deposit in the amount of
6 \$150,000 for each license holder applicant intending to
7 act as a manufactured home dealer under this Section. The
8 bond shall be for the term of the license for which
9 application is made and shall expire not sooner than
10 December 31st of the year for which the license was
11 issued. The bond shall run to the People of the State of
12 Illinois and to customers asserting financial claims
13 against the dealer, with surety by a bonding or insurance
14 company authorized to do business in this State. It shall
15 be conditioned upon the proper transmittal of all title
16 and registration fees and taxes (excluding taxes under the
17 Retailers' Occupation Tax Act) accepted by the applicant
18 as a manufactured home dealer, and the execution of all of
19 the dealer's obligations to the customer, including
20 financial duties related to the acceptance and
21 disbursement of any funds paid to the dealer by the
22 customer, and conveyance of possession or ownership
23 documents of a manufactured home.

24 (7) Dealers in business for over 10 years may
25 substitute a certificate of insurance in lieu of the bond
26 or certificate of deposit upon renewing their license.

1 (8) Any other information concerning the business of
2 the applicant as the Secretary of State may by rule
3 prescribe.

4 (d) Any change that renders no longer accurate any
5 information contained in any application for a license under
6 this Section shall be amended within 30 days after the
7 occurrence of the change on a form the Secretary of State may
8 prescribe, by rule, accompanied by an amendatory fee of \$25.

9 (e) The Secretary of State shall, within a reasonable time
10 after receipt, examine an application submitted under this
11 Section, and unless the Secretary makes a determination that
12 the application submitted does not conform with the
13 requirements of this Section or that grounds exist for a
14 denial of the application under subsection (f), grant the
15 applicant an initial manufactured home dealer's license in
16 writing for the established place of business of the applicant
17 in a form the Secretary may prescribe by rule, which shall
18 include the following:

19 (1) the name of the person or entity licensed;

20 (2) if a corporation, the name and address of its
21 officers; if a sole proprietorship, a partnership, an
22 unincorporated association, or any similar form of
23 business organization, the name and address of the
24 proprietor, or the name and address of each partner,
25 member, officer, director, trustee or manager; or if a
26 limited liability company, the name and address of the

1 general partner or partners, or managing member or
2 members; and

3 (3) the established place of business of the licensee.

4 (f) A license issued under this Section may be denied,
5 revoked, or suspended if the Secretary of State finds that the
6 applicant, or the officer, director, shareholder having a 10%
7 or greater ownership interest in the corporation, owner,
8 partner, trustee, manager, employee or the licensee has:

9 (1) violated this Section;

10 (2) made any material misrepresentation to the
11 Secretary of State in connection with an application for a
12 license, title, or registration;

13 (3) committed a fraudulent act in connection with
14 selling, bartering, exchanging, offering for sale, or
15 otherwise dealing in manufactured homes;

16 (4) not maintained an established place of business as
17 defined in this Section;

18 (5) failed to file or produce to the Secretary of
19 State any application, report, document, or other
20 pertinent books, records, documents, letters, contracts
21 required to be filed or produced under this Section or any
22 rule adopted by the Secretary of State pursuant to this
23 Section;

24 (6) failed to pay any fees or taxes due under this
25 Code, or has failed to transmit any fees or taxes received
26 by him or her for transmittal by him or her to the

1 Secretary of State or the State of Illinois;

2 (7) failed to transfer title to a manufactured home
3 when legally required to do so; or

4 (8) violated any of the following:

5 (A) the Anti-Theft Laws of this Code;

6 (B) the Certificate of Title Laws of this Code;

7 (C) the Offenses against Registration and
8 Certificates of Title Laws of this Code;

9 (D) the Dealers, Transporters, Wreckers, and
10 Rebuilders Laws of this Code;

11 (E) Section 21-2 of the Criminal Code of 2012,
12 criminal trespass to vehicles;

13 (F) the Retailers' Occupation Tax Act;

14 (G) the Consumer Installment Loan Act;

15 (H) the Retail Installment Sales Act;

16 (I) the Interest Act;

17 (J) the Illinois Wage Assignment Act;

18 (K) Part 8 of Article XII of the Code of Civil
19 Procedure; or

20 (L) the Consumer Fraud and Deceptive Business
21 Practices Act.

