

LOUISIANA STATE LAW INSTITUTE

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January 31, 2019

Representative Taylor Barras Speaker of the House of Representatives P.O. Box 94062 Baton Rouge, Louisiana 70804

Senator John A. Alario, Jr. President of the Senate P.O. Box 94183 Baton Rouge, Louisiana 70804

RE: HOUSE CONCURRRENT RESOLUTION NO. 102 OF THE 2018 REGULAR SESSION

Dear Mr. Speaker and Mr. President:

The Louisiana State Law Institute respectfully submits its interim report to the legislature relative to the classification of modular homes.

Sincerely,

Guy Holdridge Director

cc: Representative Jean-Paul P. Coussan

email cc: David R. Poynter Legislative Research Library <u>drplibrary@legis.la.gov</u> Secretary of State, Mr. R. Kyle Ardoin <u>admin@sos.louisiana.gov</u>

LOUISIANA STATE LAW INSTITUTE PROPERTY COMMITTEE

INTERIM REPORT IN RESPONSE TO HCR NO. 102 OF THE 2018 REGULAR SESSION

Relative to the classification of modular homes

Prepared for the Louisiana Legislature on

January 31, 2019

Baton Rouge, Louisiana

ENROLLED

2018 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 102

BY REPRESENTATIVE COUSSAN

A CONCURRENT RESOLUTION

To urge and request the Louisiana State Law Institute to study provisions of law on property in order to make recommendations regarding the classification of modular homes as movable or immovable property, and to develop the legal procedure for their attachment to land, and securing them as loan collateral, and to report its findings to the Louisiana Legislature no later than February 1, 2019.

WHEREAS, a modular home by definition is different and distinct from a manufactured home and a mobile home; and

WHEREAS, modular homes, like mobile homes and manufactured homes, are sold and located on property, and the property upon which a modular home is located may or may not be owned by the owner of the modular home; and

WHEREAS, state laws have not been updated to provide for how and when modular homes are classified as either titled movable property or immovable property, and specifically, R.S. 9:1149.3 provides for the immobilization of manufactured homes and mobile homes, but does not clearly address the immobilization of modular homes; and

WHEREAS, it is important to modular home purchasers, sellers, and lenders that the laws clearly provide the process in which modular homes are secured by a lender's mortgage or security interest in order to facilitate the financing of purchases.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Louisiana State Law Institute to study provisions of law in order to make recommendations regarding the classification of modular homes as movable or immovable property, and to develop the legal procedure for their attachment to land and securing them as loan collateral, and to report its findings and recommendations to the Louisiana Legislature no later than February 1, 2019. BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby urge and request the Louisiana State Law Institute to include representatives of the office of motor vehicles, the Louisiana Clerks of Court Association, the Louisiana Manufactured Housing Association, the Louisiana Bankers Association, the Louisiana Association of Independent Land Title Agents, and the Louisiana Land Title Association, to the extent not already included in the study group.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the director of the Louisiana State Law Institute.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

January 31, 2019

Representative Taylor F. Barras Speaker of the House of Representatives P.O. Box 94062 Baton Rouge, Louisiana 70804

Senator John A. Alario, Jr. President of the Senate P.O. Box 94183 Baton Rouge, Louisiana 70804

INTERIM REPORT TO THE LEGISLATURE IN RESPONSE TO HCR NO. 102 OF THE 2018 REGULAR SESSION

House Concurrent Resolution No. 102 of the 2018 Regular Session urges and requests the Louisiana State Law Institute to study provisions of law on property in order to make recommendations regarding the classification of modular homes as movable or immovable property, and to develop the legal procedure for their attachment to land and securing them as loan collateral. In fulfillment of this request, the Law Institute assigned this project to its newly created Property Committee.

Background information has been gathered and research is being conducted concerning the differences and distinctions between modular homes, manufactured homes, and mobile homes as well as the applicability of existing provisions of Louisiana law to some, but not all, of these types of property. The Committee plans to meet over the course of this year in conjunction with representatives from various constituencies to consider this information and to make recommendations concerning the classification of modular homes and the development of legal procedures for their attachment to land and security as loan collateral. A final report will be submitted to the Legislature once the Committee's recommendations have been approved by the Council of the Law Institute.

Respectfully submitted,

Guy Holdridge Director Louisiana State Law Institute