

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1201 Session of 2009

INTRODUCED BY HARPER, R. TAYLOR, BRENNAN, CLYMER, D. COSTA,
CREIGHTON, FREEMAN, GRUCELA, HORNAMAN, JOSEPHS, KAUFFMAN,
KORTZ, KOTIK, MURT, PASHINSKI, SCAVELLO, SIPTROTH, J. TAYLOR,
TRUE AND GEIST, APRIL 3, 2009

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 3, 2009

AN ACT

1 Amending the act of November 24, 1976 (P.L.1176, No.261),
2 entitled "An act providing for the rights and duties of
3 mobile home owners or operators and mobile home residents,"
4 adding definitions; and providing for written disclosures
5 prior to sale or rental of mobile home lots.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The title of the act of November 24, 1976
9 (P.L.1176, No.261), known as the Mobile Home Park Rights Act, is
10 amended to read:

AN ACT

12 Providing for the rights and duties of mobile home owners or
13 operators and mobile home residents; requiring certain mobile
14 home park owners and operators to provide written disclosures
15 prior to the rental or sale of any mobile home park lot.

16 Section 2. Section 1 of the act is amended to read:

17 Section 1. Short Title.--This act shall be known and may be
18 cited as the "Mobile Home Park Disclosure and Rights Act."

1 Section 3. Section 2 of the act is amended by adding
2 definitions to read:

3 Section 2. Definitions.--As used in this act:

4 "Agency" means the Office of the Attorney General.

5 * * *

6 "Mobile home park owner" or "park owner" means an owner or
7 operator of a mobile home park.

8 * * *

9 "Mobile home space rental agreement" or "rental agreement"
10 means any mutual understanding or lease, whether oral or
11 written, between a mobile home resident and a mobile home park
12 owner in which the mobile home resident is entitled to place
13 that resident's mobile home on a mobile home space for either
14 direct or indirect remuneration of the mobile home park owner.
15 The term includes any ground rent charged to the mobile home
16 resident.

17 "Mobile home subdivision" means a subdivision of mobile homes
18 where individual lots are owned by mobile home residents and
19 where a portion of the subdivision or the amenities exclusively
20 serving the subdivision are retained by the subdivision
21 developer.

22 "Operator of a mobile home park" or "operator" means either a
23 person who establishes a mobile home park on land which is
24 leased from another person or a person who has been delegated
25 the authority to act as the park owner in matters relating to
26 the administration and management of the mobile home park,
27 including, but not limited to, authority to make decisions
28 relating to the mobile home park.

29 * * *

30 Section 4. The act is amended by adding sections to read:

1 Section 2.1. Disclosure Prior to Rental of a Mobile Home
2 Lot; Prospectus, Filing, Approval.--(a) In a mobile home park
3 containing 20 or more lots, the park owner shall file a
4 prospectus with the agency. Prior to entering into an
5 enforceable rental agreement for a mobile home lot, the park
6 owner shall deliver to the homeowner a prospectus approved by
7 the agency.

8 (b) The agency shall determine whether the proposed
9 prospectus or offering circular is adequate to meet the
10 requirements of this section and shall notify the park owner by
11 mail, within 45 days after receipt of the document, that the
12 agency has found that the prospectus or offering circular is
13 adequate or has found specified deficiencies. If the agency does
14 not make either finding within 45 days, the prospectus shall be
15 deemed to have been found adequate.

16 (c) (1) Filings for mobile home parks in which lots have
17 not been offered for lease prior to June 30, 2009, shall be
18 accompanied by a filing fee of \$10 per lot offered for lease by
19 the park owner; however, the fee shall not be less than \$100.

20 (2) Filings for mobile home parks in which lots have been
21 offered for lease prior to the effective date of this section
22 shall be accompanied by a filing fee as follows:

23 (i) For a park in which there are 20-50 lots: \$100.

24 (ii) For a park in which there are 51-100 lots: \$150.

25 (iii) For a park in which there are 101-150 lots: \$200.

26 (iv) For a park in which there are 151-200 lots: \$250.

27 (v) For a park in which there are 201 or more lots: \$300.

28 (d) The agency shall maintain copies of each prospectus and
29 all amendments to each prospectus which are considered adequate
30 by the agency. The agency shall provide copies of the documents

1 requested in writing under this subsection within ten days after
2 the written request is received.

