



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites	
------	------------------	----------------	--------------	-----------------	------------------	--------------	--

Code:  Section:

[Up^](#) [Add To My Favorites](#)

**HEALTH AND SAFETY CODE - HSC**

**DIVISION 13. HOUSING [17000 - 19997]** ( *Division 13 enacted by Stats. 1939, Ch. 60.*  )

**PART 2. MANUFACTURED HOUSING [18000 - 18153]** ( *Heading of Part 2 amended by Stats. 2007, Ch. 540, Sec. 2.*  )

**CHAPTER 7. Occupational Licenses [18045 - 18066.5]** ( *Chapter 7 added by Stats. 1981, Ch. 975, Sec. 3.*  )

**ARTICLE 3. Infractions and Penalties [18058 - 18066.5]** ( *Article 3 added by Stats. 1981, Ch. 975, Sec. 3.*  )

**18058.** It is unlawful, and a violation of this part, if a person to whom a license is issued is any of the following:

- (a) Not lawfully entitled thereto.
- (b) Has violated any of the provisions of this part or of Section 18613 or 18551, or any rule, order, or regulation issued pursuant thereto.
- (c) Has committed or omitted any of the acts or omissions set forth in Sections 18058.5 through 18063.5, inclusive.

The department, after notice and hearing, may suspend or revoke the license issued to a licensee upon determining that these acts or omissions occurred or are in existence.

(Amended by Stats. 1983, Ch. 1076, Sec. 39.)

**18058.1.** (a) Any manufacturer or dealer licensed under this part that has closed its place of business, or any salesperson licensed under this part no longer residing at the address last filed with the department, may be served with process issued pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code by registered mail at that place of business in the case of a manufacturer or dealer, or at the last address filed with the department in the case of a salesperson, unless the manufacturer, dealer, or salesperson has notified the department in writing of another address where service may be made.

(b) This section shall apply to any manufacturer, dealer, or salesperson who is licensed under this part or whose license is renewed under this part, on or after the effective date of this section.

(Added by Stats. 1989, Ch. 1144, Sec. 3. Effective September 30, 1989.)

**18058.5.** With respect to applications, it is unlawful to file an application for the license thereafter issued using a false or fictitious name not registered with the proper authorities, or to knowingly make any false statement or to knowingly conceal any material fact in the application for the license.

(Added by Stats. 1981, Ch. 975, Sec. 3.)

**18059.** With respect to taxation, fees, title, and registration, it is unlawful to do any of the following:

- (a) Use a false or fictitious name, knowingly make any false statement, or knowingly conceal any material fact in any application for title or registration of a manufactured home, mobilehome, or commercial coach, or otherwise commit a fraud in that application.
- (b) Fail to deliver to a transferee lawfully entitled thereto a properly endorsed title or registration.
- (c) Violate any of the terms or provisions of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code or rules and regulations adopted pursuant thereto or adopted pursuant to Section 18015 of this part.

(Amended by Stats. 1983, Ch. 1076, Sec. 40.)

**18059.5.** With respect to escrows and sales practices, it is unlawful to do any of the following:

- (a) Violate any of the terms or provisions of Chapter 5 (commencing with Section 18035), relating to purchase documents, receipts for deposit, escrow, and sales practices, or any rule, regulation, or order issued by the department pursuant thereto.

(b) Intentionally withhold or provide false information to an escrow company or to any person or firm holding or acquiring an ownership or security interest in the manufactured home or mobilehome being sold or purchased.

*(Amended by Stats. 1984, Ch. 1342, Sec. 11. Effective September 26, 1984. Operative January 1, 1985, by Sec. 39 of Ch. 1342.)*

**18060.** With respect to business operations, it is unlawful to do any of the following:

- (a) Make, or knowingly or negligently permit, any illegal use of any special permits, or report of sales books issued to or in favor of a licensee.
- (b) Submit a check, draft, or money order to the department for any obligation or fee due the department which is thereafter dishonored or refused payment upon presentation.
- (c) Fail to notify the department, within 10 days, of any change in the ownership or corporate structure of the licensee, or of the employment or termination of a mobilehome or commercial coach salesperson.

*(Amended by Stats. 1996, Ch. 394, Sec. 6. Effective January 1, 1997.)*

**18060.5.** With respect to business practices, it is unlawful to do any of the following:

- (a) Knowingly purchase, sell, or otherwise acquire or dispose of a stolen manufactured home, mobilehome, or commercial modular.
- (b) Violate any of the terms or provisions of regulations promulgated under the authority of Section 18015.
- (c) Cause the state or any person to suffer any loss or damage by reason of any fraud or deceit practiced on them or fraudulent representations made to any person in the sale or purchase of a manufactured home, mobilehome, or commercial modular or parts or accessories thereof.
- (d) Violate any of the terms and conditions of Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil Code.
- (e) Move a manufactured home, mobilehome, or commercial modular subject to registration pursuant to this part from a mobilehome park or other site of installation to another location, without obtaining from the legal owner, written consent for the move as prescribed in Section 18099.5.
- (f) Include as an added cost to the selling price of a manufactured home, mobilehome, or commercial modular, an amount for licensing or transfer of title of the manufactured home, mobilehome, or commercial modular, which amount is not due to the state unless, prior to the sale, the amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of those fees. However, a dealer may collect from the second purchaser of a manufactured home, mobilehome, or commercial modular, a prorated fee based upon the number of months remaining in the registration year for that manufactured home, mobilehome, or commercial modular, if the manufactured home, mobilehome, or commercial modular was previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this part and Chapter 2 (commencing with Section 10751) of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the manufactured home, mobilehome, or commercial modular.
- (g) Participate in the sale of a manufactured home, mobilehome, or commercial modular reported to the department pursuant to this part without making the return and payment of any sales tax due and required by Section 6451 of the Revenue and Taxation Code.
- (h) Fail to exercise reasonable supervision over the activities of employees who negotiate or promote the sale of manufactured homes, mobilehomes, or commercial modulars.
- (i) Display for sale, offer for sale, or sell, a manufactured home, mobilehome, or commercial modular, representing that manufactured home, mobilehome, or commercial modular to be of a year model different from the year model designated at the time of manufacture or first assembly as a completed manufactured home, mobilehome, or commercial modular.
- (j) Directly or indirectly authorize or advise another licensee to change the year model of a manufactured home, mobilehome, or commercial modular in the inventory of the other licensee.
- (k) Fail, at the time that the seller enters into a net listing agreement, to disclose in writing as part of the listing agreement in 12-point boldface type all of the following:
  - (1) That a buyer's offer may be in excess of the amount that the seller has agreed to accept as a purchase price in the listing agreement.
  - (2) That the dealer may retain any amount in excess of the amount the seller has agreed to as the purchase price in the listing agreement as the dealer's compensation or commission.
  - (3) That additional costs or payments involved in the sales transaction may be deducted or made from the amount the seller has agreed to accept as the purchase price in the listing agreement by the close of escrow.

(l) Fail, within three days after the date a buyer's written offer to purchase a mobilehome or manufactured home that is not a new mobilehome or manufactured home is accepted, but no less than 48 hours prior to the close of escrow or transfer of title to the mobilehome or manufactured home from the seller to the buyer, to disclose to the seller in a document, signed or initialed by the seller and the dealer, that is an addendum to the disclosure required in subdivision (k), the exact amount of the buyer's offer and the specific amounts of any commission. The dealer shall submit a copy of the disclosure required by subdivision (k) and this subdivision into escrow and maintain, at the dealer's place of business, a copy of that disclosure for three years from the date of sale. The escrow agent shall ensure that the disclosure deposited into escrow is executed and complete. However, nothing in this subdivision shall be construed to require the escrow agent to be responsible for determining the accuracy of any of the statements in that disclosure.

*(Amended by Stats. 2004, Ch. 567, Sec. 4. Effective January 1, 2005.)*

**18061.** With respect to advertising, it is unlawful:

(a) To make or disseminate or cause to be made or disseminated before the public in this state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or by any other manner or means whatsoever, any statement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading, or to so make or disseminate or cause to be so disseminated any statement as part of a plan or scheme with the intent not to sell any manufactured home, mobilehome, or commercial coach or service so advertised at the price therein, or as so advertised.

(b) To advertise or offer for sale or exchange in any manner, any manufactured home, mobilehome, or commercial coach not actually for sale at the premises of the dealer or available to the dealer through a listing agreement executed by the seller or from a manufacturer or distributor at the time of the advertisement or offer. However, this subdivision does not apply to advertising or offering for sale or exchange any used manufactured home, used mobilehome, or used commercial coach where the advertising or offering for sale is not contrary to any terms of a contract between the seller of the manufactured home, mobilehome, or commercial coach and the owner of the mobilehome park, and which manufactured home, mobilehome, or commercial coach is either in place on a lot rented or leased for human habitation within an established mobilehome park, or is otherwise located, pursuant to a local zoning ordinance or permit, on a lot where its presence has been authorized or its continued presence and use would be authorized for a total and uninterrupted period of at least one year.

(c) To fail, within 48 hours, in writing, to withdraw any advertisement of a manufactured home, mobilehome, or commercial coach that has been sold or withdrawn from sale.

(d) To advertise or represent a manufactured home, mobilehome, or commercial coach as a new manufactured home, mobilehome, or commercial coach if the manufactured home, mobilehome, or commercial coach has been previously installed as a model without also advertising that it was a model.

(e) To advertise or otherwise represent, or knowingly to allow to be advertised or represented on his or her behalf, or at his or her established place of business, that no downpayment is required in connection with the sale of a manufactured home, mobilehome, or commercial coach when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the manufactured home, mobilehome, or commercial coach.

*(Amended by Stats. 1984, Ch. 1342, Sec. 14. Effective September 26, 1984. Operative January 1, 1985, by Sec. 39 of Ch. 1342.)*

**18061.5.** It is unlawful to do any of the following:

(a) Willfully violate any law, or any rule or regulation adopted by the department, relating to manufactured homes, mobilehomes, or commercial coaches or the sale of manufactured homes, mobilehomes, or commercial coaches.

(b) Fail to comply within a reasonable time with any written order of the department or any law enforcement agency.

(c) Fail to meet the terms and conditions of a compromise agreement effected under the provisions of Section 18064.5.

(d) Cause or allow the existence of any of the conditions specified in Section 18050.5 as a cause for refusal to issue a license.

(e) Lend a license to any other person or knowingly permit the use thereof by another.

(f) Display or represent any license not issued to the person as being his or her license.

(g) Fail or refuse to surrender to the department, upon its lawful demand, any license or report of sales books, which is suspended, revoked, or canceled.

(h) Permit any unlawful use of a license or report of sales books, issued to a licensee.

(i) Photograph, photostat, duplicate, or in any way reproduce any license or facsimile thereof in such a manner that it could be mistaken for a valid license, or display or possess any photograph, photostat, duplicate, reproduction, or facsimile unless authorized by the provisions of this part.

(j) Accept or encourage sales arranged or negotiated by unlicensed persons or salespersons while not employed by the dealer. For the purposes of this section, employment by a dealer shall mean employment reported to the department pursuant to Section 18060.

