

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 1382 (Howard County Delegation)  
Environmental Matters

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Howard County - Mobile Home Parks - Right of First Refusal  
Ho. Co. 13-08

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This bill requires a mobile home park owner in Howard County to notify park residents of intent to sell the park in which they reside and requires the park owner to allow these residents to purchase the park under specific conditions.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The bill would not directly affect Howard County finances or operations.

**Small Business Effect:** Minimal overall, but potentially meaningful for small business mobile home park owners.

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**Analysis**

**Bill Summary:** The bill's provisions apply only to mobile home parks in Howard County and do not apply to • a transfer made to any prospective heir of a park owner; • a transfer by gift, devise, or operation of law; • a transfer by a partnership to any of its partners; • any conveyance of an interest in a park incidental to the financing of the park; • any conveyance resulting from foreclosure of a mortgage, deed of trust, or other instrument encumbering a park or any deed given instead of foreclosure; • a sale or transfer between or among joint tenants or tenants in common owning a park; or • acquisition of a park by eminent domain.

The bill requires a park owner to notify the residents of the park and the director of the Howard County Department of Housing and Community Development of the park owner's intent to sell the park, at least 60 days before offering a park for sale. The park owner is also required to notify these parties of the owner's receipt of a bona fide offer to buy the park, within 10 days after receiving the offer. These notices are required to • be given to each resident by personal delivery or first-class mail to the resident's last known address; • be given to the director of the Howard County Department of Housing and Community Development by personal delivery or first-class mail to the main office of the department; • explain that the park owner intends to sell the park; • state the price, terms, and conditions of the sale; • include a description of the property being bought or sold; • explain that an offer substantially similar to the original offer may be made by the residents or their homeowners' association; and • explain that the park owner must accept this offer if the monetary value of the offer is equal to or greater than the original offer.

The bill states that upon receipt of the required notice, the park residents have the right to make an offer to purchase the park. The park owner is required to accept the offer if • the offer is substantially similar in price, terms, and conditions to the original offer or the price, terms, and conditions set by the park owner for the sale of the park; and • the offer is made within 60 days after the date of notice, unless otherwise agreed by the park owner and residents.

If the park owner subsequently offers the park for sale or receives a bona fide offer to buy the park at a price lower than the price specified in the park owner's first notice to the residents, the park owner is required to provide additional notice in the same manner as detailed above. In this situation, the bill grants the residents an additional 10 days after receipt of the notice of the reduced price to meet the price, terms, and conditions of the park owner by making an offer substantially similar to the conditions set by the park owner for the sale of the park.

**Current Law:** State law does not currently place specific restrictions on the sale of mobile home park properties by landowners. State law does not currently grant a right of first refusal to mobile home park residents in the event of the sale of their park.

**Background:** The number of households in Maryland that reside in mobile homes has declined steadily in past decades. According to the U.S. Census Bureau, in 1990 there were 55,992 such households in Maryland. By 2000, there were 43,462, and by 2006 there were 38,421. Since 2000, 6 mobile home parks in Howard County have closed, reducing the number of mobile home households in the county from 1,800 to approximately 1,300. There are currently eight mobile home parks remaining in Howard County. As development has increased, mobile home park owners have found it increasingly more profitable to sell their land for development rather than continue to

operate parks. While a mobile home park resident may pay between \$200 and \$700 per month in rent, the median home price in Howard County was approximately \$392,000 in fiscal 2007.

**Small Business Effect:** The bill will subject mobile home park owners to restrictions on the sale of their real property that do not apply to the owners of other types of property. These restrictions could delay, hinder, or discourage sales of such property, as well as potentially affect sale prices.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation, Howard County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 2008  
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