3 (e) The park owner shall furnish a copy of the prospectus or
4 offering circular together with all of the exhibits thereto to
5 each prospective lessee. Delivery shall be made prior to
6 execution of the lot rental agreement or at the time of
7 occupancy, whichever occurs first. Upon delivery of a prospectus
8 to a prospective lessee, the lot rental agreement is voidable by
9 the lessee for a period of 15 days. However, the park owner is
10 not required to furnish a copy of the prospectus or offering
11 circular if the tenancy is a renewal of a tenancy and the mobile
12 home resident has previously received the prospectus or offering
13 circular.

14 (f) The prospectus or offering circular together with its
15 exhibits is a disclosure document intended to afford protection
16 to homeowners and prospective homeowners in the mobile home
17 park. The purpose of the document is to disclose the history of
18 expenses associated with tenancy in and representations of the
19 mobile home park owner concerning the operations of the mobile
20 home park and to inform prospective owners of the features of
21 the mobile home community.

22 (g) With regard to a tenancy in existence on the effective
23 date of this section, the prospectus or offering circular
24 offered by the mobile home park owner shall contain the same
25 terms and conditions as rental agreements offered to all other
26 mobile home owners residing in the park on the effective date of
27 this section, excepting only the rent variations based upon lot
28 location and size.

29 (h) The mobile home park owner may request that the
30 homeowner sign a receipt indicating that the homeowner has

received a copy of the prospectus, the rules and regulations and other pertinent documents so long as any such documents are clearly identified in the receipt itself. Such a receipt shall indicate nothing more than that the documents identified in the receipt have been received by the mobile home owner as of a date certain.

Section 2.2. Prospectus or Offering Circular.--The prospectus or offering circular, which is required to be provided by section 2.1, must contain the following information:

(1) The front cover or the first page must contain only:

(i) The name of the mobile home park.

(ii) The following statements in conspicuous type:

1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT.

2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.

3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR OPERATOR. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

4. YOU HAVE 15 DAYS FROM THE DATE YOU RECEIVED THIS PROSPECTUS TO CANCEL YOUR AGREEMENT IN WRITING.

(2) The next page must contain all statements required to be in conspicuous type in the prospectus or offering circular in a

1 summary form.

2 (3) A separate index of the contents and exhibits of the
3 prospectus.

4 (4) Beginning on the first page of the text, the following
5 information:

6 (i) The name and address or location of the mobile home
7 park.

8 (ii) The name and address of the person authorized to
9 receive notices and demands on the park owner's behalf.

10 (iii) A description of the mobile home park property,
11 including, but not limited to:

12 (A) The number of lots in each section, the approximate size
13 of each lot, the setback requirements and the minimum separation
14 distance between mobile homes as required by law.

15 (B) The maximum number of lots that will use shared
16 facilities of the park; and, if the maximum number of lots will
17 vary, a description of the basis for variation.

18 (5) A description of the recreational and other common
19 facilities, if any, that will be used by the mobile home
20 residents, including, but not limited to:

21 (i) The number of buildings and each room thereof and its
22 intended purposes, location, approximate floor area and capacity
23 in numbers of people.

24 (ii) Each swimming pool, if any, as to its general location,
25 approximate size and depths and approximate deck size and
26 capacity and whether heated.

27 (iii) All other facilities and permanent improvements which
28 will serve the mobile home residents.

29 (iv) A general description of the items of personal property
30 available for use by the mobile home residents.

1 (v) A general description of the days and hours that
2 facilities will be available for use.

3 (vi) A statement as to whether all improvements are complete
4 and, if not, their estimated completion dates.

5 (6) The arrangements for management of the park and
6 maintenance and operation of the park property and of other
7 property that will serve the mobile home residents and the
8 nature of the services included.

9 (7) A description of all improvements, whether temporary or
10 permanent, which are required to be installed by the mobile home
11 resident as a condition of his or her occupancy in the park.

12 (8) The manner in which utility and other services,
13 including, but not limited to, sewage and waste disposal, cable
14 television, water supply and storm drainage, will be provided,
15 and the person or entity furnishing them. The services and the
16 lot rental amount or user fees charged by the park owner for the
17 services provided by the park owner shall also be disclosed.

18 (9) An explanation of the manner in which the lot rental
19 amount will be raised, including, but not limited to:

20 (i) Notification of the mobile home resident at least 90
21 days in advance of the increase.

22 (ii) Disclosure of any factors which may affect the lot
23 rental amount, including, but not limited to:

24 (A) Water rates.

25 (B) Sewer rates.

26 (C) Waste disposal rates.

27 (D) Maintenance costs, including costs of deferred
28 maintenance.

29 (E) Management costs.

30 (F) Property taxes.

1 (G) Major repairs or improvements.

2 (H) Any other fees, costs, entrance fees or charges to which
3 the mobile home resident may be subjected.

4 (10) Disclosure of the manner in which the pass-through
5 charges will be assessed.