*(Amended by Stats. 1996, Ch. 394, Sec. 7. Effective January 1, 1997.)*

**18061.6.** (a) Notwithstanding the prohibition in subdivision (d) of Section 18061 or any regulation to the contrary, a dealer may, alternatively, post in a prominent location immediately outside the primary entrance to a new manufactured home, mobilehome, or commercial modular a conspicuous notice that the unit was previously installed as a model, display unit, or used for other occupancy. Additionally, a similarly conspicuous and prominent notice, requiring a buyer's separate initials, shall be included in any purchase agreement for that unit.

(b) Notwithstanding Section 5050 of Title 25 of the California Code of Regulations, an advertisement of any new manufactured home, mobilehome, or commercial modular is not required to contain the year of manufacture of the unit provided the new unit is not more than three years old.

(c) Notwithstanding Section 5050 of Title 25 of the California Code of Regulations, an advertisement of any manufactured home, mobilehome, or commercial modular is not required to contain the model name of any unit if the model name is disclosed in a conspicuous and prominent notice, requiring the buyer's separate initials, in any purchase agreement for that unit.

*(Added by Stats. 2004, Ch. 567, Sec. 5. Effective January 1, 2005.)*

**18062.** It is unlawful for a dealer to do any of the following:

(a) Enter into a listing agreement that does not include a specified date upon which the agreement is to terminate.

(b) Claim or take any secret or undisclosed amount of compensation, commission, fee, or profit prior to, or at the time that a contractual agreement is signed whereby all parties involved, after negotiation, have come to terms. However, this section shall not be construed to require the disclosure of any exclusive financial arrangements agreed upon between the dealer and any financial institution with regard to financial arrangements applicable solely to them.

(c) Exercise any provision which allows the dealer an option to purchase the manufactured home, mobilehome, or commercial coach that is the subject of an agreement whereby a consumer authorizes or employs the dealer to arrange for its sale, purchase, or exchange, unless the dealer has, prior to exercising the option, revealed in writing to the consumer the full amount of the dealer's profit in exercising the option and obtained the written consent of the consumer approving the amount of the profit.

(d) Fail to disclose any liens or encumbrances of which the dealer had knowledge on a manufactured home, mobilehome, or commercial coach.

*(Amended by Stats. 1984, Ch. 1528, Sec. 11. Effective September 30, 1984.)*

**18062.2.** It is also unlawful for a dealer to do any of the following:

(a) Engage in the business for which the dealer is licensed without at all times maintaining an established place of business.

(b) Employ any person as a salesperson who is not licensed pursuant to this part, or whose license or 90-day certificate is not displayed on the premises of the dealer as provided in Section 18063.

(c) Permit the use of the dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of manufactured homes, mobilehomes, or commercial modulars, or to permit the use of the dealer's license, supplies, or books to operate a secondary location to be used by any other person, if the licensee has no financial or equitable interest or investment in the manufactured homes, mobilehomes, or commercial modulars sold by, or the business of, or secondary location used by, the person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of manufactured homes, mobilehomes, or commercial modulars.

(d) Advertise any specific manufactured home, mobilehome, or commercial modular for sale without identifying the manufactured home, mobilehome, or commercial modular by its serial number or by the number on its federal label or insignia of approval issued by the department.

(e) Advertise the total price of a manufactured home, mobilehome, or commercial modular without including all costs to the purchaser at the time of delivery at the dealer's premises, except sales tax, title and registration fees, finance charges, and any dealer documentary preparation charge. The dealer documentary preparation charge shall not exceed twenty dollars (\$20).

(f) Exclude from the advertisement of a manufactured home, mobilehome, or commercial modular for sale information to the effect that there will be added to the advertised total price at the time of sale, charges for sales tax, title and registration fees, escrow fees, and any dealer documentary preparation charge.

(g) Represent the dealer documentary preparation charge as a governmental fee.

(h) Refuse to sell the manufactured home, mobilehome, or commercial modular to any person at the advertised total price for that manufactured home, mobilehome, or commercial modular, exclusive of sales tax, title fee, finance charges, and dealer documentary preparation charge, which charge shall not exceed twenty dollars (\$20), while it remains unsold, unless the advertisement states the advertised total price is good only for a specified time and that time has elapsed.

