

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
March 14, 2001**

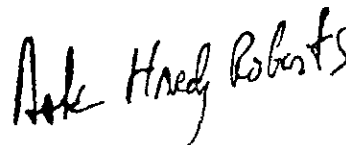
CASE NO: MX-2000-441

**Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102**

**General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102**

Enclosed find certified copy of an ORDER of RULEMAKING in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

This section will contain the final text of the rules proposed by agencies. The order of rulemaking is required to contain a citation to the legal authority upon which the order of rulemaking is based; reference to the date and page or pages where the notice of proposed rulemaking was published in the *Missouri Register*; an explanation of any change between the text of the rule as contained in the notice of proposed rulemaking and the text of the rule as finally adopted, together with the reason for any such change; and the full text of any section or subsection of the rule as adopted which has been changed from that contained in the notice of proposed rulemaking. The effective date of the rule shall be not less than 30 days after the date of publication of the revision to the *Code of State Regulations*.

The agency is also required to make a brief summary of the general nature and extent of comments submitted in support of or opposition to the proposed rule and a concise summary of the testimony presented at the hearing, if any, held in connection with the rulemaking, together with a concise summary of the agency's findings with respect to the merits of any such testimony or comments which are opposed in whole or in part to the proposed rule. The 90-day period during which an agency shall file its order of rulemaking for publication in the *Missouri Register* begins either: 1) after the hearing on the proposed rulemaking is held; or 2) at the end of the time for submission of comments to the agency. During this period, the agency shall file with the secretary of state the order of rulemaking, either putting the proposed rule into effect, with or without further changes, or withdrawing the proposed rule.

By the authority vested in the Missouri Public Service Commission under sections 700.040 and 700.115, RSMo 2000, the commission adopts a rule as follows:

4 CSR 240-120.135 New Manufactured Home Inspection Fee is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on October 16, 2000 (25 MoReg 2520-2522). No changes have been made in the text of the proposed rule, so it is not reprinted here. This proposed rule becomes effective thirty days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: Written comments and reply comments were submitted and a public hearing was held on November 17, 2000. The Commission's Staff supported the proposed rule. Comments from the Manufactured Housing Association (Association) supported other provisions or opposed adoption of the rule.

COMMENT: Comments were received asserting that the proposed rule places no upper limit on the amount of inspection fees. Without a cap on the amount of inspection fees that can be assessed, dealers and manufacturers will be unable to accurately predict the cost of their product.

RESPONSE: The proposed inspection fee rule is designed to make up part of the difference in the Manufactured Housing and Modular Unit Program's (Program) lost revenue after recreational vehicles (RV) were removed from the Public Service Commission's (PSC) jurisdiction. The rule authorizes the Commission to calculate and set the inspection fee on an annual basis by calculating the difference between the amount of revenue generated and needed, based on the upcoming fiscal year budget appropriation, and the total number of manufactured homes sold over the past fiscal year. The fee would generally fill the void in the Program's revenue requirement, and would change from year to year due to fluctuating variables that produce revenue. Since the fee is designed to fill a void in revenue requirements, it would not be advantageous to set an upper limit on the fee. The Program is partially funded by set fees for annual registrations, plan approvals, seals, and payments from HUD for the State's enforcement program. If the Program were to be funded totally by the proposed inspection fee based on current revenue requirements, that fee would be approximately \$45 per home sold. Therefore, the industry could assume that the fee would not be more than \$45 for the upcoming year.

COMMENT: Comments were received asserting that the proposed rules increase fees without stating which, if any, new services will be provided to the public, to dealers or to manufacturers. Such fees are required by statute to be reasonable, and without an accounting as to why the increases in fees are necessary such fees are unreasonable.

RESPONSE: The inspection fee is only proposed and designed to fill the void in the Program's revenue requirement and will simply help fund the current ongoing budget allocation. A large part of the Program's services is providing an inspection service to investigate consumer complaints and inspect dealer lots and manufacturing plants. Section 700.040(2) of the state statutes gives the Commission the authority to establish reasonable fees for inspections, which are sufficient to cover all costs incurred in the administration of Sections 700.010 to 700.115 of the statutes. RV regulation subsidized a large part (approximately 60%) of the Program's budget. However, workload attributed to RV regulation basically involved paperwork and very little inspection service. For example, approximately 30% of the Program's paperwork and

By the authority vested in the Missouri Public Service Commission under section 700.460, RSMo 2000, the commission amends a rule as follows:

4 CSR 240-120.130 Monthly Report Requirement for Registered Manufactured Home Dealers is amended.

A notice of proposed rulemaking containing the text of the proposed amendment was published in the *Missouri Register* on October 16, 2000 (25 MoReg 2520). No changes have been made to the text of the proposed amendment, so it is not reprinted here. This proposed amendment becomes effective thirty days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: No comments were received.

MX-2000-438
Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 120—New Manufactured Homes

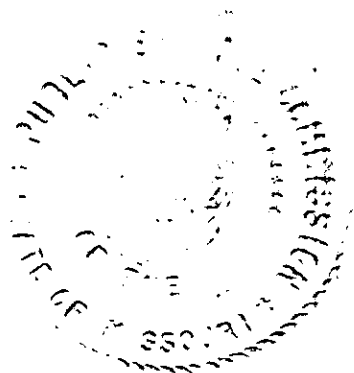
ORDER OF RULEMAKING

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 14th day of March 2001.



A handwritten signature in dark ink, reading "Dale Hardy Roberts". The signature is written in a cursive style with a horizontal line underneath the name.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge