

Department of Legislative Services
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 103

(Delegates Lafferty and Malone)

Environmental Matters

Judicial Proceedings

Real Property - Mobile Home Parks - Plans for Dislocated Residents

This bill requires a mobile home park owner in Maryland to include a relocation plan for dislocated residents with an application to change the land use of a park. A plan to close a mobile home park with more than 38 sites must include a budget that reflects the amount of relocation assistance to be paid by the park owner to each household. If a mobile home park with more than 38 sites is closed, an affected resident must receive relocation assistance equivalent to 10 months of rent. Half of the relocation assistance is payable to a resident within 30 days from the date the resident gives notice of intent to vacate the park; the remaining half must be paid within 30 days after the resident returns possession of the premises to the park owner.

Fiscal Summary

State Effect: If the Consumer Protection Division of the Office of the Attorney General receives fewer than 50 complaints per year stemming from the bill, the additional workload can be handled with existing resources. No effect on revenues.

Local Effect: The bill does not directly affect local finances or operations; however, it does authorize local governments to provide additional relocation assistance to displaced residents.

Small Business Effect: Potential meaningful impact on owners of mobile home parks.

Analysis

Bill Summary: If a mobile home park owner undertakes a reasonable good faith inquiry to obtain the information required for the relocation plan, the owner will not incur liability and may not be stopped from obtaining possession of the premises because of a failure to provide accurate information in the plan. As a condition of approval, a local

governing body may not require the following terms to be included in a park owner's relocation plan:

- that relocation assistance be paid unless the owner sends a notice of park closure to each resident;
- that the amount of relocation assistance for the leased premises exceed 10 months of rent for parks with more than 38 sites (excluding taxes and utilities);
- that except as otherwise specified, any amount of relocation assistance be paid to a resident before the owner is able to repossess the premises; or
- that the owner assure the relocation of any resident.

Failure of a resident to remove the resident's mobile home from the premises by the specified date in the notice of intent to vacate results in a forfeiture of the balance of any relocation assistance due, unless the park owner otherwise agrees to a different date. If an owner rescinds a notice of park closure, the owner is not required to pay relocation assistance after the notice of rescission is sent to residents. The owner is also not required to pay relocation assistance to a potential resident who signs a rental agreement after being notified of a change in land use or forthcoming park closure.

The local governing body of the county or municipal corporation in which a mobile home park is located may provide additional relocation assistance to affected park residents. A mobile home park owner is not responsible for any assistance provided by a local governing body.

Current Law: If the land use of a mobile home park is changed, all residents are entitled to a one-year prior written notice of termination, notwithstanding a longer notice provision in the rental agreement. If the land use of a mobile home park is changed in St. Mary's County, the park owner must send the county commissioners a copy of the written notice of termination that was sent to the residents of the mobile home park.

When a mobile home park owner applies to change the land use of the mobile home park, the owner must include a plan for alternative arrangements for each dislocated resident with the application. In St. Mary's County, if a mobile home park owner fails to include a plan for alternative arrangements with the owner's application, or fails to comply with the terms of an approved plan, the mobile home park owner is in default of the plan. As a result, the application for change of land use may not be approved until the owner submits and complies with a plan.

In St. Mary's County, the plan for alternative arrangements for dislocated park residents must include a list of park residents, including household sizes and contact information; a relocation calendar or timeline including monthly updates on the progress of the relocation; a list of area mobile home parks with vacancies; a budget reflecting the amount of money allocated to each resident to cover moving costs, including moving the

trailer, disconnecting and reconnecting utilities, and removing and reattaching other specified parts; and a list of area mobile home parks with vacancies.

Background: Chapters 621 and 622 of 2008 required mobile home park owners in St. Mary's County to submit a resident relocation plan as part of a change of use application, along with a timeline and a relocation budget. The number of mobile home parks and pad sites in the State as of January 2010 is shown in **Exhibit 1**.

Exhibit 1
Number of Mobile Home Parks and Pad Sites
(As of January 2010)

<u>County</u>	<u>Mobile Home Parks</u>	<u>Pad Sites</u>
Allegany	35	387
Anne Arundel	39	3,316
Baltimore City	1	0
Baltimore	41	1,895
Calvert	13	145
Caroline	19	455
Carroll	17	651
Cecil	52	2,480
Charles	6	296
Dorchester	13	428
Frederick	7	138
Garrett	14	183
Harford	27	544
Howard	69	1,249
Kent	7	138
Montgomery	10	97
Prince George's	6	1,082
Queen Anne's	10	119
St. Mary's	21	957
Somerset	10	335
Talbot	6	297
Washington	23	1,154
Wicomico	31	1,318
Worcester	16	323
Total	493	17,987

Source: State Department of Assessments and Taxation.

Small Business Effect: A mobile home park operator who elects to close a mobile home park with more than 38 sites must pay each displaced household relocation assistance in an amount equal to 10 months of rent, excluding taxes and utilities. The cost of paying
 HB 103 / Page 3

each mobile home owner an amount equal to 10 months of rent may significantly exceed the amount a park owner must pay a resident under current law in St. Mary's County only, which includes compensation for (1) moving the trailer; (2) disconnecting and reconnecting utilities; and (3) removing and reattaching axles, decks, railings, and side skirting.

Additional Information

Prior Introductions: Similar bills were introduced in 2009. SB 935, as amended, passed the Senate and was referred to the House Environmental Matters Committee. Its cross file, HB 1344, received a hearing in the House Environmental Matters Committee, but no further action was taken.

Cross File: SB 235 (Senator Robey, *et al.*) - Judicial Proceedings.

Information Source(s): State Department of Assessments and Taxation; Office of the Attorney General (Consumer Protection Division); Cities of Frederick and Havre de Grace; Carroll, Harford, Montgomery, and Queen Anne's counties; Department of Legislative Services

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