(i) Not post the salesperson's license in a place conspicuous to the public on the premises where they are actually engaged in the selling of manufactured homes, mobilehomes, and commercial modulars for the employing dealer. The license shall be displayed continuously during their employment. If a salesperson's employment is terminated, the dealer shall return the license to the salesperson.

(j) Offer for sale, rent, or lease within this state a new manufactured home, mobilehome, or commercial modular whose manufacturer is not licensed under this part.

(k) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(l) When the dealer is an owner or manager, or an agent of the owner or manager, of a mobilehome park and serves as the dealer for a manufactured home or mobilehome to be installed or sold in the park, to knowingly violate Section 798.72, 798.73, 798.73.5, 798.75.5, or 798.83 of the Civil Code.

*(Amended by Stats. 2004, Ch. 567, Sec. 6. Effective January 1, 2005.)*

**18062.5.** It is unlawful for any manufacturer or distributor to coerce or attempt to coerce any dealer in this state to do any of the following:

(a) Order or accept delivery of any manufactured home, mobilehome, or commercial coach, part or accessory thereof, appliance, equipment or any other commodity not required by law which shall not have been voluntarily ordered by the dealer.

(b) Order or accept delivery of any manufactured home, mobilehome, or commercial coach with special features, appliances, accessories or equipment not included in the list price of the manufactured home, mobilehome, or commercial coach as publicly advertised by the manufacturer or distributor.

(c) Order for any person any parts, accessories, equipment, machinery, tools, appliances, or any commodity whatsoever.

(d) Participate in an advertising campaign or contest, any promotional campaign, promotional materials, training materials, showroom or other display decorations or materials at the sole expense of the dealer.

(e) Enter into any agreement with the manufacturer or distributor or to do any other act prejudicial to the dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and manufacturer or distributor. Notice in good faith to any dealer of the dealer's violation of any terms or provisions of the franchise or contractual agreement shall not constitute a violation of this section.

*(Amended by Stats. 1983, Ch. 1076, Sec. 42.)*

**18062.8.** It is unlawful for any manufacturer or distributor licensed under this part to do any of the following:

(a) Refuse or fail to deliver, in reasonable quantities and within a reasonable time after receipt of an order from a dealer having a franchise for the retail sale of any new manufactured home, mobilehome, or commercial coach sold or distributed by the manufacturer or distributor, any new manufactured home, mobilehome, or commercial coach or parts or accessories to new manufactured homes, mobilehomes, or commercial coaches that are covered by the franchise, if the mobilehome or commercial coach, parts or accessories are publicly advertised as being available for delivery or actually being delivered. This subdivision is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer or distributor.

(b) Prevent or require or attempt to prevent or require, by contract or otherwise, any change in the capital structure of a dealership, if the dealer at all times meets any reasonable capital standards agreed to by the dealer and the manufacturer or distributor, and also provided that no change in capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor.

(c) Prevent or require, or attempt to prevent or require, a dealer to change the executive management of a dealership, other than the principal dealership operator or operators, if the franchise was granted the dealer in reliance upon the personal qualifications of that person or persons.

(d) Prevent or require, or attempt to prevent or require, by contract or otherwise, any dealer, or any officer, partner, or stockholder of any dealership, to participate in the sale or transfer of any part of the interest of any of them to any other person or persons. No dealer, officer, partner, or stockholder shall, however, have the right to sell, transfer, or assign the franchise, or any right thereunder, without the consent of the manufacturer or distributor if the consent is not unreasonably withheld.

(e) Prevent, or attempt to prevent, a dealer from receiving fair and reasonable compensation for the value of the franchised business. There shall be no transfer or assignment of the dealer's franchise without the consent of the manufacturer or distributor, if the consent is not unreasonably withheld.

(f) Obtain money, goods, services, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and any other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the dealer.

