

SENATE BILL No. 1291

May 24, 2000, Introduced by Senator EMMONS and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to require warranties on new manufactured homes; to require certain repairs to manufactured homes; and to provide remedies for the failure to repair.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "new manufactured home warranty act".

3 Sec. 2. As used in this act:

4 (a) "Dealer" means a person who in the regular course of
5 business sells, leases, rents, or distributes manufactured homes
6 primarily to a person who leases or rents a manufactured home or
7 purchases a manufactured home for purposes other than resale.

8 (b) "Defect" means a defect in the performance, construc-
9 tion, components, or material of a manufactured home that makes
10 the manufactured home or a part of the manufactured home unfit
11 for the ordinary use for which it was intended.

1 (c) "Manufactured home" means a structure, transportable in
2 1 or more sections, that is built on a chassis and designed to be
3 used as a dwelling with or without permanent foundation, when
4 connected to the required utilities, and includes the plumbing,
5 heating, air-conditioning, and electrical systems contained in
6 the structure. Manufactured home includes a manufactured home as
7 defined in section 603(6) of the national manufactured housing
8 construction and safety standards act of 1974, title VI of the
9 housing and community development act of 1974, Public Law 93-383,
10 42 U.S.C. 5402(6).

11 (d) "Manufacturer" means a person who manufactures or assem-
12 bles manufactured homes or imports manufactured homes for
13 resale.

14 (e) "Purchaser" means the first retail buyer of a manufac-
15 tured home or a transferee or buyer of the manufactured home from
16 the first retail buyer.

17 Sec. 3. After the effective date of this act, a new manu-
18 factured home sold by a dealer situated in this state shall be
19 covered by the warranty provided in this act. The warranty bene-
20 fits the purchaser of the manufactured home and is provided by
21 the manufacturer and the dealer according to the provisions of
22 this act.

23 Sec. 4. (1) The manufacturer or dealer of a new manufac-
24 tured home sold by a dealer situated in this state shall provide
25 the purchaser a written warranty. The warranty shall contain at
26 least all of the following terms:

1 (a) The manufacturer warrants that the manufactured home
2 complies with the laws of this state as to construction and fire
3 protection and detection in effect on the date of manufacture.

4 (b) The manufacturer warrants that the manufactured home was
5 manufactured free from substantial defect in material or workman-
6 ship and was delivered to the dealer in that condition.

7 (c) A dealer warrants that the manufactured home was free
8 from substantial defect in material or workmanship when sold to
9 the purchaser.

10 (d) The manufacturer and dealer are not liable for a defect
11 in the manufactured home that is a result of improper setup of,
12 moving of, or materials furnished for the manufactured home after
13 the sale, or other work done by a person other than the manufac-
14 turer or dealer after the sale, unless the work was performed by
15 a person under contract with or an agent of the manufacturer or
16 dealer.

17 (e) The manufacturer and dealer warrant that either the man-
18 ufacturer, dealer, or both shall take appropriate corrective
19 action at the site of the manufactured home for breach of the
20 warranty set forth in subdivision (a), (b), (c), or (d) for a
21 defect that becomes evident within 1 year from the date of the
22 delivery of the manufactured home to the purchaser, if the pur-
23 chaser gives written notice of the defect to the manufacturer or
24 dealer at his or her last known business address no later than 1
25 year and 10 days after the date of delivery of the manufactured
26 home to the first retail buyer.

1 (2) A manufactured home includes the structure, plumbing,
2 electrical, heating, and fire detection systems installed in the
3 manufactured home and the appliances situated in the manufactured
4 home, unless the appliances are covered by a warranty from the
5 appliance manufacturer that equals or exceeds the warranty pro-
6 vided in subsection (1).

7 Sec. 5. The warranty provided in this act is in addition to
8 any other warranty, right, or privilege that the purchaser may
9 have under another law or instrument. The manufacturer or dealer
10 shall not require the purchaser to waive his or her rights under
11 this act. A waiver of that type is considered contrary to public
12 policy and is unenforceable and void.

13 Sec. 6. (1) A manufacturer or dealer who knows or should
14 have known that an alleged defect is covered by the warranty pro-
15 vided by this act and who willfully or by gross negligence
16 refuses or fails to take appropriate corrective action may be
17 liable for civil damages.

18 (2) A purchaser who prevails in an action brought under this
19 act may recover as part of the judgment the total amount of cost
20 and expenses, including attorney fees. Attorney fees shall be
21 based on actual time expended by the attorney, determined by the
22 court to have been reasonably incurred for or in connection with
23 the commencement and prosecution of the action, unless the court
24 in its discretion determines that the award of attorney fees
25 would be inappropriate.