

HOUSE BILL 23

N1

3lr0906

(PRE-FILED)

By: **Delegate Stewart**

Requested: November 18, 2022

Introduced and read first time: January 11, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Manufactured Homes – Sale of Manufactured Housing Communities**
3 **(Manufactured Housing Modernization Act of 2023)**

4 FOR the purpose of requiring the owner of a manufactured housing community to comply
5 with certain requirements when selling the manufactured housing community,
6 including providing homeowners the opportunity to purchase the manufactured
7 housing community; and generally relating to manufactured homes and
8 manufactured housing communities.

9 BY adding to

10 Article – Real Property

11 Section 8B–401 through 8B–405 to be under the new subtitle “Subtitle 4. Sale of
12 Manufactured Housing Communities”

13 Annotated Code of Maryland

14 (2015 Replacement Volume and 2022 Supplement)

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

17 **Article – Real Property**

18 **SUBTITLE 4. SALE OF MANUFACTURED HOUSING COMMUNITIES.**

19 **8B–401.**

20 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) “COMMUNITY OWNER” MEANS THE OWNER OF A MANUFACTURED**
2 **HOUSING COMMUNITY.**

3 **(C) “HOMEOWNER” MEANS THE OWNER OF A MANUFACTURED HOME WHO**
4 **LEASES OR RENTS A LOT IN A MANUFACTURED HOUSING COMMUNITY FOR**
5 **RESIDENTIAL USE.**

6 **(D) “HOMEOWNERS ORGANIZATION” MEANS AN INCORPORATED OR**
7 **UNINCORPORATED ORGANIZATION, INCLUDING A COOPERATIVE HOUSING**
8 **CORPORATION, THAT:**

9 **(1) REPRESENTS THE INTERESTS OF THE HOMEOWNERS IN A**
10 **MANUFACTURED HOUSING COMMUNITY;**

11 **(2) IS OPEN TO ALL HOMEOWNERS RESIDING IN THE MANUFACTURED**
12 **HOUSING COMMUNITY; AND**

13 **(3) IS CONTROLLED BY THE MEMBERS OF THE ORGANIZATION.**

14 **(E) (1) “MANUFACTURED HOUSING COMMUNITY” MEANS ANY PROPERTY**
15 **LEASED OR HELD OUT FOR LEASE TO TWO OR MORE OWNERS OF MANUFACTURED**
16 **HOMES FOR RESIDENTIAL USE.**

17 **(2) “MANUFACTURED HOUSING COMMUNITY” INCLUDES A PARK, AS**
18 **DEFINED IN § 8A-101 OF THIS ARTICLE, FOR MOBILE HOMES, AS DEFINED IN §**
19 **8A-101 OF THIS ARTICLE.**

20 **8B-402.**

21 **(A) THE REQUIREMENTS OF THIS SUBTITLE APPLY SEPARATELY TO EACH**
22 **SUBSTANTIALLY DIFFERENT OFFER TO SELL OR TO PURCHASE A MANUFACTURED**
23 **HOUSING COMMUNITY.**

24 **(B) THIS SUBTITLE DOES NOT APPLY TO THE POTENTIAL SALE OF A**
25 **MANUFACTURED HOUSING COMMUNITY IF:**

26 **(1) THE COMMUNITY OWNER IS SELLING THE MANUFACTURED**
27 **HOUSING COMMUNITY TO:**

28 **(i) A FAMILY MEMBER OF THE COMMUNITY OWNER; OR**

29 **(ii) A TRUST WHOSE BENEFICIARIES ARE FAMILY MEMBERS OF**
30 **THE COMMUNITY OWNER;**

1 **(2) THE COMMUNITY OWNER IS A PARTNERSHIP AND THE SALE IS TO**
2 **ONE OR MORE OF THE PARTNERS;**

3 **(3) THE CONVEYANCE OF AN INTEREST IN THE MANUFACTURED**
4 **HOUSING COMMUNITY IS INCIDENTAL TO THE FINANCING OF THE MANUFACTURED**
5 **HOUSING COMMUNITY;**

