Chapter 547

(House Bill 678)

AN ACT concerning

Real Property – Manufactured Homes – Conversion <u>Affixation</u> to and Severance from Real Property

FOR the purpose of providing for the conversion affixation of a manufactured home to real property under certain circumstances; requiring a certain affidavit of conversion affixation to contain or be accompanied by certain information, documentation, and statements; requiring an affidavit of eonversion affixation to be recorded under certain circumstances; providing that an affidavit of affixation is not necessary to convey or encumber a manufactured home; providing that the property tax status of a manufactured home shall be governed by certain provisions of law; providing that a manufactured home shall be converted to real property under certain circumstances; providing that a recorded affidavit of conversion has no legal effect under certain eircumstances the recordation of an affidavit of affixation does not represent a sale or transfer of real property for certain purposes; requiring the owner of certain property to send a certified copy of an affidavit of affixation and any attachments to the Motor Vehicle Administration at a certain time; requiring the Administration to record the affidavit and attachments in its records; requiring the Administration to make certain records available to certain individuals; requiring the owner of a manufactured home that is to be severed from real property to file an affidavit of severance under certain circumstances; requiring an affidavit of severance to contain certain information and statements; requiring an affidavit of severance to be recorded under certain circumstances; requiring the Administration to accept a certain copy of a certain affidavit of severance for filing and issue a certain certificate of title in a certain manner; requiring a custodian to disclose personal information in the public records of the Administration to certain individuals; requiring the Administration to develop a certain model affidavit; providing for the application of certain provisions of this Act; defining certain terms; and generally relating to manufactured homes and the conversion affixation to and severance from real property.

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 9-102(a)(54)

Annotated Code of Maryland

(2002 Replacement Volume and 2011 Supplement)

BY adding to

Article – Real Property

Section 8B–101 through 8B–302 to be under the new title "Title 8B. Manufactured Homes"

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 10-616(p)(5)(xiv) and (xv)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY adding to

Article – State Government

Section 10-616(p)(5)(xvi)

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, without amendments,

<u>Article – Transportation</u>

Section 13–101

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

9-102.

(a) In this title:

(54) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air—conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

Article - Real Property

TITLE 8B. MANUFACTURED HOMES.

SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

8B-101.

- (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
- (B) "ATTACHED TO A PERMANENT FOUNDATION" MEANS ANCHORED TO REAL PROPERTY BY ATTACHMENT TO A PERMANENT FOUNDATION AND CONNECTED TO UTILITIES, INCLUDING WATER, GAS, ELECTRICITY, OR SEWER OR SEPTIC SERVICE.
- (C) "CERTIFICATE OF ORIGIN" HAS THE MEANING STATED IN § 13–101 OF THE TRANSPORTATION ARTICLE.
- (D) "CERTIFICATE OF TITLE" MEANS A TITLE ISSUED BY THE MOTOR VEHICLE ADMINISTRATION FOR A MANUFACTURED HOME UNDER TITLE 13 OF THE TRANSPORTATION ARTICLE.
- (C) (E) "CONVERT" MEANS TO MAKE A MANUFACTURED HOME THAT IS ATTACHED TO A PERMANENT FOUNDATION CONSIDERED AS PERMANENTLY AFFIXED TO A PARCEL OF REAL PROPERTY AND TREATED AS AN INTEGRAL PART OF THE PARCEL.
- (D) (F) (1) "MANUFACTURED HOME" MEANS A STRUCTURE THAT
 - (I) TRANSPORTABLE IN ONE OR MORE SECTIONS;
- (II) 1. In the traveling mode, 8 body feet in width or more or 40 body feet in length or more; or
- 2. AS ERECTED ON SITE, 320 SQUARE FEET OR MORE:
 - (HI) BUILT ON A PERMANENT CHASSIS; AND
- (IV) DESIGNED TO BE USED AS A DWELLING, WITH OR WITHOUT A PERMANENT FOUNDATION, WHEN CONNECTED TO UTILITIES.