(g) Require a dealer to prospectively assent to a release, assignment, novation, waiver, or estoppel that would relieve any person from liability imposed by this part or to require any controversy between a dealer and a manufacturer or distributor to be referred to any person other than the department, if the referral would be binding on the dealer. This subdivision does not, however, prohibit arbitration before an independent arbitrator.

(h) Increase the prices of manufactured homes, mobilehomes, or commercial coaches that the dealer ordered for private retail consumers prior to the dealer's receipt of the written official price increase notification. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer. Price reductions shall apply to all manufactured homes, mobilehomes, and commercial coaches in the dealer's inventory that were subject to the price reduction. A price difference applicable to new model or series manufactured homes, mobilehomes, or commercial coaches at the time of the introduction of new models or series shall not be considered a price increase or price decrease. Price changes caused by either of the following shall not be subject to this subdivision:

(1) The addition to a manufactured home, mobilehome, or commercial coach of required or optional equipment pursuant to state or federal law.

(2) Revaluation of the United States dollar, in the case of foreign-made manufactured homes, mobilehomes, or commercial coaches.

(i) Fail to pay to a dealer, within a reasonable time following receipt of a valid claim by a dealer thereof, any payment agreed to be made by the manufacturer or distributor to the dealer by reason of the fact that a new manufactured home, mobilehome, or commercial coach of a prior year model is in the dealer's inventory at the time of introduction of new model manufactured homes, mobilehomes, or commercial coaches. A manufacturer or distributor shall not authorize or enable any new model to be delivered by dealers at retail more than 30 days prior to the eligibility date of the model change allowance payment for prior year model manufactured homes, mobilehomes, or commercial coaches.

(j) Deny, to the surviving spouse or heirs designated by a deceased owner of a dealership, the opportunity to participate in the ownership of the dealership or successor dealership under a valid franchise for a reasonable time after the death of the owner.

(k) Offer any refunds or other types of inducements to any dealer or other person for the purchase of new manufactured homes, mobilehomes, or commercial coaches of a certain make and model to be sold to the state or any political subdivision of the state without making the same offer to all other dealers in the same make and model within the relevant market area.

(l) Employ a person as a distributor who has not been licensed pursuant to this chapter.

(m) Deny any dealer the right of free association with any other dealer for any lawful purpose.

(n) Compete with a dealer in the same make and model operating under an agreement or franchise from a manufacturer or distributor in the relevant market area. A manufacturer or distributor shall not, however, be deemed to be competing when operating a dealership either temporarily for a reasonable period, or in a bona fide retail operation that is for sale to any qualified independent person at a fair and reasonable price, or in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership of the dealership on reasonable terms and conditions.

(o) Unfairly discriminate among its franchisees with respect to warranty reimbursement or authority granted its franchisees to make warranty adjustments with retail customers.

(p) Sell manufactured homes, mobilehomes, or commercial coaches to persons not licensed under this part for resale, except as authorized pursuant to Section 18015.7 or 18062.9.

(q) Fail to exercise reasonable supervision over the activities of employees who negotiate or promote the sale of manufactured homes, mobilehomes, or commercial coaches.

*(Amended by Stats. 2023, Ch. 770, Sec. 12. (AB 1764) Effective January 1, 2024.)*

**18062.9.** (a) A manufactured home manufacturer may sell manufactured homes, as defined in Section 18007, directly to a licensed California general building contractor, as described in Section 7057 of the Business and Professions Code, when all of the following conditions are met:

(1) The sale is for five or more manufactured homes in a calendar year.

(2) The manufactured homes are delivered directly to a building site and installed on a foundation system in accordance with Section 18551.



(3) The manufactured homes are installed within a single subdivision, as defined in Section 66424 of the Government Code, consisting of five or more parcels, and therefore require a tentative and final map pursuant to Section 66426 of the Government Code.

