Chapter 177

(House Bill 23)

AN ACT concerning

Mobile and Manufactured Homes - Sale of Manufactured Housing Relocation Plans and Sales of Communities (Manufactured Housing Modernization Act of 2023)

FOR the purpose of <u>altering requirements relating to relocation plans for mobile home parks</u>; requiring the owner of a manufactured housing community to comply with certain requirements when selling the manufactured housing community, including providing homeowners the opportunity to purchase the manufactured housing community; requiring the Department of Housing and Community Development to <u>list certain organizations and certain county housing agencies on its website; requiring the owner of a manufactured housing community to provide the list to homeowners; requiring a certain community owner or purchaser of a manufactured housing community to comply with certain notice requirements after the sale of a manufactured housing community; and generally relating to mobile and manufactured homes and manufactured housing communities.</u>

BY renumbering

<u>Article – Real Property</u>

Section 8A–1801 through 8A–1803 and the subtitle "Subtitle 18. Applicability, Enforcement and Short Title"

to be Section 8A–1901 through 8A–1903 and the subtitle "Subtitle 19. Applicability, Enforcement and Short Title", respectively

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 8A–1201

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)

BY adding to

Article – Real Property

Section 8B-401 through 8B-405 <u>8A-1801 through 8A-1806</u> to be under the new subtitle "Subtitle 4. <u>18.</u> Sale of Manufactured Housing Communities"

Annotated Code of Maryland

(2015 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 8A–1801 through 8A–1803 and the subtitle "Subtitle 18. Applicability, Enforcement and Short Title" of Article – Real Property of the Annotated Code of Maryland

be renumbered to be Section(s) 8A–1901 through 8A–1903 and the subtitle "Subtitle 19. Applicability, Enforcement and Short Title", respectively.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Real Property

8A-1201.

- (a) When a mobile home park owner submits an application for a change in the land use of a park, the owner shall submit, as part of the application, a relocation plan for park residents who will be dislocated as a result of the change.
- (b) (1) If a mobile home park owner does not submit a relocation plan for the park residents or does not comply with the terms of an approved plan, the mobile home park owner is in default of the plan and the application for change of land use submitted under subsection (a) of this section may not be approved until the owner submits and complies with a plan.
 - (2) A relocation plan for park residents shall include:
- (i) A complete list of park residents, including household sizes, addresses, and contact information for residents;
- (ii) A relocation calendar or timeline and written monthly updates on the progress of the relocation;
- (iii) If the plan is for closing a park with more than [38] 10 sites, a budget reflecting the amount of relocation assistance allocated by the mobile home park owner to be given to each household as described in subsection (c)(1) of this section;
- (iv) A description of the requirement that a resident provide written notice of the resident's intention to vacate the park and the timetable for the owner to pay relocation assistance, as provided under subsection (c)(2) of this section;
 - (v) A list of area mobile home parks with vacancies; and
 - (vi) A list of area companies that relocate mobile homes.
- (3) If a mobile home park owner undertakes a reasonable, good faith inquiry to obtain the information required under paragraph (2) of this subsection and the information in the relocation plan is based on the owner's reasonable, good faith inquiry, the owner shall not incur any liability and may not be estopped from obtaining possession of the premises because of a failure to provide accurate information in the relocation plan.

- (4) A relocation plan may not require, as a condition of approval by the local governing body of the plan or the change in land use submitted under subsection (a) of this section, that:
- (i) Relocation assistance be paid unless the mobile home park owner sends a notice of park closure to each resident;
- (ii) The amount of relocation assistance exceed the amount described in subsection (c)(1) of this section;
- (iii) Except as provided in subsection (c) of this section, any amount of relocation assistance be paid to a resident before possession of the premises is returned to the owner; or
 - (iv) The owner assure the relocation of any resident.
- (5) If an owner rescinds a notice of park closure, the owner is not required to pay relocation assistance after the date the notice of rescission is sent to the residents.
- (6) An owner is not required to pay relocation assistance to any potential resident who, after receiving written notice of the application for change in land use or written notice of park closure, signs an agreement to rent premises in the park.
- (c) (1) If a mobile home park with more than [38] 10 sites is closed, the relocation assistance paid to each household shall equal the amount of rent for the premises, excluding taxes and utilities, paid for the [10] 12 months immediately preceding the date the resident vacates the premises.
 - (2) The relocation assistance shall be paid in the following manner:
- (i) One half of the relocation assistance shall be paid to a resident within 30 days after the mobile home park owner receives written notice of:
 - 1. The resident's intention to vacate the park; and
- <u>2.</u> The date on which the resident will return possession of the premises to the owner; and
- (ii) One half of the relocation assistance shall be paid to a resident within 30 days after the resident returns possession of the premises to the owner.
- (3) If a resident fails to return possession of the premises by removing the mobile home from the premises on or before the date specified in the resident's notice of intention to vacate, the resident shall forfeit the balance of any relocation assistance due unless the mobile home park owner agrees in writing to a different date.

