

**NOTICE PUBLICATION/REGULATIONS SUBMISSION**

# EMERGENCY

See instructions on reverse

For use by Secretary of State only

STD. 400 (REV. 01-2013)

<b>OAL FILE NUMBERS</b>	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER	EMERGENCY NUMBER <b>2017-0710-02EE</b>
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For use by Office of Administrative Law (OAL) only	
<p><b>NOTICE</b></p>	<p><b>REGULATIONS</b></p>

**AGENCY WITH RULEMAKING AUTHORITY**  
Department of Housing and Community Development

AGENCY FILE NUMBER (if any)

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) AB 587 - Fee and Tax Waiver Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2017-0113-03E, 2017-0410-02
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
<b>SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)</b>	ADOPT Article 3.5, Sections 5535, 5535.5, 5536, and 5536.5
	AMEND
TITLE(S) 25	REPEAL

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))  Effective on filing with Secretary of State  §100 Changes Without Regulatory Effect  Effective other (Specify) **July 25, 2017**

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

Department of Finance (Form STD. 399) (SAM §6660)  Fair Political Practices Commission  State Fire Marshal

Other (Specify) \_\_\_\_\_

7. CONTACT PERSON Ruth Ibarra	TELEPHONE NUMBER (916) 263-3262	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) ruth.ibarra@hcd.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 7/10/2017
TYPED NAME AND TITLE OF SIGNATORY Richard Weinert, Deputy Director	

For use by Office of Administrative Law (OAL) only

## AB 587 Emergency Regulations

1. Article 3.5 (commencing with Section 5535) is added to Title 25, Division 1, Chapter 5, as follows:

### **Article 3.5. Registration of Manufactured Homes or Mobilehomes with Fee and Tax Waiver Program**

**5535.** (a) On or before December 31, 2019, a person or entity who asserts ownership of a manufactured home or mobilehome previously registered in California, as a result of a purchase or transfer of that home, but who has not registered that home with the Department, may apply for registration of his or her interest in that home in a manner consistent with this Article, the Fee and Tax Waiver Program, and upon satisfaction of these requirements, shall be eligible for relief through a waiver of a portion of the Department fees and penalties outstanding on that home or waive all or a portion of local property taxes and late fees due on that home.

(b) A person or entity may not obtain more than one waiver pursuant to this Article.

(c) This Article does not apply to registration of new manufactured homes or mobilehomes.

(d) This Article does not apply to registration of manufactured homes or mobilehomes not previously registered in California and subject to Article 2 (commencing with Section 5520).

(e) The Department may develop and provide informational and educational materials regarding the various procedures required by this Article.

(f) The Department will provide informational materials in other commonly used languages to the extent that resources are available to do so.

Note: Authority: Section 18075, Health and Safety Code. Reference: 18116.1, Health and Safety Code; Section 5832, Revenue and Taxation Code

**5535.5.** If the manufactured home or mobilehome is subject to annual renewal fees, including the annual registration fee, the in-lieu tax fee or vehicle license fee, and the Mobilehome Park Rehabilitation and Purchase Fund fee, the applicant shall comply with this Article's registration and Fee and Tax Waiver Program requirements except for Section 5536, including completion of an application form requesting the information or proof of compliance in subsections (a) through (c).

(a) The application for registration pursuant to this article shall include a request for fee and tax waiver relief which includes the following information:

(1) Name(s), mailing address, telephone, and email address if any, of the applicant(s);

(2) Unit identifying information;

(3) Unit location;

(4) Date of sale or transfer and purchase price, if any; and

(5) A statement of facts signed under penalty of perjury by the applicant providing the following statements and information:

(A) Applicant is applying for the fee and tax waiver program;

(B) Applicant's description or documentation demonstrating ownership or how the applicant received ownership;

(C) Applicant's date of acquisition of, or ownership interest, pursuant to Sections 18100.5 or 18102.5;

(D) Applicant's declaration that a request for the Fee and Tax Waiver Program is being made prior to December 31, 2019; and

(E) Applicant(s) has not previously obtained a registration and fee and tax waiver relief subject to this Article.

(b) The applicant shall comply with the applicable registration requirements in this Chapter and submit required documents pursuant Sections 5530 or 5531 except to the extent that they are waived by this Article.

(c) In addition to the other requirements of this section, the applicant(s) shall comply with all requirements in Article 4 (commencing with Section 5540) and the following:

(1) Payment of all fees required by the fee schedule in Section 5660 for registration of a manufactured home or mobilehome except to the extent that they are waived by this Article;

(2) Payment of all annual renewal fees assessed from the time the applicant took ownership interest or December 31, 2015, whichever is later, and the time that the applicant applied for fee and tax relief pursuant to Section 18116.1.

