

1 HOUSE BILL NO. 1538
 2 AMENDMENT IN THE NATURE OF A SUBSTITUTE
 3 (Proposed by the House Committee on Transportation
 4 on _____)
 5 (Patron Prior to Substitute--Delegate Kilgore)

6 A BILL to amend and reenact § 46.2-653.1 of the Code of Virginia, relating to conversion of manufactured
 7 home to real property.

8 **Be it enacted by the General Assembly of Virginia:**

9 **1. That § 46.2-653.1 of the Code of Virginia is amended and reenacted as follows:**

10 **§ 46.2-653.1. Conversion of manufactured home to real property.**

11 A. After a manufactured home has been titled in the Commonwealth and at such time as the wheels
 12 and other equipment previously used for mobility have been removed and the unit has been attached to
 13 real property owned by the manufactured home owner, the owner may convert the home to real property
 14 in accordance with the provisions of subsection B. Except as provided in §§ 58.1-3219.5 and 58.1-3219.9,
 15 and for the purposes stated in §§ 58.1-3219.5 and 58.1-3219.9, the provisions of this section constitute the
 16 only manner by which a manufactured home owner may convert a manufactured home to real property.

17 B. A manufactured home owner who wishes to convert the home to real property shall submit a
 18 sworn affidavit to the Department that the wheels and other equipment previously used for mobility have
 19 been removed from the manufactured home and the unit has been attached to real property owned by the
 20 manufactured home owner. If such manufactured home owner is not listed on the title as the owner of
 21 such manufactured home, such owner shall also submit to the Department (i) any deed, court order or
 22 decree, or other legal document or record establishing that the manufactured home was transferred by the
 23 owner listed on the title in the records of the Department to the current manufactured home owner or, if
 24 not a direct transfer, records to establish a chain of successive ownership of the manufactured home; (ii)
 25 documentation establishing that an existing lien on the vehicle record has been released by the secured

26 party or, if no release is available, that the loan issued by the secured party has been satisfied; and (iii) if
27 available, the original title, duplicate title, or certificate of origin for such manufactured home.

28 The affidavit must be in a form approved by the Commissioner. Upon compliance by the owner
29 with the procedure for surrender of title, the Department shall rescind and cancel the Virginia title. The
30 Department shall not cancel the title if a security interest has been recorded on the title and not released
31 by the secured party, except that, in the absence of a lien release, documentation establishing that the loan
32 issued by the secured party has been satisfied shall be acceptable as proof of such release. After canceling
33 the title, the Department shall provide written confirmation to the owner that the title has been surrendered
34 and has been canceled by the Department.

35 Upon receipt of confirmation that the title has been surrendered and has been canceled by the
36 Department, the owner shall file a sworn affidavit of affixation with the circuit court of the locality where
37 the real property is located. The affidavit shall include all of the following information:

- 38 1. The manufacturer and, if applicable, the model name of the manufactured home.
- 39 2. The vehicle identification number and serial number of the manufactured home.
- 40 3. The legal description of the real property on which the manufactured home is placed, including
41 the property address, stating that the owner of the manufactured home also owns the real property.
- 42 4. Certification that there are no security interests in the manufactured home that have not been
43 released by the secured party.
- 44 5. The homeowner's statement that the title has been surrendered and has been canceled by the
45 Department and that the home is intended to be a permanent fixture and improvement to the land, to the
46 same extent as any site-built home, and assessed and taxed with the land as real property.

47 In addition, a copy of the confirmation provided by the Department that the title has been
48 surrendered and canceled by the Department shall be attached to and filed with the affidavit.

49 Upon filing the affidavit of affixation, the manufactured home shall then be deemed to be real
50 estate and shall thereafter be conveyed and encumbered only as real estate is conveyed and encumbered,
51 except when the home is thereafter physically severed from the real property and a new title issued in
52 accordance with subsection C.

53 A security interest in a manufactured home is perfected against the rights of judicial lien creditors,
54 execution creditors, and purchasers for value on and after the date such security interest attaches. The
55 Commissioner shall have prepared a list of all titles canceled pursuant to this section and furnish it, in
56 conjunction with the reports submitted pursuant to § 46.2-210, to the commissioner of the revenue of each
57 county and city without cost.

58 C. If the owner of a manufactured home whose certificate of title has been canceled under this
59 section subsequently seeks to sever the manufactured home from the real property, the owner may apply
60 for a new certificate of title in accordance with the provisions of this section.

61 1. The owner shall file with the circuit court where the real property is located an affidavit that
62 includes or provides for all of the following information:

63 a. The manufacturer and, if applicable, the model name of the manufactured home.

64 b. The vehicle identification number and serial number of the manufactured home.

65 c. The legal description of the real property on which the manufactured home is or was placed,
66 stating that the owner of the manufactured home also owns the real property.

67 d. Certification that there are no security interests in the manufactured home that have not been
68 released by the secured party.

69 e. The homeowner's statement that the home has been or will be physically severed from the real
70 property.

71 2. The owner must submit the following to the Department:

72 a. A copy of the affidavit filed in accordance with subdivision C 1.

73 b. Verification that the manufactured home has been severed from the real property. Confirmation
74 of severance by the commissioner of the revenue where the real property is located shall constitute
75 acceptable evidence that the unit has been severed from the real property.

76 Upon receipt of the information required in subdivision C 2, together with a title application and
77 required fee, the Department is authorized to issue a new title for the manufactured home. The initial title
78 issued under the provisions of this subsection shall contain no security interests, provided however, that

79 nothing contained herein shall be construed to prevent a subsequent security interest from being recorded
80 on the title.

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