- (d) (1) The local governing body of the county or municipal corporation in which a mobile home park is located may provide additional relocation assistance to residents.
- (2) A mobile home park owner is not responsible for any payments made under paragraph (1) of this subsection.

SUBTITLE 4. 18. SALE OF MANUFACTURED HOUSING COMMUNITIES.

8B-401. 8A-1801.

- (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
- (B) "COMMUNITY OWNER" MEANS THE OWNER OF A MANUFACTURED HOUSING COMMUNITY.
- (C) "HOMEOWNER" MEANS THE AN OWNER OF A MANUFACTURED HOME WHO LEASES OR RENTS A LOT IN A MANUFACTURED HOUSING COMMUNITY FOR RESIDENTIAL USE.
- (D) "HOMEOWNERS ORGANIZATION" MEANS AN INCORPORATED OR UNINCORPORATED ORGANIZATION, INCLUDING A COOPERATIVE HOUSING CORPORATION, THAT:
- (1) REPRESENTS THE INTERESTS OF THE HOMEOWNERS IN A MANUFACTURED HOUSING COMMUNITY;
- (2) IS OPEN TO ALL HOMEOWNERS RESIDING IN THE MANUFACTURED HOUSING COMMUNITY; AND
 - (3) IS CONTROLLED BY THE MEMBERS OF THE ORGANIZATION; AND
- (4) COMPRISES HOMEOWNERS WHO LEASE OR RENT AT LEAST 75% OF THE LOTS IN THE MANUFACTURED HOUSING COMMUNITY.
- (E) "MANUFACTURED HOME" HAS THE MEANING STATED IN § 8B–101 OF THIS ARTICLE.
- (E) (F) (1) "MANUFACTURED HOUSING COMMUNITY" MEANS ANY PROPERTY LEASED OR HELD OUT FOR LEASE TO TWO OR MORE OWNERS OF MANUFACTURED HOMES FOR RESIDENTIAL USE.

(2) "MANUFACTURED HOUSING COMMUNITY" INCLUDES A PARK, AS DEFINED IN § 8A-101 OF THIS ARTICLE, FOR MOBILE HOMES, AS DEFINED IN § 8A-101 OF THIS ARTICLE.

8B-402. 8A-1802.

- (A) THE REQUIREMENTS OF THIS SUBTITLE APPLY SEPARATELY TO EACH SUBSTANTIALLY DIFFERENT OFFER TO SELL OR TO PURCHASE A MANUFACTURED HOUSING COMMUNITY.
- (B) THIS SUBTITLE DOES NOT APPLY TO THE POTENTIAL SALE OF A MANUFACTURED HOUSING COMMUNITY IF:
- (1) A MORTGAGEE, GRANTEE, OR OTHER SECURED PARTY HAS FORECLOSED ON THE MANUFACTURED HOUSING COMMUNITY AND THE MORTGAGEE, GRANTEE, OR SECURED PARTY IS SELLING THE MANUFACTURED HOUSING COMMUNITY:
 - (I) AT A FORECLOSURE SALE; OR
- (II) AFTER PURCHASING THE MANUFACTURED HOUSING COMMUNITY AT A FORECLOSURE SALE;
- (1) (2) THE COMMUNITY OWNER IS SELLING THE MANUFACTURED HOUSING COMMUNITY TO:
 - (I) A FAMILY MEMBER OF THE COMMUNITY OWNER; OR
- (II) A TRUST WHOSE BENEFICIARIES ARE FAMILY MEMBERS OF THE COMMUNITY OWNER;
- (2) (3) THE COMMUNITY OWNER IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR SIMILAR BUSINESS ENTITY AND THE SALE IS TO ONE OR MORE OF THE PARTNERS OR MEMBERS OF THE BUSINESS ENTITY;
- (3) (4) THE CONVEYANCE OF AN INTEREST IN THE MANUFACTURED HOUSING COMMUNITY IS INCIDENTAL TO THE FINANCING OF THE MANUFACTURED HOUSING COMMUNITY;
- (4) (5) The sale of the manufactured housing community is between joint tenants or tenants in common; Θ
- (5) (6) THE SALE OF THE MANUFACTURED HOUSING COMMUNITY IS A RESULT OF THE EXERCISE OF THE POWER OF EMINENT DOMAIN;

