

Senate Bill 746 – Manufactured Homes – Sale of Manufactured Housing Communities (Manufactured Housing Modernization Act of 2023)

Position: Favorable with Amendments

Horizon Land Management Company is a Maryland owned company which manages mobile home parks in over 20 states including 10 communities in Maryland. Horizon communities are located in Washington, Montgomery, Howard, Harford, Charles, and Anne Arundel Counties.

The biggest threat to almost all mobile home park communities today are market pressures which push developers and communities to reconsider the land-use of mobile home parks. Investors purchase these parks and then push to change the land-use and redevelop the parks for a higher use, displacing park residents. Horizon Land Management is in the business of owning and managing these parks and ensuring they thrive.

With the sponsor amendments, the purpose of SB 746 is not to fix rent or to regulate land-use, including the promotion or non-promotion of resident-owned communities. Rather, the Bill's purposes are (i) to ensure that, when a Maryland mobile home park is sold to a new owner, homeowners are protected from an immediate change in land-use or a substantial and immediate increase in rent, both of which could disenfranchise and place substantial hardships on resident-homeowners, and (ii) to dissuade "bad actors," who intend to substantially increase rent, and developers, who intend to redevelop the mobile home park as a different use, from seeking to acquire mobile home parks in Maryland.

The bill accomplishes this by giving acquiring entities two options. The first option is to commit to holding rent increases down for 3 years to no more than 10% and commit to keeping the community a mobile home park for at least 5 years. Alternatively, if the acquiring entity refuses to make those commitments, the legislation requires park residents to receive notice of the sale and have an opportunity to make a purchase offer along with the acquiring interest's offer. This gives residents a chance to make an offer when a purchaser's intent to preserve the mobile home park is uncertain.

Finally, the bill adds protections for dislocated residents. Under current law, when residents are dislocated from a park, the residents may be given relocation assistance of 10 months' rent preceding the date of vacancy. That relocations assistance is increased to 12 months. Moreover, under current law, that assistance is only required for mobile home parks with more than 38 sites. SB 746 will now trigger that assistance for any community with at least 10 sites.

SB 746 offers new protections to all residents of mobile home parks, and Horizon Land Management encourages a favorable report.

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