(3) Payment of use taxes;

(4) Proof of transfer by the registered owner of record by means of a signed certificate of title or an alternative authorized by this Chapter including but not limited to a bond or other undertaking authorized by Section 5547;

(5) Proof of release, assumption, or satisfaction by each legal owner or junior lienholder on the title record, or alternatives authorized by this Chapter, and applications and fees related thereto; and

(6) Provide proof of compliance with all laws and this Chapter necessary for a transfer of a manufactured home or mobilehome, including but not limited to, a smoke alarm and carbon monoxide alarm certification pursuant to Sections 4326 and 4328.

(d) Upon receipt and the Department's determination of compliance with this Chapter of the Fee and Tax Waiver Program application, payment of all fees due, and all required documents, the Department shall issue a standard certificate of title and other required titling documents.

(e) The applicant shall provide the information required by this section on a form provided by the Department. The form also may request information required by Chapter 5 which is necessary to ensure the applicant(s) meets all of the requirements of this Chapter related to nonpayment or late payment of the Department charges or fees and penalties not related to registration and titling.

Note: Authority: Section 18075, Health and Safety Code. Reference: 18116.1, Health and Safety Code; Section 5832, Revenue and Taxation Code; California Code of Regulations Sections 4326 and 4328.

**5536.** If the manufactured home or mobilehome is subject to local property taxation, the applicant shall comply with the requirements of the registration and Fee and Tax Waiver Program as required by this Article except for Section 5535.5, including completion of

an application form requesting the information or proof of compliance in subsections (a) through (d).

(a) The application for registration pursuant to this Article shall include a request for fee and tax waiver relief which contains the following information:

(1) Name(s), mailing address, telephone, and email address if any, of the applicant(s);

(2) Unit identifying information;

(3) Unit location;

(4) Date of sale or transfer and purchase price, if any; and

(5) A statement of facts signed under penalty of perjury by the applicant providing the following statements and information:

(A) Applicant is applying for the fee and tax waiver program;

(B) Applicant's description or documentation demonstrating ownership or how the applicant received ownership;

(C) Applicant's date of acquisition of or ownership interest, pursuant to Sections 18100.5 or 18102.5;

(D) Applicant's declaration, to the best of their knowledge, that any lien pursuant to Government Code Section 16182 has been satisfied;

(E) Applicant's declaration that a request for the fee and tax waiver program is being made prior to December 31, 2019; and

(F) Applicant(s) has not previously obtained registration and fee and tax waiver relief subject to this Article.

(b) The applicant shall comply with the applicable registration requirements in this Chapter and submit required documents pursuant to Section 5530 when a licensed dealer was involved in the sale, lease or, transfer, with the exception of 5530(b)(4) if applicable.

(c) The applicant shall comply with the applicable registration requirements in this Chapter and submit required documents pursuant Section 5531 with the exception of 5531(c)(4) if the applicant obtained the home other than by or through a licensed dealer.

(d) In addition to the other requirements of this section, the applicant(s) shall comply with all requirements in Article 4 (commencing with Section 5540) and the following:

(1) Payment of all fees required by the fee schedule in Section 5660 for registration of a manufactured home or mobilehome except to the extent that they are waived by this Article;

(2) Release from the State Controller's Office of any Government Code Section 16182.1 tax postponement liens;

(3) Proof of transfer by the registered owner of record by means of a signed certificate of title or an alternative authorized by this Chapter, including but not limited to, a bond or other undertaking authorized by Section 5547;

(4) Proof of release, assumption, or satisfaction by each legal owner or junior lienholder on the title record, or alternatives authorized by this Chapter and applications and fees related thereto; and

(5) Provide proof of compliance with all laws and this Chapter necessary for a transfer of a manufactured home or mobilehome, including but not limited to, a smoke alarm and carbon monoxide alarm certification pursuant to Sections 4326 and 4328.

(e) Upon receipt and the Department's determination of compliance with this Chapter of the Fee and Tax Waiver Program application, payment of all fees due, and all required documents, the Department shall issue a conditional certificate of title. The conditional certificate of title issued by the Department shall contain the following:

(1) Information substantially similar to that required on the registration application as provided in Health and Safety Code Section 18085 that will show conditional registered title status in lieu of registered ownership; and

(2) A statement that a conditional certificate of title may not be used to demonstrate registered owner status for the purposes of a resale or transfer of title, to secure a loan or lien, or for any other purpose.

(3) A seal or other unique identifier authenticating that the conditional certificate of title originated from the Department.

(f) The Department shall issue a new certificate of title and other titling documents when the applicant(s) provides the Department with all of the following:

(1) Tax Liability Certificate or Tax Clearance Certificate from the applicable county tax collector's office; and

(2) The conditional certificate of title previously issued per the fee and tax waiver program; and

(g) The applicant shall provide the information required by this section on a form provided by the Department. The form also may request other information required by Chapter 5 which is necessary to ensure the applicant(s) meets all of the requirements of this Chapter not related to nonpayment or late payment of the Department charges or fees and penalties related to registration and titling.

Note: Authority: Section 18075, Health and Safety Code. Reference: 18116.1, Health and Safety Code; Section 5832, Revenue and Taxation Code; California Code of Regulations Sections 4326 and 4328.