- (7) THE SALE OF THE MANUFACTURED HOUSING COMMUNITY INVOLVES A MERGER, RECAPITALIZATION, OR SIMILAR TRANSACTION WHERE:
- (I) AT LEAST ONE COMMUNITY OWNER PRIOR TO THE TRANSACTION REMAINS A COMMUNITY OWNER AFTER THE TRANSACTION; AND
- (II) THE COMMUNITY OWNER FILES AN AFFIDAVIT, RECORDED IN THE LAND RECORDS IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, AFFIRMING THAT THE COMMUNITY OWNER WILL ALLOW CONTINUED USE OF THE LAND AS A MANUFACTURED HOUSING COMMUNITY FOR AT LEAST 6 MONTHS AFTER THE DATE THE TRANSACTION IS FINALIZED; OR
- (8) THE SALE OF THE MANUFACTURED HOUSING COMMUNITY INVOLVES:
 - (I) A LIKE-KIND EXCHANGE; OR
- (II) A SALE OF MORE THAN ONE HOME IN THE COMMUNITY TO A SINGLE PURCHASER.

8B-403. <u>8A-1803.</u>

- (A) IF A MANUFACTURED HOUSING COMMUNITY OWNER RECEIVES AN OFFER TO PURCHASE THE COMMUNITY, ACCEPTANCE OF THAT OFFER SHALL BE CONDITIONED ON THE COMMUNITY OWNER PURCHASER FILING AN AFFIDAVIT, RECORDED IN THE LAND RECORDS IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, AFFIRMING THAT:
- (1) THE PURCHASER WILL ALLOW CONTINUED USE OF THE LAND AS A MANUFACTURED HOUSING COMMUNITY FOR 5 YEARS AFTER THE DATE THE PURCHASE IS FINALIZED; AND
- (2) RENT FOR A LOT ON THE PROPERTY WILL NOT INCREASE BY MORE THAN 10% PER YEAR FOR THE FIRST 3 YEARS AFTER THE DATE THE PURCHASE IS FINALIZED.
- (B) IF THE PURCHASER FAILS TO FILE AN AFFIDAVIT IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION, ACCEPTANCE BY THE COMMUNITY OWNER OF THE OFFER TO PURCHASE THE COMMUNITY SHALL BE CONDITIONED ON THE COMMUNITY OWNER:

- (1) PROVIDING NOTICE OF THE TERMS OF THE OFFER OR THE CONTRACT THAT THE MANUFACTURED HOME COMMUNITY OWNER HAS CONDITIONALLY ACCEPTED TO:
- (I) EACH HOMEOWNER IN THE MANUFACTURED HOUSING COMMUNITY; AND
- (II) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AND

(III) THE APPROPRIATE HOUSING AGENCY; AND

- (2) Providing the homeowners with the opportunity to purchase the manufactured housing community in accordance with § 8B-404 8A-1804 of this subtitle.
- (B) (C) THE NOTICE REQUIRED UNDER SUBSECTION (A) (B) OF THIS SECTION SHALL:
- (1) BE BE POSTED IN A PUBLIC AREA OF THE MANUFACTURED HOUSING COMMUNITY;
- (2) <u>Be</u> sent by registered or certified mail and include to the homeowners organization; and
 - (3) INCLUDE THE FOLLOWING INFORMATION:
- (1) (I) THE PRICE AND MATERIAL TERMS AND CONDITIONS OF THE OFFER THAT THE COMMUNITY OWNER HAS CONDITIONALLY ACCEPTED FOR THE SALE OF THE MANUFACTURED HOUSING COMMUNITY WITH COPIES OF ANY DOCUMENTS EVIDENCING THE PRICE AND TERMS AND CONDITIONS; AND
- (2) (II) A STATEMENT INDICATING THAT THE HOMEOWNERS, THROUGH A HOMEOWNERS ORGANIZATION, MAY PURCHASE THE MANUFACTURED HOUSING COMMUNITY BY SUBMITTING AN OFFER WITHIN 60 DAYS OF THE MAILING DATE OF THE NOTICE, CONTAINING SUBSTANTIALLY SIMILAR MATERIAL TERMS TO THE OFFER THAT THE COMMUNITY OWNER HAS CONDITIONALLY ACCEPTED; AND
- (III) THE LIST OF ORGANIZATIONS AND COUNTY HOUSING AGENCIES REQUIRED UNDER § 8A–1804(G) OF THIS SUBTITLE.
- (C) (D) THE PRICE AND TERMS AND CONDITIONS STATED IN THE NOTICE TO THE HOMEOWNERS MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL BUYERS AND MAY NOT BE SPECIFIC TO THE HOMEOWNERS OR THEIR ASSIGNEE.

