

FIRST REGULAR SESSION

SENATE BILL NO. 127

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHILDERS.

Pre-filed December 1, 1998, and 1,000 copies ordered printed.

S0188.011

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 700, RSMo, by adding one new section relating to bonding requirements for manufactured home dealers and manufacturers.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 700, RSMo, is amended by adding thereto one new section, to be known as section 700.093, to read as follows:

700.093. 1. The commission may not issue or renew a manufacturer's or dealer's certificate of registration unless a surety bond or other form of security is filed with the commission as provided by this section.

2. Every manufacturer or dealer of manufactured homes shall file with the commission a surety bond or an irrevocable letter of credit as defined in section 400.5-103, RSMo, issued by any state or federal financial institution.

3. The amount of such surety bond or irrevocable letter of credit shall be in the sum of one thousand dollars per manufactured home sold or made on an annual basis, but such amount shall not be less than five thousand dollars nor more than twenty thousand dollars.

4. The surety bond or irrevocable letter of credit shall be conditioned upon the manufacturer or dealer complying with this chapter, and the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for the suspension or revocation of the manufacturer or dealer's registration.

5. The bond shall be executed in the name of the state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary; except, that the aggregate liability of the surety or financial institution to the aggrieved parties shall, in no event, exceed the amount of

the bond or irrevocable letter of credit. The proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the commission of a final judgment from a Missouri court of competent jurisdiction against the principal and in favor of an aggrieved party.

6. The surety on the bond shall have the right to cancel such bond upon giving thirty days' notice to the commission, and thereafter the surety shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

✓

Unofficial

Bill

Copy