- (2) "MANUFACTURED HOME" INCLUDES THE PLUMBING, HEATING, AIR CONDITIONING, AND ELECTRICAL SYSTEMS CONTAINED IN THE STRUCTURE
- (3) "MANUFACTURED HOME" DOES NOT INCLUDE A SELF-PROPELLED RECREATIONAL VEHICLE HAS THE MEANING STATED IN § 9–102(A) OF THE COMMERCIAL LAW ARTICLE.
- (E) (G) "OWNER" MEANS A PERSON THAT HAS AN OWNERSHIP INTEREST IN A MANUFACTURED HOME.
- (F) (H) "SEVER" MEANS TO SEPARATE A MANUFACTURED HOME THAT HAS BEEN CONVERTED TO REAL PROPERTY FROM THE PARCEL OF REAL PROPERTY TO WHICH IT HAS BEEN AFFIXED.

8B-102.

- (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ON SATISFACTION OF THE REQUIREMENTS OF SUBTITLE 2 OF THIS TITLE:
 - (1) A MANUFACTURED HOME SHALL BE:
 - (I) CONVERTED TO REAL PROPERTY; AND
- (II) GOVERNED BY THE LAWS APPLICABLE TO REAL PROPERTY AND NOT SUBJECT TO TITLE 13 OF THE TRANSPORTATION ARTICLE;
- (2) ANY MORTGAGE, DEED OF TRUST, LIEN, OR SECURITY INTEREST THAT CAN ATTACH TO REAL PROPERTY SHALL ATTACH IN THE SAME MANNER TO A MANUFACTURED HOME THAT IS CONVERTED TO REAL PROPERTY AS TO THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME HAS BEEN AFFIXED; AND
- (3) THE TITLE AND ALL RIGHTS TO A MANUFACTURED HOME SHALL BE TRANSFERRED BY DEED WITH THE TRANSFER OF THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME HAS BEEN AFFIXED.
- (B) THIS SECTION DOES NOT APPLY TO A MANUFACTURED HOME FOR WHICH AN AFFIDAVIT OF SEVERANCE HAS BEEN RECORDED UNDER § 8B–302 OF THIS TITLE.

8B-103.

EXCEPT AS PROVIDED UNDER SUBTITLE 2 OF THIS TITLE, AN AN AFFIDAVIT OF CONVERSION AFFIXATION IS NOT NECESSARY TO CONVEY OR ENCUMBER A MANUFACTURED HOME.

8B-104.

THE PROPERTY TAX STATUS OF A MANUFACTURED HOME SHALL BE GOVERNED BY THE TAX – PROPERTY ARTICLE.

SUBTITLE 2. CONVERSION TO REAL PROPERTY.

8B-201.

A MANUFACTURED HOME SHALL BE CONVERTED TO REAL PROPERTY WHEN ALL OF THE FOLLOWING EVENTS HAVE OCCURRED:

- (1) THE MANUFACTURED HOME IS OR WILL BE ATTACHED TO A PERMANENT FOUNDATION;
- (2) THE OWNERSHIP INTERESTS IN THE MANUFACTURED HOME AND THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME IS OR WILL BE AFFIXED ARE IDENTICAL; AND
- (3) An affidavit of conversion <u>affixation</u> complying with the requirements of § 8B–202 of this subtitle has been recorded <u>with the clerk of the court of the county in which the parcel of real property to which the manufactured home is affixed is <u>located</u>.</u>

8B-202.

- (A) AN AFFIDAVIT OF CONVERSION AFFIXATION SHALL CONTAIN OR BE ACCOMPANIED BY:
 - (1) A DESCRIPTION OF THE MANUFACTURED HOME, INCLUDING:
- (I) THE NAME OF THE MANUFACTURER, MAKE, MODEL NAME, MODEL YEAR, DIMENSIONS, AND MANUFACTURER'S SERIAL NUMBER; AND
- (II) A STATEMENT WHETHER THE MANUFACTURED HOME IS NEW OR USED;

- (2) A COPY OF THE CERTIFICATE OF ORIGIN, IF AVAILABLE, AND A COPY OF THE CERTIFICATE OF TITLE, IF AVAILABLE, FOR THE MANUFACTURED HOME, AS PRESCRIBED UNDER TITLE 13 OF THE TRANSPORTATION ARTICLE:
- (3) A STATEMENT OF THE THE STREET ADDRESS AND LEGAL DESCRIPTION OF THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME IS OR WILL BE AFFIXED; AND

(4) (3) A STATEMENT UNDER OATH FROM THE OWNER THAT:

