

SESSION OF 2002

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2723**

As Amended by House Committee of the Whole

**Brief\***

HB 2723, as amended, concerns manufactured or mobile homes permanently fixed to real property. The bill allows the owner of such a home to apply to the Division of Vehicles to eliminate the certificate of title on the home. The approved application is recorded in the office of the register of deeds and, upon being recorded, the certificate of title is considered eliminated. Once the certificate of title is eliminated, the ownership of the home is an incident of ownership of the real property to which it is affixed and governed by real property law.

Other changes in the bill are technical and clarifying.

The provisions of Sections 1 through 3 are made a part of and supplemental to the Kansas Manufactured Housing Act.

The House Committee of the Whole amendment struck from the bill the ability to reverse the process of eliminating the certificate of title by making an application to the county treasurer for reissuance of a certificate of title.

**Background**

HB 2723 was requested by the Kansas Manufactured Housing Association whose representative explained that title insurance underwriters were refusing to write such insurance because Kansas law did not allow the surrender or elimination of the certificate of title when a manufactured or mobile home is placed on a permanent foundation. Consequently, the title insurers viewed the property as personal

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

property and not eligible for title insurance as title insurance insure only insures the transfer of ownership of real estate not personal property. The bill eliminates the impediment to the sale and purchase of title insurance.

The bill is supported by the Division of Vehicles, the Kansas Association of Realtors, and the Kansas Bar Association. The Kansas Bankers Association and the Kansas Credit Union Association supported the elimination of the certificate of title, but opposed its reissuance.

The fiscal impact prepared by the Division of the Budget indicates passage of the bill could have a fiscal effect. It is unknown how many manufactured or mobile homes would be affected by this legislation; however, there could be some shift from the personal property tax rolls to the real property tax rolls. The Department would be able to absorb any administrative costs.