- (E) WITHIN 10 DAYS AFTER THE DATE ON WHICH THE COMMUNITY OWNER PROVIDES NOTICE REQUIRED UNDER THIS SECTION, THE COMMUNITY OWNER SHALL MAKE AVAILABLE TO THE HOMEOWNERS <u>ORGANIZATION</u> THE SAME INFORMATION THAT THE COMMUNITY OWNER PROVIDED OR WOULD HAVE PROVIDED TO OTHER PROSPECTIVE PURCHASERS.
- (F) THE COMMUNITY OWNER IS NOT LIABLE TO ANY PARTY TO A REAL ESTATE TRANSACTION FOR A VIOLATION OF THIS SECTION.

8B-404. 8A-1804.

- (A) ON NOTICE OF THE INTENT TO SELL A MANUFACTURED HOUSING COMMUNITY IN ACCORDANCE WITH § 8B-403 8A-1803 OF THIS SUBTITLE, A HOMEOWNERS ORGANIZATION MAY OFFER TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY BY:
- (1) PROVIDING DOCUMENTATION THAT A MAJORITY OF THE HOMEOWNERS RESIDING IN THE MANUFACTURED HOUSING COMMUNITY, WITH ONE VOTE PER HOME, HAVE VOTED OR SIGNED A PETITION IN FAVOR OF SUBMITTING A PROPOSAL FOR THE PURCHASE OF THE MANUFACTURED HOUSING COMMUNITY TO THE COMMUNITY OWNER TO THE COMMUNITY OWNER INDICATING THAT AT LEAST 75% OF THE MEMBERS OF THE HOMEOWNERS ORGANIZATION WHO RESIDE IN THE MANUFACTURED HOUSING COMMUNITY, WITH ONE VOTE PER HOME, HAVE VOTED TO PURCHASE THE COMMUNITY;
- (2) NOTIFYING THE COMMUNITY OWNER OF THE INTENT TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY; AND
- (3) SUBMITTING TO THE COMMUNITY OWNER A PROPOSED AGREEMENT TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY THAT INCLUDES TERMS SUBSTANTIALLY SIMILAR TO THE TERMS INCLUDED IN THE SALES NOTICE PROVIDED UNDER § 8B-403 8A-1803 OF THIS SUBTITLE.
- (B) THE HOMEOWNERS ORGANIZATION SHALL SEND THE NOTICE OF INTENT TO PURCHASE THE MANUFACTURED HOUSING COMMUNITY AND THE PROPOSED AGREEMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO THE COMMUNITY OWNER BY REGISTERED OR CERTIFIED MAIL.
- (C) (1) If the homeowners organization submits a proposed agreement to purchase the manufactured housing community in accordance with subsection (a) of this section within the 60-day period identified in § 8B-403 8A-1803 of this subtitle, the community owner

SHALL CONSIDER THE OFFER IN GOOD FAITH, WHICH SHALL INCLUDE A DUTY NOT TO ACT TO SCUTTLE THE PROPOSED AGREEMENT, NOT TO ARBITRARILY OR CAPRICIOUSLY REFUSE TO PROCEED WITH NEGOTIATIONS, AND NOT TO ENGAGE IN MISCONDUCT OR DISHONESTY IN THE NEGOTIATIONS.

