

**News release news release news release**

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**Factory-built housing fares well in Legislature**

CHARLESTON -- Much of the effort of the factory-built housing industry in the 2007 legislative session was taken up in defense and in beginning the education process for proposed legal changes next year.

The industry successfully supported a bill this year that should help expand the market for manufactured housing purchases and a separate measure to reduce business taxes.

Last year, several businesses, including the factory-built housing industry, suffered through considerable turmoil concerning attempts by the Office of Emergency Services to impose new standards on the industry concerning the location of our homes in floodplains.

Those issues were consolidated into two bills this year, **HB 2484 and 2485**, which were not taken up by the Legislature.

"As originally written, we found the proposals extremely punitive toward our industry and others," said Andy Gallagher, executive director of the West Virginia Housing Institute Inc.

Approved this year was **SB 355**, funding for the Affordable Housing Trust Fund. This bill would add a \$20 fee on each real estate sale and the sales of manufactured homes to build a state fund to help finance low- to moderate-income home buying.

Members of the West Virginia Housing Institute Inc. are expected to benefit greatly from this priming of the housing sector with additional money. The longrange plan is for companion federal legislation to pass to enable the housing trust to pull down a 3-1 federal match using available state funds.

Kevin Wilfong of Fairmont, co-president of WVHI, is a member of the trust fund board.

Some tax relief should result from **SB 749**, which reduces the business franchise tax from 0.55 to 0.2 percent over a five-year period. The cuts would begin in January 2009 and should result in a savings of \$75 million a year when completed.

WVHI was successful initially with its primary bill, **HB 2542**, which would impose a statute of limitations on lawsuits against the industry.

The bill was approved by the House Industry and Labor Committee, which is chaired by Delegate Kenneth Tucker, D-Marshall.

However, Gallagher and WVHI General Counsel John R. Teare Jr. decided to delay further action on the measure when it reached the House Judiciary Committee.

New chairwoman, Delegate Carrie Webster, D-Kanawha, raised some issues that concerned her about how the measure was written and who it would affect.

"We hope to take some additional time to address those issues and get back to Chairwoman Webster to see if we can alleviate her concerns," Teare said.

Currently, the industry faces a bewildering array of laws concerning its longterm civil liability for home installations. Furthermore, the industry and state regulator standpoint is, consumers already have an effective longterm administrative remedy for their complaints through the West Virginia Manufactured Housing Construction and Safety Standards Board.

Depending on who is reviewing the question, industry liability could be two years, or two years from when a defect is found, or four years under the Uniform Commercial Code, or 10 years under a written contract. One plaintiff's lawyer even said the liability extends to the full period of the outstanding loan, plus 10 additional years.

"We are meeting with our best minds to devise a compromise that we hope will be acceptable to anyone involved in the industry," Teare said.

State Chamber of Commerce President Steve Roberts said his organization is interested in the longrange liability issue, too.

WVHI's bill of second importance, **HB 2954**, would have added the words "manufacturer" and "contractor" to those business entities that must be given an opportunity to fix a problem found by a consumer before the consumer can sue them in court.

This concept is generally known as the "cure" law since a seller is given a 20-day opportunity to "cure" any defect the consumer finds before the consumer can sue. This bill was placed on a priority watch list kept by the state Chamber of Commerce for bills it supported this year. The bill was not taken up in the House of Delegates.

"We hope to educate legislators over the summer to the advantage of this proposal and return it next year," Gallagher said.

Another controversial bill, **HB 2461**, provided that all employees have the right to review and copy the contents of their personnel files. If approved, it could have been a major headache for business. The bill passed the House of Delegates, but was defeated in the state Senate.