- (I) THE THE OWNERSHIP INTERESTS IN THE MANUFACTURED HOME AND THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME IS OR WILL BE AFFIXED ARE IDENTICAL OR WILL BE IDENTICAL AFTER FILING THE AFFIDAVIT OF AFFIXATION IN THE LAND RECORDS; AND
- (H) THE MANUFACTURED HOME IS FREE AND CLEAR OF ANY LIEN, SECURITY INTEREST, OR ENCUMBRANCE.
- (4) A STATEMENT THAT THE MANUFACTURED HOME IS OR WILL BE ATTACHED TO THE REAL PROPERTY DESCRIBED AT THE TIME OF THE FILING OF THE AFFIDAVIT OF AFFIXATION IN THE LAND RECORDS.
- (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN AFFIDAVIT OF AFFIXATION SHALL BE ACCOMPANIED BY:
- (I) AN ORIGINAL CERTIFICATE OF TITLE ISSUED BY THE MOTOR VEHICLE ADMINISTRATION FOR THE MANUFACTURED HOME THAT:
- 1. HAS THE WORD "SURRENDERED" CLEARLY WRITTEN ON ITS FACE; AND
- 2. If the certificate of title indicates that there is a lien, encumbrance, or other security interest for the manufactured home, is accompanied by a release from each party that has a security interest in the manufactured home; or
- (II) A MANUFACTURER'S CERTIFICATE OF ORIGIN FOR THE MANUFACTURED HOME THAT:
- 1. HAS THE WORD "SURRENDERED" CLEARLY WRITTEN ON ITS FACE; AND

- 2. If the manufacturer's certificate of Origin indicates that there is a lien, encumbrance, or other security Interest for the manufactured home, is accompanied by a release From Each Party that has a security interest in the manufactured home.
- (2) IF THE OWNER IS UNABLE TO LOCATE AN ORIGINAL CERTIFICATE OF TITLE OR A MANUFACTURER'S CERTIFICATE OF ORIGIN, THE AFFIDAVIT OF AFFIXATION SHALL BE ACCOMPANIED BY A REPORT PREPARED AND ACKNOWLEDGED BY AN ATTORNEY LICENSED TO PRACTICE IN THE STATE OR A TITLE INSURANCE PRODUCER LICENSED TO DO BUSINESS IN THE STATE THAT:
 - (I) IDENTIFIES THE PARTY PREPARING THE REPORT;
 - (II) STATES THAT A SEARCH HAS BEEN CONDUCTED OF:
- 1. THE LAND RECORDS OF THE COUNTY IN WHICH THE PARCEL OF REAL PROPERTY TO WHICH THE MANUFACTURED HOME IS OR WILL BE AFFIXED IS LOCATED; AND
- 2. THE RECORDS MAINTAINED BY THE MOTOR VEHICLE ADMINISTRATION; AND
- (III) STATES THAT NO LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST HAS BEEN FOUND FOR THE MANUFACTURED HOME.
- (C) (1) IF AN AFFIDAVIT OF AFFIXATION IS ACCOMPANIED BY AN ORIGINAL CERTIFICATE OF TITLE, THE AFFIDAVIT SHALL BE ACCOMPANIED BY:
- (I) A STATEMENT THAT IT IS THE INTENT OF THE OWNER TO SURRENDER THE CERTIFICATE OF TITLE; AND
 - (II) A STATEMENT THAT:
- 1. THERE IS NO LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME; OR
- 2. ANY LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME HAS BEEN SATISFIED AND THE APPROPRIATE RELEASES ARE ATTACHED AND MADE A PART OF THE AFFIDAVIT OF AFFIXATION.

- (2) IF AN AFFIDAVIT OF AFFIXATION IS ACCOMPANIED BY A MANUFACTURER'S CERTIFICATE OF ORIGIN, THE AFFIDAVIT SHALL BE ACCOMPANIED BY:
- (I) A STATEMENT THAT A CERTIFICATE OF TITLE HAS NOT BEEN ISSUED FOR THE MANUFACTURED HOME;
- (II) A STATEMENT THAT IT IS THE INTENT OF THE OWNER TO SURRENDER THE MANUFACTURER'S CERTIFICATE OF ORIGIN; AND

(III) A STATEMENT THAT:

