

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 833 (Senator Stone)
Judicial Proceedings

Task Force to Study Manufactured Housing

This bill establishes a Task Force to Study Manufactured Housing staffed by the Motor Vehicle Administration (MVA). The bill sets out the specific duties of the task force and establishes a reporting requirement for December 31, 2011.

The bill takes effect June 1, 2011, and terminates September 30, 2012.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for MVA are assumed to be minimal and absorbable within existing budgeted resources. MVA advises it can handle the reporting requirement within the timeframe specified in the bill.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force must study:

- the procedures used for converting a manufactured home to real property;
- the procedures used when a manufactured home that has been converted to real property is physically severed from the land; and
- any other issues the task force considers relevant to the conveyance and lien perfection of manufactured housing and land in the State.

The task force must make recommendations regarding:

- the development of a form for use when converting a manufactured home to real property;
- the development of a form for use when a manufactured home that has been converted to real property is severed from the land; and
- necessary changes to the State certificate of title statute and other State laws.

The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2011.

Current Law/Background: In *Droney v. Droney*, 102 Md. App. 672, 651 A.2d 415 (1995), the Maryland Court of Special Appeals ruled that a mobile home became a fixture upon real property when significant changes and improvement were made to it, including the removal of the wheels and attachment of utility lines. Title 8A of the Real Property Article governs the relationship between a mobile home park owner and a mobile home owner who leases or rents a site in the park for residential use.

A manufactured or mobile home that is or may be used for residential purposes and is permanently attached to land or connected to utilities must be assessed as an improvement to real property to the owner of the land, unless such home is located on a rented space in a manufactured home park. A mobile home may not be assessed as real property if it is unoccupied and for sale or is located temporarily in a rented space in a trailer park or mobile home court. Additionally, a mobile home may change its character from that of a motor vehicle, an item of personality, to a fixture upon real property.

According to the Manufactured Housing Institute, several states' laws consider manufactured homes to be real property in specified circumstances. For example, in Missouri, a manufactured home owner may convert the home to real property by attaching the home to a permanent foundation on property owned by the home owner and removing or modifying the transporting apparatus. In South Carolina, if the manufactured home owner also owns the underlying lands the home must be considered real property. In Nevada, a mobile home is eligible to become real property if it is permanently affixed to the land, and if the owner of the home also owns the land.

The National Manufactured Housing and Safety Standards Act of 1974 governs the construction of manufactured homes (*i.e.*, mobile homes).

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, HB 863 (Delegate Niemann - Environmental Matters) is not identical.

Information Source(s): Maryland Department of Transportation, Judiciary (Administrative Office of the Courts), Manufactured Housing Institute, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2011
mc/kdm

Analysis by: Michael F. Bender

Direct Inquiries to:
(410) 946-5510
(301) 970-5510