6 (11) A report of the utility fees charged for the lot during
7 the previous year.

8 (12) Disclosure of all user fees currently charged for
9 services offered which the homeowner may elect to incur and the
10 manner in which the fees will be increased.

11 (13) The park rules and regulations and an explanation of
12 the manner in which park rules or regulations will be set,
13 changed or promulgated.

14 (14) A statement describing the existing zoning
15 classification of the park property and permitted uses under
16 such classification.

17 (15) A statement of the nature and type of zoning under
18 which the mobile home park operates, the name of the zoning
19 authority which has jurisdiction over the land comprising the
20 mobile home park and, if applicable, a detailed description of
21 any definite future plans which the park owner has for changes
22 in the use of the land comprising the mobile home park.

23 (16) Copies of the following, to the extent they are
24 applicable, as exhibits:

25 (i) The ground lease or other underlying leases of the
26 mobile home park or a summary of the contents of the lease or
27 leases when copies of the same have been filed with the agency.

28 (ii) A copy of the mobile home park lot layout showing the
29 location of the recreational areas and other common areas.

30 (iii) All covenants and restrictions and zoning which will

affect the use of the property and which are not contained in the foregoing.

(iv) A copy of the rental agreement or agreements to be offered for rental of mobile home lots.

(17) An addendum to the prospectus unique to each rental space in the mobile home park containing:

(i) The rent increases for the three full calendar years immediately preceding the prospective initial rental agreement date. This information shall be for basic space rental only and does not apply to other fees such as late charges, guest fees and utility charges.

(ii) The park owner or operator must disclose the rent history with calculations that fairly describe the rent history and that are made in any manner that reasonably informs the prospective tenant of the history of basic space rent in the mobile home park during that period.

(iii) The disclosure calculation shall be made as of January of each year by adding the dollar amounts and percentage amounts for aggregate rental increases that became effective in the prior calendar year for every space in the park and dividing that number by the total number of occupied revenue spaces for which rent was or could have been increased.

(iv) This average amount of rental increase and average percentage of rental increase shall be posted at the rental office for three years.

(v) Disclosure calculations made pursuant to paragraph (17) shall be made to the best of the park owner's or operator's ability.

Section 2.3. Written Notification in the Absence of Prospectus.--A mobile home park owner who enters into a rental

agreement in which a prospectus is not provided shall give
written notification to the mobile home resident of the
following information prior to occupancy:

(1) The nature and type of zoning under which the mobile
home park operates; the name of the zoning authority which has
jurisdiction over the land comprising the mobile home park; and
a detailed description containing all information available to
the mobile home park owner, including the time, manner and
nature, of any definite future plans which he or she has for
future changes in the use of the land comprising the mobile home
park or a portion thereof.

(2) The name and address of the mobile home park owner or a
person authorized to receive notices and demands on his or her
behalf.

(3) All fees and charges, assessments or other financial
obligations not included in the rental agreement and a copy of
the rules and regulations in effect.

(4) An explanation of the manner in which the lot rental
amount will be raised, including, but not limited to:

(i) Notification of the mobile home resident at least 90
days in advance of the increase.

(ii) Disclosure of any factors which may affect the lot
rental amount, including, but not limited to:

(A) Water rates.

(B) Sewer rates.

(C) Waste disposal rates.

(D) Maintenance costs, including costs of deferred
maintenance.

(E) Management costs.

(F) Property taxes.

1 (G) Major repairs or improvements.

2 (H) Any other fees, costs, entrance fees or charges to which
3 the mobile home resident may be subjected.

4 Section 2.4. Failure to Provide Prospectus or Offering
5 Circular Prior to Occupancy.--(a) If a prospectus or offering
6 circular was not provided to the prospective lessee prior to
7 execution of the lot rental agreement or prior to initial
8 occupancy of a new mobile home, the rental agreement is voidable
9 by the lessee until 15 days after the receipt by the lessee of
10 the prospectus or offering circular and all exhibits thereto.

11 (b) To cancel the rental agreement, the mobile home resident
12 shall deliver written notice to the park owner within 15 days
13 after receipt of the prospectus or offering circular and shall
14 thereupon be entitled to a refund of any deposit together with
15 relocation costs for the mobile home, or the market value
16 thereof, including any appurtenances thereto paid for by the
17 mobile home resident, from the park owner.

18 Section 5. This act shall apply to all new sales or leases
19 of mobile home park lots entered into on or after July 1, 2009.
20 This act shall also apply to any lease renewals entered into on
21 or after July 1, 2009.

22 Section 6. This act shall take effect July 1, 2009.