- 1. THERE IS NO LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME; OR
- 2. ANY LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME HAS BEEN SATISFIED AND THE APPROPRIATE RELEASES ARE ATTACHED AND MADE A PART OF THE AFFIDAVIT OF AFFIXATION.
- (3) IF AN AFFIDAVIT OF AFFIXATION IS ACCOMPANIED BY A STATEMENT FROM AN ATTORNEY OR TITLE INSURANCE PRODUCER, THE AFFIDAVIT ALSO SHALL BE ACCOMPANIED BY:
- (I) A STATEMENT THAT THE OWNER IS UNABLE TO LOCATE A CERTIFICATE OF TITLE OR A MANUFACTURER'S CERTIFICATE OF ORIGIN FOR THE MANUFACTURED HOME; AND

(II) A STATEMENT THAT:

- 1. THERE IS NO LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME; OR
- 2. ANY LIEN, ENCUMBRANCE, OR OTHER SECURITY INTEREST FOR THE MANUFACTURED HOME HAS BEEN SATISFIED AND THE APPROPRIATE RELEASES ARE ATTACHED AND MADE A PART OF THE AFFIDAVIT OF AFFIXATION.
- (D) AN AFFIDAVIT OF AFFIXATION SHALL BE SIGNED UNDER PENALTY OF PERJURY AND ACKNOWLEDGED.

- (B) (E) THE CLERK OF THE CIRCUIT COURT OF THE COUNTY IN WHICH THE PARCEL OF REAL PROPERTY TO WHICH A MANUFACTURED HOME IS OR WILL BE AFFIXED IS LOCATED:
- (1) SHALL ACCEPT AN AFFIDAVIT OF CONVERSION AFFIXATION AND ANY ATTACHMENTS FOR RECORDATION AND INDEXING; AND
 - (2) MAY CHARGE A REASONABLE FEE FOR THE RECORDATION.
- (C) THE OWNER OF THE MANUFACTURED HOME SHALL FILE A CERTIFIED COPY OF THE RECORDED AFFIDAVIT OF CONVERSION WITH THE MOTOR VEHICLE ADMINISTRATION.

<u>8B 203.</u>

IF A RECORDED AFFIDAVIT OF CONVERSION CONTAINS ANY INVALID OR INCOMPLETE INFORMATION AS TO THE EXISTENCE OF ANY LIEN, SECURITY INTEREST, OR ENCUMBRANCE AGAINST THE MANUFACTURED HOME:

- (1) THE RECORDED AFFIDAVIT OF CONVERSION HAS NO LEGAL EFFECT; AND
- (2) THE MANUFACTURED HOME MAY NOT BE CONSIDERED AS CONVERTED TO REAL PROPERTY.
- (F) THE RECORDATION OF AN AFFIDAVIT OF AFFIXATION DOES NOT REPRESENT A SALE OR TRANSFER OF REAL PROPERTY FOR THE PURPOSE OF THE COLLECTION OF ANY TAX OR FEE CHARGED BY THE STATE OR ANY COUNTY OR MUNICIPALITY.
- (G) (1) IMMEDIATELY AFTER FILING AN AFFIDAVIT OF AFFIXATION WITH THE CLERK OF THE CIRCUIT COURT, THE OWNER OF THE PROPERTY TO WHICH A MANUFACTURED HOME HAS BEEN AFFIXED SHALL SEND A CERTIFIED COPY OF THE AFFIDAVIT AND ANY ATTACHMENTS TO THE MOTOR VEHICLE ADMINISTRATION.
- (2) ON RECEIPT OF A CERTIFIED COPY OF AN AFFIDAVIT OF AFFIXATION AND ANY ATTACHMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE MOTOR VEHICLE ADMINISTRATION SHALL RECORD THE AFFIDAVIT AND ATTACHMENTS IN THE ADMINISTRATION'S RECORDS.

8B-203.

THE MOTOR VEHICLE ADMINISTRATION SHALL MAKE AVAILABLE RECORDS FOR MANUFACTURED HOMES TO ATTORNEYS, TITLE INSURANCE PRODUCERS, AND OTHER INDIVIDUALS AUTHORIZED TO CONDUCT A TITLE SEARCH.

SUBTITLE 3. SEVERANCE FROM REAL PROPERTY.

8B-301.

If a manufactured home for which an affidavit of conversion <u>affixation</u> has been recorded is to be severed from real property, the owner shall <u>record and</u> file an affidavit of severance as provided under § 8B–302 of this subtitle.