6 **(4) THE SALE OF THE MANUFACTURED HOUSING COMMUNITY IS**
7 **BETWEEN JOINT TENANTS OR TENANTS IN COMMON; OR**

8 **(5) THE SALE OF THE MANUFACTURED HOUSING COMMUNITY IS A**
9 **RESULT OF THE EXERCISE OF THE POWER OF EMINENT DOMAIN.**

10 **8B-403.**

11 **(A) IF A MANUFACTURED HOUSING COMMUNITY OWNER RECEIVES AN**
12 **OFFER TO PURCHASE THE COMMUNITY, ACCEPTANCE OF THAT OFFER SHALL BE**
13 **CONDITIONED ON THE COMMUNITY OWNER:**

14 **(1) PROVIDING NOTICE OF THE TERMS OF THE OFFER OR THE**
15 **CONTRACT THAT THE MANUFACTURED HOME COMMUNITY OWNER HAS**
16 **CONDITIONALLY ACCEPTED TO:**

17 **(I) EACH HOMEOWNER IN THE MANUFACTURED HOUSING**
18 **COMMUNITY; AND**

19 **(II) THE DEPARTMENT OF HOUSING AND COMMUNITY**
20 **DEVELOPMENT; AND**

21 **(2) PROVIDING THE HOMEOWNERS WITH THE OPPORTUNITY TO**
22 **PURCHASE THE MANUFACTURED HOUSING COMMUNITY IN ACCORDANCE WITH §**
23 **8B-404 OF THIS SUBTITLE.**

24 **(B) THE NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION**
25 **SHALL BE SENT BY REGISTERED OR CERTIFIED MAIL AND INCLUDE THE FOLLOWING**
26 **INFORMATION:**

27 **(1) THE PRICE AND TERMS AND CONDITIONS OF THE OFFER THAT**
28 **THE COMMUNITY OWNER HAS CONDITIONALLY ACCEPTED FOR THE SALE OF THE**
29 **MANUFACTURED HOUSING COMMUNITY WITH COPIES OF ANY DOCUMENTS**
30 **EVIDENCING THE PRICE AND TERMS AND CONDITIONS; AND**

31 **(2) A STATEMENT INDICATING THAT THE HOMEOWNERS, THROUGH A**
32 **HOMEOWNERS ORGANIZATION, MAY PURCHASE THE MANUFACTURED HOUSING**

1 COMMUNITY BY SUBMITTING AN OFFER WITHIN 60 DAYS OF THE MAILING DATE OF
2 THE NOTICE.

3 (C) THE PRICE AND TERMS AND CONDITIONS STATED IN THE NOTICE TO
4 THE HOMEOWNERS MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL
5 BUYERS AND MAY NOT BE SPECIFIC TO THE HOMEOWNERS OR THEIR ASSIGNEE.

6 (D) WITHIN 10 DAYS AFTER THE DATE ON WHICH THE COMMUNITY OWNER
7 PROVIDES NOTICE REQUIRED UNDER THIS SECTION, THE COMMUNITY OWNER
8 SHALL MAKE AVAILABLE TO THE HOMEOWNERS THE SAME INFORMATION THAT THE
9 COMMUNITY OWNER PROVIDED OR WOULD HAVE PROVIDED TO OTHER
10 PROSPECTIVE PURCHASERS.

11 8B-404.