(b) A manufactured home manufacturer may sell manufactured homes, as defined in Section 18007, directly to a nonprofit corporation, as defined by Section 50091, that is also a Community Housing Development Organization, as defined in Section 92.2 of Title 24 of the Code of Federal Regulations, when all of the following conditions are met:

(1) The sale is for five or more manufactured homes in a calendar year.

(2) The manufactured homes are delivered directly to a site for installation by a dealer, as defined in Section 18002.6, or a contractor in accordance with Section 18551 or 18613.

(3) The manufactured homes are acquired and installed as part of a project financed by federal, state, or local government funds, and the homes will be sold or rented at affordable costs to low- and moderate-income households as established by the department for other affordable housing finance programs.

*(Amended by Stats. 2009, Ch. 632, Sec. 4. (SB 251) Effective January 1, 2010.)*

**18063.** It is unlawful for a salesperson to do any of the following:

(a) At the time of employment, not deliver to his or her employing dealer his or her salesperson's license or 90-day certificate.

(b) Fail to report in writing to the department every change of residence within five days of the change.

(c) Act or attempt to act as a salesperson while not employed by a dealer. For purposes of this subdivision, "employment by a dealer" means employment reported to the department pursuant to subdivision (c) of Section 18060.

(d) To violate Section 798.71 or 798.74 of the Civil Code, or both.

(e) When the salesperson is an owner or manager, or an agent of the owner or manager, of a mobilehome park and serves as the salesperson for a manufactured home or mobilehome to be installed or sold in the park, to knowingly violate Section 798.72, 798.73, 798.73.5, 798.75.5, or 798.83 of the Civil Code.

*(Amended by Stats. 2004, Ch. 567, Sec. 7. Effective January 1, 2005.)*

**18064.** The department may, pending a hearing, temporarily suspend the license issued to a licensee for a period not to exceed 30 days if the director finds that the action is required in the public interest. In any such case, a hearing shall be held and a decision thereon issued within 30 days after notice of the temporary suspension.

*(Added by Stats. 1981, Ch. 975, Sec. 3.)*

**18064.2.** (a) If the director determines through an investigation that a person has engaged or is engaging in an activity which is a violation of this part, or which is a violation of a regulation of the department adopted for the purpose of implementing this part, and if the director finds that the action is required in the public interest, he or she may direct the person to desist and refrain from that activity by issuance of an order specifying the nature of the activity and the factual and legal basis for his or her determination. The respondent to whom the order is directed shall immediately, upon receipt of the order, cease the activity described in the order.

(b) The respondent may, within 30 days after service of the order to desist and refrain, file a written request for a hearing to contest the order.

(c) If a written request for hearing is received within 30 days of the date of service of the order, a hearing shall be held. The hearing shall be commenced within 30 days after receipt of respondent's request unless the respondent agrees to a postponement. If the hearing is not held and a decision rendered by the director within 30 days after receipt of respondent's request for a hearing, or the date to which continued with respondent's consent, the order shall be deemed rescinded.

(d) If a person served with an order issued pursuant to this section fails to file a written request for a hearing within 30 days from the date of service of the order, the order shall be deemed a final order of the director and shall not be subject to review by any court or agency.

*(Added by Stats. 1987, Ch. 707, Sec. 8.)*

**18064.5.** (a) The director may, following the filing of an accusation against a licensee under this part and prior to conducting a hearing, exercise an option, with the consent of the licensee, to enter into and adopt a stipulated penalty whereby the licensee agrees to accept the terms and conditions of the penalty without hearing or appeal by any party thereto.

(b) Except when the accusation alleges injury to, or fraud against, the public or the state, the director may, following the filing of an accusation against a licensee or prior to adopting any recommendation resulting from a hearing, exercise an option, with the consent of the licensee, to impose and require the payment of a monetary penalty of a minimum and maximum amount for each violation

alleged and stipulated to by the licensee, as established by a schedule under regulations adopted by the department and costs of investigation and prosecution, without further hearing or appeal, and without any other form of penalty against the licensee which may otherwise have been imposed for the same offense or offenses had the matter proceeded to hearing or had the director adopted the decision of the hearing officer.