8B-302.

- (A) AN AFFIDAVIT OF SEVERANCE SHALL CONTAIN OR BE ACCOMPANIED BY:
- (1) A STATEMENT IDENTIFYING THE OWNER OF THE REAL PROPERTY FROM WHICH THE MANUFACTURED HOME IS TO BE SEVERED, INCLUDING THE NAME, RESIDENCE, AND MAILING ADDRESS OF THE OWNER;
- (2) A DESCRIPTION OF THE MANUFACTURED HOME, INCLUDING THE NAME OF THE MANUFACTURER, THE MAKE, MODEL NAME, MODEL YEAR, DIMENSIONS, MANUFACTURER'S SERIAL NUMBER, AND A STATEMENT WHETHER THE MANUFACTURED HOME IS NEW OR USED;
- (3) THE LIBER AND FOLIO NUMBER FOR AND THE RECORDATION DATE OF THE AFFIDAVIT OF CONVERSION AFFIXATION FOR THE MANUFACTURED HOME; AND
- (4) A STATEMENT BY AN ATTORNEY ADMITTED TO PRACTICE LAW IN THE STATE, OR A TITLE INSURANCE PRODUCER LICENSED BY THE STATE, THAT STATES THAT THE MANUFACTURED HOME AND THE REAL PROPERTY FROM WHICH THE MANUFACTURED HOME IS TO BE SEVERED ARE FREE AND CLEAR OF ANY LIEN, SECURITY INTEREST, OR ENCUMBRANCE.
- (B) AN AFFIDAVIT OF SEVERANCE SHALL BE ACKNOWLEDGED IN WRITING AND NOTARIZED.

- (C) THE CLERK OF THE CIRCUIT COURT OF THE COUNTY IN WHICH THE REAL PROPERTY FROM WHICH A MANUFACTURED HOME IS TO BE SEVERED IS LOCATED:
- (1) SHALL ACCEPT AN AFFIDAVIT OF SEVERANCE AND ANY ATTACHMENTS FOR RECORDATION AND INDEXING; AND
 - (2) MAY CHARGE A REASONABLE FEE FOR THE RECORDATION.
- (D) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE MOTOR VEHICLE ADMINISTRATION, THE ADMINISTRATION SHALL:
- (1) ACCEPT A CERTIFIED COPY OF A RECORDED AFFIDAVIT OF SEVERANCE FOR FILING; AND
- (2) ISSUE A CERTIFICATE OF TITLE FOR THE SEVERED MANUFACTURED HOME.

<u>Article - State Government</u>

<u>10–616.</u>

- (p) (5) Notwithstanding the provisions of paragraphs (3) and (4) of this subsection, a custodian shall disclose personal information:
- (xiv) for use by a hospital to obtain, for hospital security purposes, information relating to ownership of vehicles parked on hospital property; [and]
- (xv) for use by a procurement organization requesting information under § 4–516 of the Estates and Trusts Article for the purposes of organ, tissue, and eve donation; AND
- (XVI) FOR USE BY AN ATTORNEY, A TITLE INSURANCE PRODUCER, OR ANY OTHER INDIVIDUAL AUTHORIZED TO CONDUCT A TITLE SEARCH OF A MANUFACTURED HOME UNDER TITLE 8B OF THE REAL PROPERTY ARTICLE.

<u>Article – Transportation</u>

13–101.

<u>In this subtitle, "certificate of origin" means a certification by the manufacturer,</u> on a form that the Administration approves, that:

- (1) Certifies that the vehicle described in it has been transferred to the dealer or other person named and that the transfer is the first transfer of the vehicle in ordinary trade and commerce; and
 - (2) Describes the vehicle by including:
- (i) <u>Its make, model, year, vehicle identification number, type of body, number of cylinders, and engine number; and</u>
 - (ii) Any other information that the Administration requires.

SECTION 2. AND BE IT FURTHER ENACTED, <u>That the Motor Vehicle Administration shall develop a model affidavit of affixation that meets the requirements of § 8B–202 of the Real Property Article, as enacted by Section 1 of this Act, for use in affixing a manufactured home to real property.</u>

<u>SECTION 3. AND BE IT FURTHER ENACTED</u>, That this Act shall take effect October 1, 2012.

Approved by the Governor, May 22, 2012.