12 (A) ON NOTICE OF THE INTENT TO SELL A MANUFACTURED HOUSING
13 COMMUNITY IN ACCORDANCE WITH § 8B-403 OF THIS SUBTITLE, A HOMEOWNERS
14 ORGANIZATION MAY OFFER TO PURCHASE THE MANUFACTURED HOUSING
15 COMMUNITY BY:

16 (1) PROVIDING DOCUMENTATION THAT A MAJORITY OF THE
17 HOMEOWNERS RESIDING IN THE MANUFACTURED HOUSING COMMUNITY, WITH ONE
18 VOTE PER HOME, HAVE VOTED OR SIGNED A PETITION IN FAVOR OF SUBMITTING A
19 PROPOSAL FOR THE PURCHASE OF THE MANUFACTURED HOUSING COMMUNITY TO
20 THE COMMUNITY OWNER;

21 (2) NOTIFYING THE COMMUNITY OWNER OF THE INTENT TO
22 PURCHASE THE MANUFACTURED HOUSING COMMUNITY; AND

23 (3) SUBMITTING TO THE COMMUNITY OWNER A PROPOSED
24 AGREEMENT TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY THAT
25 INCLUDES TERMS SUBSTANTIALLY SIMILAR TO THE TERMS INCLUDED IN THE SALES
26 NOTICE PROVIDED UNDER § 8B-403 OF THIS SUBTITLE.

27 (B) THE HOMEOWNERS ORGANIZATION SHALL SEND THE NOTICE OF INTENT
28 TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY AND THE PROPOSED
29 AGREEMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO THE
30 COMMUNITY OWNER BY REGISTERED OR CERTIFIED MAIL.

31 (C) (1) IF THE HOMEOWNERS ORGANIZATION SUBMITS A PROPOSED
32 AGREEMENT TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY IN
33 ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION WITHIN THE 60-DAY PERIOD
34 IDENTIFIED IN § 8B-403 OF THIS SUBTITLE, THE COMMUNITY OWNER SHALL
35 CONSIDER THE OFFER IN GOOD FAITH, WHICH SHALL INCLUDE A DUTY NOT TO ACT

1 TO SCUTTLE THE PROPOSED AGREEMENT, NOT TO ARBITRARILY OR CAPRICIOUSLY
2 REFUSE TO PROCEED WITH NEGOTIATIONS, AND NOT TO ENGAGE IN MISCONDUCT
3 OR DISHONESTY IN THE NEGOTIATIONS.

4 (2) AFTER THE EXPIRATION OF THE 60 DAYS IDENTIFIED IN § 8B-403
5 OF THIS SUBTITLE, A COMMUNITY OWNER MAY NOT BE REQUIRED TO CONSIDER
6 ADDITIONAL OFFERS FROM THE HOMEOWNERS ORGANIZATION.

7 (D) IF THE MANUFACTURED HOUSING COMMUNITY OWNER AND THE
8 HOMEOWNERS ORGANIZATION ENTER INTO AN AGREEMENT FOR THE SALE OF THE
9 MANUFACTURED HOUSING COMMUNITY, UNLESS THE PARTIES AGREE TO A LONGER
10 PERIOD OF TIME, THE HOMEOWNERS ORGANIZATION SHALL HAVE:

11 (1) NOT MORE THAN 105 DAYS AFTER THE DATE OF THE AGREEMENT
12 TO OBTAIN FINANCING; AND

13 (2) NOT MORE THAN 45 DAYS AFTER THE DATE FINANCING IS
14 SECURED TO CLOSE ON THE PURCHASE.

15 (E) A HOMEOWNERS ORGANIZATION MAY ASSIGN ITS RIGHTS UNDER THIS
16 SUBTITLE TO A LOCAL GOVERNMENT, HOUSING AUTHORITY, NONPROFIT WITH
17 EXPERTISE RELATING TO HOUSING, OR THE STATE OR AN AGENCY OF THE STATE,
18 FOR THE PURPOSE OF CONTINUING THE USE OF THE PROPERTY AS A
19 MANUFACTURED HOUSING COMMUNITY THAT WILL PROVIDE AFFORDABLE
20 HOUSING.

21 **8B-405.**

22 IF A COMMUNITY OWNER WILLFULLY FAILS TO COMPLY WITH THE
23 REQUIREMENTS OF THIS SUBTITLE, THE COMMUNITY OWNER SHALL BE LIABLE TO
24 THE HOMEOWNERS ORGANIZATION IN THE AMOUNT OF \$10,000.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2023.