(c) If the accusation alleges injury to, or fraud against, an individual purchaser or potential purchaser, the director may enter into an agreement pursuant to subdivision (b), but such a compromise and settlement shall include, in addition to the monetary penalty set forth by regulation, compensation for the injury or fraud, including all costs of investigation and prosecution.

(d) Each compromise settlement agreement and each monetary penalty agreement entered into pursuant to this section shall be signed by the respondent licensee, the director, and the accuser, or by their authorized representatives, and filed with the Office of Administrative Hearings, together with the department's notice of withdrawal of the accusation upon which the action was initiated if the compromise settlement agreement or monetary payment agreement is entered into before the hearing.

(e) Failure of the respondent to honor the terms and conditions of any agreement entered into under this section shall render the agreement null and void, and shall be cause for action pursuant to Section 18058 in the same manner as the department may have otherwise proceeded, notwithstanding the agreement.

(f) The amount of the penalty provided for in subdivision (b) shall not exceed five hundred dollars (\$500) per violation and shall be based upon the nature of the violation and the seriousness of the violation against the purposes and provisions of this part.

*(Added by Stats. 1981, Ch. 975, Sec. 3.)*

**18065.** The licenses or permits provided for in this part shall be automatically canceled upon any of the following events:

(a) The abandonment of the established place of business of the licensee or the change thereof without notice to the department as provided in this part.

(b) The voluntary or involuntary surrender for any cause by the licensee of the license. However, the surrender or cessation of business by the licensee, or the suspension of the corporate charter of the licensee by the state, shall not prevent the filing of an accusation for revocation or suspension of the surrendered license as provided in Section 18058 or the department's decision that the license should be suspended or revoked. Furthermore, this determination may be considered in granting or refusing to grant any subsequent license authorized by this part to the licensee, copartner, or any officer, director, or stockholder of the prior licensee.

(c) Notification that the person designated as licensee has changed.

(d) Suspension or cancellation of the corporate charter of the licensee by the state.

(e) Failure of a licensee to file an application for renewal for the license or permit before the date of expiration of the current license or permit.

(f) Submittal of a check, draft, or money order to the department for a license or license renewal fees due the department which is thereafter dishonored or refused payment upon presentation and which fees and penalty are not thereafter paid by cash, money order, or cashier's check prior to the expiration of the license.

*(Amended by Stats. 1991, Ch. 506, Sec. 4.)*

**18065.5.** The revocation or suspension of a license may be limited to one or more municipalities or counties or any other defined area, or may be revoked or suspended in a defined area only as to certain aspects of its business, or as to a specified licensee or licensees.

*(Added by Stats. 1981, Ch. 975, Sec. 3.)*

**18066.** The suspension, expiration, or cancellation of a license provided for in this part shall not prevent the filing of an accusation for the revocation or suspension of the suspended, expired, or canceled license as provided in Section 18058, and the department's decision that the license should be suspended or revoked. This determination may be considered in granting or refusing to grant any subsequent license authorized by this part to the licensee.

*(Amended by Stats. 1991, Ch. 506, Sec. 5.)*

**18066.5.** If a purchaser of a manufactured home, mobilehome, or commercial coach pays to the dealer an amount for transfer of title of the manufactured home, mobilehome, or commercial coach, which amount is in excess of the actual fees due for the transfer, or which amount is in excess of the amount which has been paid, prior to the sale, by the dealer to the state in order to avoid penalties that would have accrued because of late payment of the fees, the dealer shall return the excess amount to the purchaser, whether or not the purchaser requests the return of the excess amount.

*(Amended by Stats. 1983, Ch. 1076, Sec. 45.)*