



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1767

PRINTERS NO. 3481

PRIME SPONSOR: Freeman

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0
Pennsylvania Housing Finance Agency Funds	\$0	Minimal
Municipal Funds	\$0	\$0

SUMMARY: Amends the Manufactured Home Community Rights Act to incorporate a portion of the Landlord and Tenant Act relating to abandoned mobile homes and to add provisions relating to the sale of a manufactured home community. This legislation would take effect in 60 days.

ANALYSIS: This legislation would amend the Manufactured Home Community Rights Act as follows:

- Adds the following definitions to the Act:
 - Manufactured Home Community Owner or Community Owner: A person or entity which conducts the operations of a manufactured home community on behalf and as the agent of the community owner.
 - Manufactured Home Tenant or Tenant: A person who leases a manufactured home from the owner of that manufactured home.
 - Receipted first-class mail: First-class mail for which a certificate of mailing has been obtained. The term does not include certified or registered mail.
 - Resident association: An organization open to all residents of a manufactured housing community, whether the organization is structured as a cooperative, a corporation or otherwise.
- Adds Section 10.1 (relating to determination of abandonment). The determination of abandonment is decided either through the judicial process or if the lessee/ resident provides a written statement declaring they have no intent to return.
- Changes original Section 10.1 to 10.2 (relating to abandoned manufactured homes) and repeals this language in current Section 505 of the Landlord and Tenant Act to:
 - Provide that if a resident or tenant abandons a manufactured home the manufactured home community owner or other authorized person may:
 - Enter and secure the manufactured home.
 - Disconnect the manufactured home from any utilities.

- Exercise ordinary care by disposing of perishable food and contacting animal control or the humane society if the home contains abandoned pets.
 - Move the home and any personal property inside to a storage area without the requirement of obtaining a removal permit from the local taxing authority. Prior to moving the home, the community owner shall notify the former resident by mail and by postings that the home will be moved 60 days after notice, and shall provide the new location of the home.
 - Assess removal and storage charges against the former resident or tenant.
 - Dispose of the home. The community owner may also sell the home and use the money to cover moving and storing costs, all back rent owed, and pay outstanding taxes and liens: anything left can go to the resident. If the resident's whereabouts are unknown, the remaining money is to be paid to the Commonwealth.
 - Adds Section A.1 stating that upon proper disposal of the home, the purchaser, community owner or person acting on their behalf is not liable for any outstanding taxes or liens on the home.
 - The community owner, if acting in good faith, is not responsible for any loss or damage to a home unless the community owner failed to provide the required notice or failed to exercise care.
 - A copy of the notice that the home will be disposed of, sold or destroyed must be sent to PennDOT for recordkeeping with regard to titles.
- Adds Section 10.3 (relating to immunity from liability) to give manufactured community owners immunity from liability with regard to or as a consequence of the sale, disposal or destruction of an abandoned manufactured home as long as they complied with the procedures set forth by this act.
 - Includes Section 11.1 (relating to sale or lease of manufactured home communities). Under this section the community owner:
 - Must provide written notice to residents, the PA Housing Finance Agency (PHFA) and the home municipality within 30 days after any agreement of sale is signed.
 - Within 30 days of transfer of title, the new owner shall notify residents of the name of the new owner and contact information for either the new owner or new operator. This needs to be done by mail and also posted within the community.
 - Adds Section 11.2 (relating to closure of manufactured home communities). In the event of a community closure, in whole or part, the owner must:
 - Provide written notice to residents, PHFA and the home municipality within 60 days of deciding to close the community.
 - Allow the residents no less than 180 days from the date of the notice to vacate the property on which the community is located.
 - Notify any prospective residents, in writing, that the community is closing and the closing date.
 - Consider any offer made by a resident association representing at least 25% of the spaces to purchase the community.

- Pay relocation expenses to the owner of any manufactured home, not to exceed \$4,000 for a single manufactured home and \$6,000 for a multi-section manufactured home. These amounts shall be adjusted annually by the Department of Community and Economic Development (DCED) to reflect any increase in the Consumer Price Index.
 - Pay a minimum of \$2,500 or the appraised value, whichever is greater, of the home when the homeowner is unable or unwilling to find a reasonably suitable replacement site.
 - Give the tenant the right to terminate a lease without penalty upon receiving notice of the closing of the community.
 - Not require the resident to move the manufactured home from the property in the event of the community closing. The resident may assign the title or other evidence of ownership to the community owner.
 - In the event that the community is closed for condemnation, action in eminent domain or other governmental action, the residents shall NOT be entitled to payments set forth above but will be entitled to the rights and remedies available under laws relating to these types of closures.
- Adds Section 11.3 (relating to notice requirements in event of closure of manufactured home community). The notice to PHFA shall be addressed to the legal department and sent by certified mail. PHFA then has 60 days to publish a notice in both the PA Bulletin and on its website. The agency then sends copies of notices received to interested parties. PHFA shall not be liable in the event that notice is not provided regarding the closure of a manufactured home community. The failure to provide this notice shall not affect the transfer of any real property.
 - Includes Section 16.1 (relating to remedies). A violation of this act shall also constitute an unfair and deceptive act or practice and falls under Section 2(4) of the Unfair Trade Practices and Consumer Protection Law.

This legislation repeals Section 505 of the Landlord and Tenant Law (relating to disposal of manufactured homes)

FISCAL IMPACT: This legislation would have no adverse fiscal impact on the General Fund or on municipal funds.

According to the Pennsylvania Housing Finance Agency, the addition of Section 11.3 (relating to notice requirements in event of closure of manufactured home community) would place minimal expenses on the Agency which could be absorbed within currently available funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: May 7, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.