THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1808 Session of 2023

INTRODUCED BY WEBSTER, MADDEN, CIRESI, FREEMAN, HILL-EVANS, GUENST, McANDREW, DONAHUE, KAZEEM, KHAN, DELLOSO, HANBIDGE, HOWARD, SANCHEZ, CERRATO, KRAJEWSKI AND OBERLANDER, NOVEMBER 2, 2023

REFERRED TO COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT, NOVEMBER 2, 2023

AN ACT

- 1 Amending the act of November 24, 1976 (P.L.1176, No.261),
 - entitled "An act providing for the rights and duties of
- manufactured home owners or operators and manufactured home
- lessees," further providing for closure of manufactured home
- 5 communities.

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- 6 The General Assembly of the Commonwealth of Pennsylvania
- 7 hereby enacts as follows:
- 8 Section 1. Section 11.2(a) and (b) of the act of November
- 9 24, 1976 (P.L.1176, No.261), known as the Manufactured Home
- 10 Community Rights Act, are amended to read:
- 11 Section 11.2. Closure of Manufactured Home Communities.--(a)
- 12 In the event of the closure of a manufactured home community, in
- 13 whole or part, the manufactured home community owner shall:
- 14 (1) Provide written notice to the residents and tenants of
- 15 the community, to the resident association if one exists, to the
- 16 Pennsylvania Housing Finance Agency and to the municipality
- 17 where the manufactured home community is located within 60 days
- 18 of deciding to close the community[.], at least 120 days prior

- 1 to the discontinuance of the use of the land as a manufactured
- 2 home community or the proposed closing upon the sale of the
- 3 manufactured home community, whichever is earlier. The notice
- 4 shall include the estimated date residents and tenants will be
- 5 expected to vacate the community, which shall be no less than
- 6 180 days from the date of the notice, and the estimated date the
- 7 community will be closed.
- 8 (2) Notify any prospective resident in writing, prior to
- 9 leasing a manufactured home space, and any known prospective
- 10 tenant, prior to leasing a manufactured home in a manufactured
- 11 home community, of the scheduled closing date.
- 12 (b) A manufactured home community owner shall consider any
- 13 offer to purchase the community made by a resident association
- 14 representing at least 25% of the manufactured home spaces or by
- 15 a nonprofit corporation, including a community development
- 16 corporation, housing authority or redevelopment authority acting
- 17 at the request of the residents of at least 25% of the spaces
- 18 and shall negotiate in good faith with the entity submitting the
- 19 offer. The following shall apply:
- 20 (1) The resident association or authority representing the
- 21 interests of the residents, notwithstanding if the association
- 22 <u>is formally recognized, may notify the owner of the manufactured</u>
- 23 <u>home community that it is interested in purchasing the</u>
- 24 manufactured home community. The notice must be made to the
- 25 owner of the manufactured home community within 30 days after
- 26 the owner of the manufactured home community notifies residents
- 27 of the closure of the manufactured home community. A copy of the
- 28 notice may be filed with the municipality in which the
- 29 manufactured home community is located. If notice is given, the
- 30 resident association shall have 30 days after the notice has

- 1 been given to purchase the manufactured home community through
- 2 <u>negotiation to reach an agreement with the manufactured home</u>
- 3 community owner for purchase of the manufactured home community
- 4 and to close on the sale. Upon the request of the resident
- 5 association, the Pennsylvania Housing Finance Agency shall
- 6 <u>assist the resident association in developing financing for the</u>
- 7 purchase of the manufactured home community.
- 8 (2) If the resident association and the manufactured home
- 9 community owner cannot agree upon a purchase price, the resident
- 10 association shall have the right to purchase the property:
- 11 (i) if the resident association matches the essential
- 12 provisions of an existing bona fide offer to purchase the
- 13 manufactured home community made by another potential purchaser
- 14 which the owner is prepared to accept; or
- 15 (ii) if there is no offer under subparagraph (i), the
- 16 manufactured home community owner shall sell the manufactured
- 17 home community to the resident association at a purchase price
- 18 to be established by an appraiser chosen by the resident
- 19 <u>association and the manufactured home community owner.</u>
- 20 (3) A manufactured home community owner may not unreasonably
- 21 refuse to enter into, or unreasonably delay the execution or
- 22 closing on, a purchase and sale agreement with a resident
- 23 association that has made a bona fide offer to meet the price
- 24 and substantially equivalent terms and conditions of an offer
- 25 for which notice is required to be given under this subsection.
- 26 (4) If the two parties cannot agree upon one appraiser,
- 27 either party may notify the other, in writing, of the
- 28 disagreement, and the resident association shall choose an
- 29 appraiser, the manufactured home community owner shall choose an
- 30 appraiser and the two appraisers shall choose a third appraiser.