22 (g) In addition to other grounds specified in this
23 Section, the Secretary of State, on complaint of the
24 Department of Revenue, shall refuse the issuance or renewal of
25 a license, or suspend or revoke such a license, for any of the
26 following violations of the Retailers' Occupation Tax Act, the

1 tax imposed on corporations under subsection (b) of Section
2 201 of the Illinois Income Tax Act, the Personal Property Tax
3 Replacement Income Tax imposed under subsections (c) and (d)
4 of Section 201 of the Illinois Income Tax Act, or the tax
5 imposed under Section 704A of the Illinois Income Tax Act:

6 (1) failure to make a tax return;

7 (2) the filing of a fraudulent return;

8 (3) failure to pay all or part of any tax or penalty
9 finally determined to be due;

10 (4) failure to comply with the bonding requirements of
11 the Retailers' Occupation Tax Act.

12 (h) A license issued under this Section may be canceled by
13 the Secretary of State prior to its expiration in any of the
14 following situations:

15 (1) if a license is voluntarily surrendered by the
16 licensed person;

17 (2) if the business enterprise is a sole
18 proprietorship and the sole proprietor dies or is
19 imprisoned for any period exceeding 30 days; or

20 (3) if the license was issued to the wrong person or
21 corporation or contains an error on its face.

22 If any person whose license has been canceled wishes to
23 apply for another license, whether during the same license
24 year or any other year, that person shall be treated as a new
25 applicant and the cancellation of the person's prior license
26 shall not, in and of itself, be a bar to the issuance of a new

1 license.

2 (i) A license issued under this Section may be canceled
3 without a hearing if the Secretary of State is notified that
4 the applicant, or any officer, director, shareholder having a
5 10% or greater ownership interest, owner, partner, trustee,
6 manager, employee, or member of the applicant or the licensee
7 has been convicted of any forcible felony or any felony
8 involving the selling, bartering, exchanging, offering for
9 sale, or otherwise dealing in ownership documents relating to
10 any of the above actions.

11 (j) The appropriate instrument evidencing the license or a
12 certified copy of the instrument, provided by the Secretary of
13 State, shall be kept posted conspicuously in the established
14 place of business of the licensee.

15 (k) All records related to the purchase, sale, or
16 acceptance for sale on consignment of any manufactured home
17 shall be maintained at the licensee's established place of
18 business. These records shall be retained for a period of not
19 less than 7 years, and shall be made available for inspection
20 upon the request of a Secretary of State auditor or an
21 investigator with the Secretary of State Department of Police.

22 (l) Except as provided in subsection (i), all licenses
23 granted under this Section shall expire by operation of law on
24 December 31st of the calendar year for which the licenses were
25 granted, unless sooner revoked or canceled under subsection
26 (f).

1 (m) Each person licensed as a manufactured home dealer is
2 required to furnish each purchaser of a manufactured home:

3 (1) in the case of a new manufactured home, a
4 manufacturer's statement of origin, and in the case of a
5 previously owned manufactured home, a certificate of
6 title, in either case properly assigned to the purchaser;

7 (2) a statement verified under oath that all
8 identifying numbers on the vehicle match the identifying
9 numbers on the certificate of title or manufacturer's
10 statement of origin;

11 (3) a bill of sale properly executed on behalf of the
12 purchaser; and

13 (4) for a new manufactured home, a warranty, and in
14 the case of a manufactured home for which the warranty has
15 been reinstated, a copy of the warranty; if no warranty is
16 provided, a disclosure or statement that the manufactured
17 home is being sold "AS IS".

18 (n) This Section does not apply to a seller who privately
19 owns his or her manufactured home as his or her main residence
20 and is selling the manufactured home to another individual or
21 to a licensee so long as that individual does not sell more
22 than 2 manufactured homes in one 12-month period.

23 (o) This Section does not apply to any person licensed
24 under the Real Estate License Act of 2000.

25 (p) The Secretary of State may adopt any rules necessary
26 to implement this Section.

1 (g) Any individual or entity licensed as a manufactured
2 home dealer or a community-based manufactured home dealer on
3 the effective date of this Section shall be entitled to act as
4 a manufactured home dealer under this Section for the duration
5 of any license in effect on the effective date of this
6 amendatory Act of the 102nd General Assembly, and shall be
7 eligible to be issued a manufactured home dealer's license
8 under this Section upon the expiration of any such license.

9 (625 ILCS 5/5-101.2 rep.)

10 Section 10. The Illinois Vehicle Code is amended by
11 repealing Section 5-101.2.

12 Section 99. Effective date. This Act takes effect July 1,
13 2022.