**5536.5.** (a) This Article takes effect on January 1, 2017, or the effective date thereafter approved by the Office of Administrative Law.

(b) This Article is repealed on December 31, 2020, unless a law or regulation promulgated prior to or on that date removes or amends this section or the expiration dates in Chapter 396 of the Statutes of 2016.

Note: Authority: Section 18075, Health and Safety Code. Reference: 18116.1, Health and Safety Code; Section 5832, Revenue and Taxation Code.

**FINDING OF EMERGENCY  
FOR  
PROPOSED FEE AND TAX WAIVER PROGRAM BY THE  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF CODES AND STANDARDS**

**REGARDING THE PROPOSED ADDITIONS TO  
TITLE 25, CALIFORNIA CODE OF REGULATIONS, CHAPTER 5  
ARTICLE 3.5, SECTIONS 5535, 5535.5, 5536, AND 5536.5**

The Department of Housing and Community Development (Department) proposes to adopt the above noted new Article 3.5 and regulation sections into the California Code of Regulations (CCR) Title 25, Chapter 5. Government Code Section 11346.1 requires the finding of emergency include a written statement which contains the information required by paragraphs (2) through (6), inclusive, of subsection (a) of Section 11346.5 and a description of the specific facts showing the need for immediate action.

**FINDING OF EMERGENCY**

The following information is evidence that adoption by emergency of the new Article 3.5, as proposed by the Department, is necessary for the immediate preservation of the public peace, health and safety and general welfare of the public.

Chapter 396, Statutes of 2016 (Assembly Bill (AB) 587) effective January 1, 2017, amends Health and Safety Code (HSC) Section 18116.1 and Revenue and Taxation Code (RTC) Section 5832. AB 587 creates a Fee and Tax Waiver Program (Waiver Program) relating to the waiving of certain fees, taxes and penalties for past due annual renewal fees and other outstanding charges due to the Department or property taxes due to the local county tax collectors.

**Rationale for Emergency**

AB 587 authorizes a three-year Waiver Program, beginning January 1, 2017, and ending December 31, 2019, for manufactured home/mobilehome owners who have not registered their homes with the Department as required by law due to unpaid and accumulated taxes and penalties either from previous homeowners or during the current term of ownership. In 2015, the Department performed an informal survey reviewing the registration and titling of manufactured homes/mobilehomes in a significant number of mobilehome parks under its jurisdiction. The survey results estimated that as many as 160,000 manufactured homes/mobilehomes are not properly registered and titled in the name of the current owner. Approximately half of these unregistered homes are in parks that provide housing for lower income and non-English speaking households and are sold in substandard condition. The survey also suggests that homeowners often did not register their homes because they could not afford to pay the past due charges and accumulated fees, taxes and penalties.

It is important to note that an unregistered or improperly registered manufactured home/mobilehome presents a homeowner, as well as a mobilehome park owner and

surrounding residents, with numerous critical health and safety issues that can affect the peace and general welfare of the surrounding communities. The following are examples of the breach of peace and impact on health and safety that occurs when mobilehomes are not properly registered and titled:

- a. A homeowner cannot obtain Department-issued construction or alteration permits to repair critical health and safety defects without proof of registration, which can result in bodily harm or even death. For example, the Department investigated a fire blaze of a mobilehome located inside a mobilehome park that killed an infant child and destroyed two neighboring mobilehomes. Since mobilehome was not registered and titled in the owner's name and the Park-Seller refused to make repairs of the substandard conditions, the owner was unable to obtain a permit to repair, construct, or alter an inoperable heater and a faulty electrical system that ultimately took the life of a child residing within the home.
- b. In the event of a death of a homeowner living within a mobilehome park, the surviving spouse occupying an improperly registered and titled home is subject to eviction from the mobilehome park because ownership documentation cannot be provided. This impacts the general welfare of low-income Californians and California generally as evictions will only exacerbate California's already excessive homeless population and lack of affordable housing.
- c. A homeowner cannot obtain property and liability insurance to protect themselves, neighbors, and visitors in the event of a serious injury to people and property.
- d. A homeowner cannot sell the home at its full value due to lack of registration and titling, therefore impacting commerce and affordable housing options for California's low income and homeless populations.

As demonstrated above in the specific examples, the impact of improperly registered and titled manufactured homes/mobilehomes has on a person's physical safety, financial security and quality of life is detrimental. The Department has determined that any further delay in implementing AB 587 would delay the immediate protection of peace, health and safety, and general welfare of manufactured home/ mobilehome owners, both inside and outside of parks. The death of an infant reflects the ultimate gravity of what happens when mobilehome sales go unchecked, substandard sales occur over and over, unless the homes are registered and titled in the current owner's name.

The proposed regulations implementing the Waiver Program will provide the medium to stop the violation of peace, health, safety, and general welfare immediately and stop the environment that permits these sales to go unchecked.

The proposed regulations provide an immediate and orderly systematic process designed to bring immediate relief to, and rectify damage of, those homeowners who are unable to register and title their home into their name. Qualifying homeowners will