- 1 The three appraisers shall establish a value of the manufactured
- 2 home community. If the manufactured home community owner refuses
- 3 to select an appraiser within 15 days of the notice, the
- 4 Pennsylvania Housing Finance Agency shall choose an appraiser
- 5 for the manufactured home community owner. The costs of
- 6 appraisers shall be paid equally by the resident association and
- 7 the manufactured home community owner.
- 8 (5) If, within 30 days from the mailing of the notice under
- 9 paragraph (1), an agreement for the sale of the manufactured
- 10 home community signed by the resident association and the
- 11 manufactured home community owner has not been filed upon the
- 12 <u>land records</u>, or if the resident association has not filed a
- 13 <u>certified statement to purchase the manufactured home community</u>
- 14 at the appraised value which value shall also be certified on
- 15 the land records by the appraiser or appraisers, the right to
- 16 purchase the manufactured home community shall be void and any
- 17 recorded notice filed under paragraph (1) shall be void.
- 18 (6) A resident association that has the right to purchase
- 19 under this subsection may, at its election, assign its purchase
- 20 rights to the municipality where the resident association is
- 21 located, the housing authority for its area, an agency of the
- 22 Commonwealth or a nonprofit organization for the purpose of
- 23 continuing the use of the property as a manufactured home
- 24 community.
- 25 (7) The requirements of paragraphs (2), (3), (4), (5) and
- 26 (6) shall apply separately to each substantially different offer
- 27 to sell or purchase a manufactured home community.
- 28 (8) Paragraphs (2), (3), (4), (5), (6) and (7) shall not
- 29 apply if:
- 30 (i) the sale, lease or transfer is to a family member of the

- 1 owner or to a trust, the beneficiaries of which are family
- 2 members of the owner;
- 3 (ii) the transfer is by gift, devise or required by
- 4 operation of law;
- 5 (iii) the sale, lease or transfer is by a partnership to one
- 6 or more of its partners;
- 7 (iv) the conveyance of an interest in the manufactured home
- 8 community is incidental to the financing of such manufactured
- 9 home community;
- 10 (v) the lease is the lease of a lot within the manufactured
- 11 home community to a person who will live in a manufactured home
- 12 on the lot;
- 13 (vi) the sale, lease or transfer is between joint tenants or
- 14 tenants in common; or
- 15 (vii) the sale is made by eminent domain.
- 16 (9) An owner of a manufactured home community who sells the
- 17 manufactured home community to residents of the manufactured
- 18 home community in compliance with the requirements of this act
- 19 shall be exempt from payment of State conveyance taxes otherwise
- 20 <u>due based on the sale price of the manufactured home community,</u>
- 21 provided that the entity purchasing the manufactured home
- 22 community is owned by at least 25% of the residents of the
- 23 manufactured home community or an organization exempt from
- 24 taxation under 26 U.S.C. § 501(c)(3) (relating to exemption from
- 25 tax on corporations, certain trusts, etc.), and that the sale
- 26 terms require the quaranteed maintenance of the property as a
- 27 <u>manufactured home community.</u>
- 28 * * *
- 29 Section 2. This act shall take effect in 60 days.