

**OHIO HOUSE OF REPRESENTATIVES  
FINANCE COMMITTEE**

**EVAN ATKINSON  
OWNER, WILLIAMSBURG SQUARE/CLAYTON HOMES  
VICE CHAIR, OHIO MANUFACTURED HOMES COMMISSION**

**APRIL 5, 2017**

**HB 49--MAINTAIN OHIO MANUFACTURED HOMES COMMISSION  
EXISTING LAW**

**Chairman Smith, Vice Chair Ryan, Ranking Member Cera and members of the  
Committee**

I am Evan Atkinson, owner of Williamsburg Square Clayton Homes. We are located in Frazeesburg, Ohio. Our third generation family business started in 1947 and has provided manufactured homeownership to over 20,000 Ohioans.

I also have the privilege of having been appointed by the Speaker of the House to serve on the Manufactured Homes Board of Commissioners since its inception.

Today, I speak from the perspective of a business owner and as well as Vice Chair of the Manufactured Homes (MH) Commission.

The Manufactured Homes Commission is a stand-alone agency whereby a staff of 7 report directly to the Board of Commissioners.

**Of the Nine uncompensated board of commissioners—three are appointed by the House Speaker, three by the Senate President and three by the Governor.**

When the Commission implemented the General Assembly's consolidation of all manufactured homes regulation, our goals were to ensure homeowner safety, reduce regulatory barriers, quickly resolve complaints and reduce fees.

**Fee Reductions and Appropriation**

**The MH Commission's actual expenses in the last fiscal year were \$896,000 resulting in 25% of the Commission's appropriation being returned to the state. The Commission is 100% self-funded by fees and receives no GRF monies.**

The business people on the MH Commission spearheaded a revenue vs expense study last year. As a result, the MH Commission is currently in the Rule making process to **reduce homeowner inspection fees by \$546,400 and businesses fees by \$503,800 for the biennium- a 22% reduction in fees**, which is on top of a previous 10% reduction in park license fees.

As a result, the Manufactured Homes Commission only needs \$795,000 in annual appropriation, should present law be maintained. This compares to the Department of Commerce's (DOC) appropriation request in excess of \$1 million plus additional unlimited appropriation authority if needed to run the same program.

### **Customer Service, Inspections, Complaints**

The Department of Commerce indicated in previous testimony they would utilize 30 of their in house commercial building inspectors to conduct only a percentage what they thought were 1,600 manufactured home installation inspections. Actually the MH Commission averages 9,000 home installation inspections annually. Manufactured homes are the only homes in Ohio 100% inspected in the factory construction phase as well as the onsite installation, utility connection and occupancy phase.

During previous testimony, DOC indicated installation inspections primarily involve plumbing and electrical components. In reality the vast majority of home inspections involve complex foundation and anchoring systems unique to manufactured homes.

According to the organizational diagram DOC provided in the LSC Redbook they did not identify responsibility for state law mandated licensing, inspection and regulation of the 1,600 manufactured home parks. They did not address the more than 1,350 park resident health and safety cases as well as approximately 5,000

regulatory issues addressed annually. The reality is 80% of the MH Commission's workload is with manufactured home parks.

DOC indicated their 30 inspectors perform 27,000 commercial inspections and will absorb the inspections for the MH program with existing staff. If so, the more than 12,000 inspections and cases handled by the Commission today would increase the DOC workload by nearly 50%.

Consequently, as a business owner I find it a real stretch to believe DOC can run the program for less especially when you consider DOC Division staff salaries average \$68,000 annually -which is nearly 18% higher than the MH Commission staff.

Our industry already has experience with the DOC's Division of Industrial Compliance's *Modular Home* plan approvals. More than half of modular homes are also built by our industry. (*Modular homes are built according to a state building code, whereas manufactured homes are built to a pre-emptive national building code*).

Unfortunately our industry has too often experienced delays of 30 days or more by DOC for modular plan approvals. In neighboring states, this process generally is accomplished in a day or two (a week tops).

Under HB 49, this same Division of Industrial Compliance would operate nearly the entire manufactured homes regulatory program. By contrast, Manufactured Homes Commission approvals take 1 day or less.

I can't imagine as a business person why the Administration believes DOC's high cost structure, layers of supervision and slow responsiveness could ever approach the demonstrated track record of savings, efficiency and customer service by the Manufactured Homes Commission.

Ohio's manufactured home residents with an average income of \$26,000 do not deserve to be marginalized by abolishing the Manufactured Homes Commission.

The Administration's oft cited motto is for government to operate at the "speed of business". In that spirit, I urge the Committee to maintain current Ohio law by keeping the Ohio Manufactured Homes Commission.

Thank you Chairman Smith. I am happy to answer any questions.