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By: Delegates Sample-Hughes, Anderton, Holmes, and Mautz

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Committee Report: Favorable with amendments House action: Adopted Read second time: March 13, 2018

CHAPTER _____

1 AN ACT concerning

2 Real Property – Mobile Home Parks – Lot Rent Increases Notices to Residents

FOR the purpose of requiring a mobile home park owner to provide certain notice if the
park owner enters into a contract of sale for the mobile home park; requiring a park
owner who intends to offer the renewal of a certain lease agreement with an increase
in rent to provide a certain notice to the resident and make available to the resident
a certain option to phase in the rent increase under certain circumstances; providing

- 8 for the application of this Act; and generally relating to rent increases in mobile home
- 9 parks notices to residents in mobile home parks.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Real Property
- 12 Section 8A–202
- 13 Annotated Code of Maryland
- 14 (2015 Replacement Volume and 2017 Supplement)

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

Article – Real Property

18 8A–202.

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19 (a) A park owner shall offer all current and prospective year-round residents a 20 rental agreement for a period of not less than 1 year.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Upon the expiration of the initial term, the resident shall be on a 1 (b) $\mathbf{2}$ month-to-month term, unless a longer term is agreed to by the parties, subject to the 3 modified provisions relating to the amount and payment of rent. In this subsection, "qualified resident" means a year-round resident 4 (1)(c) $\mathbf{5}$ who: 6 (i) Has made rental payments on the due date or within any grace 7 period commonly permitted in the park during the preceding year; 8 (ii) Within the preceding 6-month period has not committed a 9 repeated violation of any rule or provision of the rental agreement and, at the time the term expires, no substantial violation exists; and 10 11 (iii) Owns a mobile home that meets the standards of the park. 12(2)Before the expiration of a 1-year term, or upon request of the (i) 13resident at any time during a month-to-month term, a park owner shall offer to a qualified resident a rental agreement for a 1-year period. 1415(ii) An offer of a rental agreement for a 1-year term to a gualified resident shall: 16 171. Be delivered to the resident no later than 30 days before 18 the expiration of the existing term; 19 2.Explain, in clear language, a qualified resident's right to 20the 1-year term; and 213. Contain a statement that, if the resident chooses not to 22enter into a 1-year agreement, the lease will continue on a month-to-month term that can be discontinued by either party, upon 30 days' notice. 2324(3)If the use of land is changed: 25All residents shall be entitled to a 1-year prior written notice of (i) termination notwithstanding the provisions of a longer term in a rental agreement; and 2627The park owner shall send to the local governing body of the (ii) 28county or municipal corporation in which the park is located a copy of the written notice of 29termination sent to the residents under item (i) of this paragraph. 30 (4)If a resident's rental agreement is not renewed on the basis that the 31resident is not a qualified resident, the park owner shall, within 5 days, provide the resident 32with a written statement of the specific reason for nonrenewal of the rental agreement.

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1 (5) A resident who has been offered a 1-year rental agreement under this 2 section, and who has selected a month-to-month term and has not requested a 1-year 3 rental agreement under this section, is not entitled to a 1-year rental agreement after a 4 notice to terminate is delivered by certified mail to the resident by the park owner.

5 (d) If any rental agreement contains a provision calling for an automatic renewal 6 of the lease term unless prior notice is given by the party or parties seeking to terminate 7 the rental agreement, that provision shall be distinctly set apart from any other provision 8 of the rental agreement and provide a space for the written acknowledgment of the 9 resident's agreement to the automatic renewal provision. Such provision not specifically 10 accompanied by either the resident's initials, signature, or witnessed mark is unenforceable 11 by the park owner.

12 (e) A rental agreement may not contain:

(3)

13 (1) A provision whereby the resident authorizes any person to confess 14 judgment on a claim arising out of the rental agreement.

15 (2) A provision whereby the resident agrees to waive or to forego any right 16 or remedy provided by applicable law.

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Any provision whereby the resident waives his right to a jury trial.

18 (4) Any provision authorizing the park owner to take possession of the 19 leased premises, or the resident's personal property therein unless the rental agreement 20 has been terminated by action of the parties or by operation of law, and such personal 21 property has been abandoned by the mobile home resident without the benefit of formal 22 legal process.

(f) Any rental agreement offered under this section shall contain the same terms,
including rent, fees, and conditions, as a rental agreement offered to a resident or
prospective resident on a month-to-month term.

26 (g) (1) Within 30 days after obtaining ownership of a mobile home, a resident 27 as defined under § 8A–101(j)(2) of this title shall:

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- (i) Offer the mobile home for sale;
- (ii) Apply to the park owner to enter into a rental agreement; or

30 (iii) Take reasonable steps to remove the mobile home from the park.

31 (2) A park owner may not unreasonably deny an application submitted
32 under paragraph (1)(ii) of this subsection.

33 (3) Notwithstanding any other provision of law, a resident as defined under
34 § 8A-101(j)(2) of this title shall remove the resident's mobile home from the park:

$\frac{3}{4}$	(ii) Within 6 months after an application submitted under paragraph (1)(ii) of this subsection is denied.(H) A PARK OWNER THAT ENTERS INTO A CONTRACT OF SALE FOR A MOBILE
	(H) A PARK OWNER THAT ENTERS INTO A CONTRACT OF SALE FOR A MOBILE
$5 \\ 6$	HOME PARK SHALL, WITHIN 5 DAYS AFTER ENTERING INTO THE CONTRACT:
7	(1) PROVIDE NOTICE OF THE SALE TO:
8 9	(I) EACH RESIDENT IN THE MOBILE HOME PARK BY HAND DELIVERY OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; AND
10 11	(II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED; AND
12 13	(2) <u>POST NOTICE OF THE SALE IN A PUBLIC AREA OF THE MOBILE</u> <u>HOME PARK.</u>
14	(H) (1) THIS SUBSECTION APPLIES ONLY TO A RENTAL AGREEMENT
15	THAT HAS A TERM OF NOT LESS THAN 1 YEAR THAT IS OFFERED FOR RENEWAL FOR
16	A TERM OF NOT LESS THAN 1 YEAR.
17	(2) IF A PARK OWNER INTENDS TO OFFER THE RENEWAL OF A LEASE
18	AGREEMENT WITH AN INCREASE IN RENT, THE PARK OWNER SHALL#
19	(I) PROVIDE PROVIDE NOTICE TO THE RESIDENT OF THE RENT
20	INCREASE NO LATER THAN 60 DAYS BEFORE THE EXPIRATION OF THE EXISTING
21	RENTAL AGREEMENT ; AND
22	(II) MAKE AVAILABLE TO THE RESIDENT THE OPTION TO PHASE
23	IN THE RENT INCREASE UNDER THE RENEWED RENTAL AGREEMENT AS FOLLOWS:
24	1. 50% OF THE RENT INCREASE DURING THE FIRST HALF
25	OF THE TERM OF THE RENEWED RENTAL AGREEMENT; AND
26	2. 100% OF THE RENT INCREASE DURING THE
$\frac{20}{27}$	REMAINDER OF THE TERM OF THE RENEWED RENTAL AGREEMENT.
28 29 30 31	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any rental agreement or renewal of a rental agreement between a mobile home park owner and a resident entered into before the effective date of this Act.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 2 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.