DATE: January 25, 2022

TO: Chair Kumar Barve and members of the Ways and Means Committee

FROM: Camille Fesche, RWL Law

RE: **Opposition to House Bill 71** – Manufactured Homes – Conversion to Real Property and Sale of Manufactured Housing Communities (Manufactured Housing Modernization Act)

Horizon Land Co. ("Horizon") opposes HB71 and respectfully requests that the Committee issue an unfavorable report. This legislation makes it harder and more onerous to provide quality affordable homes for Marylanders and jeopardizes the viability of Manufactured Housing Communities ("MHCs").

Horizon, whose sole business is owning and operating MHCs, owns and operates twelve MHCs throughout Maryland. Horizon excels at creating and maintaining affordable, clean, and desirable land-lease neighborhoods located in generally desirable/high cost of living locations. Horizon's mission is to provide residents with a quality affordable housing opportunity and preserve MHCs.

The notice requirement in this legislation is excessive. Providing registered or certified mail within 90 days after the date on which the homeowner's organization or agent receives the sales notice from the community owner is a duration not seen in other jurisdictions. Coupled with the 150 days the homeowners organization or agent have to obtain financing and close the sale of the community is unworkable. This adds approximately three quarters of a year to the sale and purchase of a MHC, effectively chilling the ability of a property owner to sell their property to a willing buyer.

The homeowners organization, as defined in the legislation offers no protections to the community members. There are no requirements that that the homeowners organization actually represent the views of the community or include a majority of community members. A single resident could initiate this entire process – potentially against the will of the community.

Further, in this legislation, a significant amount of information about the sale would have to be disclosed to the homeowners organization with no protections for confidential information or restrictions on how the homeowners organization could use this information. Confidential information could include information on a neighbor's delinquencies or other personal information.

Finally, the failure for compliance with this legislation – that the community owner shall be liable for $50,000 or 50% of the profit (whichever is greater) that would be achieved by the community through the sale – would again have an absolute chilling effect and would preclude any manufactured housing parks in Maryland from being sold. This severely harms the viability of Maryland's MHCs and will result in MHC conversion to other uses.

Together, these provisions would prevent any prospective buyer from being able to effectively close a deal on any manufactured housing community in Maryland. It will limit options for consumers, have a chilling effect on investment in these communities, and endanger the viability of these communities.

For these reasons we respectfully request an unfavorable report on House Bill 71.

For more information contact Camille Fesche, 410-269-5066.