

## Discussion Paper Proposal to License Manufactured Home Dealers under the Business Practices and Consumer Protection Act

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### Introduction

The Ministry of Public Safety and Solicitor General is responsible for consumer protection legislation and is reviewing a proposal to transfer responsibility for regulating manufactured home dealers from the Motor Dealer Council <http://www.mdcbc.com/> to the Business Practices and Consumer Protection Authority <http://www.bpcpa.ca/home.htm>.

This discussion paper invites you to respond to this proposal by completing a questionnaire that begins on page 2. Detailed information on how to submit your response is found on page 4. Your views are important and will help government in its analysis of regulating manufactured home dealers.

### Background

In 2004 responsibility for administering consumer protection legislation in British Columbia was delegated from the Ministry of Public Safety and Solicitor General to two new independent organizations: the Motor Dealer Council of British Columbia and the Business Practices and Consumer Protection Authority (BPCP Authority). Both of these organizations operate at arm's length from government and within a full-cost recovery model.

The Motor Dealer Council is responsible for regulating manufactured home dealers and motor dealers under the Motor Dealer Act. The Motor Dealer Council also provides opportunity to consumers to file a claim for monetary loss in the purchase of a vehicle and licensees under the Act, including manufactured home dealers, are required to make contributions into the Motor Dealer Customer Compensation Fund.

The BPCP Authority administers general consumer protection legislation under the Business Practices and Consumer Protection Act (BPCP Act), and promotes fairness and understanding in the marketplace. The BPCP Authority investigates consumer complaints, has the authority to order compensation to consumers for financial loss, and licenses the following industries: debt collection and debt pooling; travel; telemarketing; and cremation, interment and funeral services.

### Proposal

The Ministry of Public Safety and Solicitor General is considering a proposal to transfer the regulation of manufactured home dealers from the Motor Dealer Act to the BPCP Act. This involves the development of a regulation under the BPCP Act that would apply specifically to manufactured home dealers and be enforced by the BPCP Authority.

**Question 1: Licensing**

Manufactured home dealers are currently licensed under the Motor Dealer Act which is administered by the Motor Dealer Council. The Ministry of Public Safety and Solicitor General’s proposal is to transfer the regulation of manufactured home dealers to the BPCP Authority under the BPCP Act. Dealers licensed under the Real Estate Services Act will be exempt.

- 1      Should manufactured home dealerships be licensed under the BPCP Act?  
Yes   
No  Please refer to page 4 for details on how to submit your response.

**Question 2: Licensing salespeople under the BPCP Act**

The Motor Dealer Act requires both dealerships and their salespeople to be licensed. As part of the licensing application, salespeople are required to undergo a criminal record check and complete the Motor Dealer Council’s training and certification course.

- 2.1    Should individual salespeople of manufactured home dealerships be licensed under the BPCP Act?  
Yes   
No
  
- 2.2    Should salespeople of manufactured home dealers be required to complete a training course?  
Yes   
Content: \_\_\_\_\_  
No

**Question 3: Consumer compensation fund**

Under the Motor Dealer Act a consumer can receive compensation for loss up to a maximum of \$20,000. Manufactured home dealers are required to make annual contributions of \$300 into the Motor Dealer Customer Compensation Fund for a minimum of three years. If a consumer compensation fund is established under the BPCP Act, manufactured home dealers will be required to contribute into the fund until an amount is reached that would sufficiently protect consumers.

- 3      Should a consumer compensation fund for manufactured home dealers be continued under the BPCP Act?  
Yes   
No

**Question 4: Security**

In Alberta retailers of manufactured homes are required to provide security to the Director in accordance with the Retail Home Sales Business Licensing Regulation (Fair Trading Act). The minimum amount of security is \$25,000. Currently manufactured home dealers in British Columbia are not required to provide security to the Motor Dealer Council for consumer protection.

4.1 Should manufactured home dealers provide security to the BPCP Authority for consumer protection if there is a consumer compensation fund (see question 3)?

Yes  Minimum amount of security: \_\_\_\_\_

No

4.2 Should manufactured home dealers provide security to the BPCP Authority for consumer protection if there is no consumer compensation fund (see question 3)?

Yes  Minimum amount of security: \_\_\_\_\_

No

**Question 5: Deposits**

Debt collectors and travel agents licensed under the BPCP Act are required to deposit money collected from a consumer into a trust account and can only withdraw this money for specific purposes. Manufactured home dealers receive deposits from consumers before delivery of the house. Deposits are potentially at risk if the dealer uses the money for expenditures not associated with the consumer's purchase.

5.1 Do manufactured home dealers currently place consumer's deposit money into a trust account?

Yes

No

5.2 Should a manufactured home dealer be required to place the consumer's deposit money into a trust account in a savings institution and be restricted in the disbursement of this money?

Yes

No

**Question 6: Disclosure of information in advertisements and purchase agreements**

Under the Motor Dealer Act a manufactured home dealer is required to disclose specific information to consumers in advertisements and purchase agreements, for example disclosure of the selling price and product description.

6.1 Should manufactured home dealers be required by regulation to disclose specific information to consumers when advertising?

Yes

Information to be disclosed: \_\_\_\_\_

No

6.2 Should manufactured home dealers be required by regulation to disclose specific information to consumers in the purchase agreement?

Yes

Information to be disclosed: \_\_\_\_\_

No

**Question 7: General comments or questions**

Please provide your general comments or questions in the space below or on a separate paper:

Thank you for completing this questionnaire. Your views are important and will help the Ministry of Public Safety and Solicitor General to consider and develop this proposal. Please send your comments by April 28, 2006 to:

Ministry of Public Safety and Solicitor General  
Corporate Policy and Planning Office  
PO Box 9283 Stn Prov Govt  
Victoria BC V8W 9J7  
Fax: (250) 387-2631

This information is being collected for the purpose of considering and developing a proposal to license manufactured home dealers under the Business Practices and Consumer Protection Act. Any personal information you provide is subject to the Freedom of Information and Protection of Privacy Act. The information will be used to evaluate the results of the consultation, which may involve disclosing your comments to other institutions and interested parties during and after the consultation. Your name will not be disclosed without your consent.