- (2) AFTER THE EXPIRATION OF THE 60 DAYS IDENTIFIED IN § 8B-403 8A-1803 OF THIS SUBTITLE, A COMMUNITY OWNER MAY NOT BE REQUIRED TO CONSIDER ADDITIONAL OFFERS FROM THE HOMEOWNERS ORGANIZATION.
- (D) IF THE MANUFACTURED HOUSING COMMUNITY OWNER AND THE HOMEOWNERS ORGANIZATION ENTER INTO AN AGREEMENT FOR THE SALE OF THE MANUFACTURED HOUSING COMMUNITY, UNLESS THE PARTIES AGREE TO A LONGER AN ALTERNATIVE PERIOD OF TIME, THE HOMEOWNERS ORGANIZATION SHALL HAVE NOT MORE THAN 105 DAYS AFTER THE DATE OF THE AGREEMENT TO OBTAIN FINANCING AND CLOSE ON THE PURCHASE.
- (1) NOT MORE THAN 105 DAYS AFTER THE DATE OF THE AGREEMENT TO OBTAIN FINANCING; AND
- (2) NOT MORE THAN 45 DAYS AFTER THE DATE FINANCING IS SECURED TO CLOSE ON THE PURCHASE.
- (E) IF THE HOMEOWNERS ORGANIZATION DOES NOT OBTAIN FINANCING FOR THE PURCHASE OR THE PARTIES FAIL TO CLOSE ON THE PURCHASE WITHIN THE TIME PERIOD PRESCRIBED IN SUBSECTION (D) OF THIS SECTION, THE COMMUNITY OWNER HAS COMPLIED WITH THE COMMUNITY OWNER'S OBLIGATIONS UNDER THIS SECTION.
- (E) (F) A HOMEOWNERS ORGANIZATION MAY ASSIGN ITS RIGHTS UNDER THIS SUBTITLE TO A LOCAL GOVERNMENT, HOUSING AUTHORITY, NONPROFIT WITH EXPERTISE RELATING TO HOUSING, OR THE STATE OR AN AGENCY OF THE STATE, FOR THE PURPOSE OF CONTINUING THE USE OF THE PROPERTY AS A MANUFACTURED HOUSING COMMUNITY THAT WILL PROVIDE AFFORDABLE HOUSING.
- (G) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL MAINTAIN ON ITS WEBSITE A LIST OF ORGANIZATIONS AND COUNTY HOUSING AGENCIES AVAILABLE TO ASSIST HOMEOWNERS WITH FINANCING FOR THE PURCHASE OF A MANUFACTURED HOUSING COMMUNITY.

8B-405. 8A-1805.

A COMMUNITY OWNER WHO FILES AN AFFIDAVIT AS REQUIRED UNDER § 8A–1802(B)(7) OF THIS SUBTITLE OR A PURCHASER WHO FILES AN AFFIDAVIT AS

REQUIRED UNDER § 8A–1803(A) OF THIS SUBTITLE SHALL, NOT MORE THAN 30 DAYS AFTER THE DATE OF THE SALE:

- (1) PROVIDE NOTICE OF THE AFFIDAVIT TO EACH HOMEOWNER IN THE MANUFACTURED HOUSING COMMUNITY BY FIRST-CLASS MAIL; AND
- (2) POST A COPY OF THE AFFIDAVIT IN A PUBLIC AREA OF THE MANUFACTURED HOUSING COMMUNITY.

8A-1806.

- (A) IF A COMMUNITY OWNER WILLFULLY FAILS TO COMPLY WITH THE REQUIREMENTS OF THIS SUBTITLE, THE COMMUNITY OWNER SHALL BE LIABLE TO THE HOMEOWNERS ORGANIZATION IN THE AMOUNT OF \$10,000.
- (B) A PURCHASER WHO FILES AN AFFIDAVIT AS REQUIRED UNDER § 8A–1803(A) OF THIS SUBTITLE IS LIABLE TO THE HOMEOWNERS ORGANIZATION IN THE AMOUNT OF \$10,000 IF THE PURCHASER:
- (1) CLOSES THE MANUFACTURED HOUSING COMMUNITY WITHIN 5 YEARS AFTER THE DATE THE PURCHASE IS FINALIZED; OR
- (2) INCREASES THE RENT FOR A LOT ON THE PROPERTY BY MORE THAN 10% PER YEAR IN THE FIRST 3 YEARS AFTER THE DATE THE PURCHASE IS FINALIZED.

SECTION $\stackrel{\frown}{=}$ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2023.

Approved by the Governor, April 24, 2023.