

LAWS OF DELAWARE
VOLUME 85
CHAPTER 206
153rd GENERAL ASSEMBLY
FORMERLY
SENATE SUBSTITUTE NO. 2
FOR
SENATE BILL NO. 56

AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO MANUFACTURED HOME TITLE TRANSFERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Title 25 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 7003. Definitions.

For purposes of this chapter:

() “Heir” means someone who obtains an interest in a manufactured home as the result of the death of another person. This includes obtaining an interest through a will, intestate succession, or transfer on death designation.

§ 7007. Manufactured home standards.

(c) Standards for manufactured homes for resale or transfer of title and retention in the manufactured home ~~community~~. community.

(1) A landlord shall adopt reasonable written standards regarding the resale or transfer of title of a manufactured home intended for retention in the landlord’s manufactured home community. The standards must relate only to appearance, maintenance, safety, and compliance with state and local housing, building, or health codes, and the 1976 HUD Code. A landlord may not issue standards in which the age of a manufactured home is the exclusive or dominant criterion prohibiting the home from being sold and retained in the community after the sale is consummated.

(2) If a homeowner notifies the community owner of the intent to sell the home under § 7013(c)(1)a. of this title, the community owner may conduct an exterior inspection of the home to determine if the home qualifies for retention in the manufactured home community according to written standards promulgated under this section.

(3) If the community owner chooses to conduct an inspection under this subsection, it must do so within 10 days of the date the homeowner sent the notice of intent to sell to the community owner.

(4) Within 7 days of the inspection under this subsection, the community owner must provide a written list, with references to the applicable rules, of any conditions in violation of the standards.

(5) A buyer or transferee who becomes a tenant in a manufactured home community has 90 days from the date of the resale or transfer, or if the transfer took place between November 1st and March 1st, then until June 1st, to complete changes to the buyer or transferee’s manufactured home required under the written standards of the manufactured home community unless the parties agree in writing to a longer period. If work

to be completed cannot reasonably be completed within the time frame described in this paragraph, the homeowner must submit an explanation to the community owner of the efforts taken to complete the work and submit a plan for the completion of the work, and the community owner must allow a reasonable amount of time under the circumstances to complete the work. Once the work begins on the manufactured home on a specific item from the list, the necessary changes for that item must be completed within a reasonable time.

(6) A buyer or transferee who does not complete required changes under paragraph (5) of this subsection is subject to a summary possession proceeding pursuant to Chapter 57 of this title.

~~(2) If a manufactured home does not meet a landlord's written standards for resale or transfer of title and retention in the manufactured home community, a tenant may attempt to bring the home into compliance with the standards. The landlord shall, within 10 days of a written request from the tenant, reevaluate the home in a reasonable and fair manner.~~

§ 7008. Provisions of a rental agreement.

(b) A rental agreement for a lot in a manufactured home community may not contain any of the following:

(22) A provision that terminates a lease due to the death of any tenant, including one that terminates due to the death of the last remaining tenant.

§ 7009. Term of rental agreement; renewal of rental agreement [For application of this section, see 79 Del. Laws, c. 304, § 7].

(b) The rental agreement automatically renews unless ~~either of the following occur:~~ occurs:

(1) The tenant notifies the landlord in writing, a minimum of 60 days prior to the expiration of the rental agreement, that the tenant ~~does not intend to renew it is moving the manufactured home off of the lot,~~ or a shorter or longer period of time as is mutually agreed upon by the parties. Notice under this section does not apply to a tenant who intends to sell the manufactured home, and no requirements may be added beyond those procedures for the transfer of a home under § 7013 of this section.

(2) The landlord notifies the tenant in writing, a minimum of 90 days prior to the expiration of the rental agreement, that the agreement will not be renewed for due cause under § 7016 or § 7024 of this title.

§ 7013. Manufactured home transfer; rented lot transfer.

(a) This section governs the sale, conveyance, or transfer of title of a manufactured home which is already located in a manufactured home community. ~~which the buyer or transferee intends to retain in the manufactured home community. This section further extends to the landlord the right to purchase any manufactured home in the community for 1% higher than the contract price at which the tenant has agreed to sell the home to a third party.~~

(b) (1) A rental agreement for a lot in a manufactured home community transfers automatically under the following circumstances:

a. To the buyer or transferee of a manufactured home from a previous homeowner or heir or estate of a deceased homeowner, unless the homeowner fails to materially comply with § 7013(c) of this title or the right to transfer has been terminated under § 7013(f) of this title.

b. To the heirs of a deceased homeowner when there is an heir that is an occupant of the home at the time of a homeowner's death.

c. To the heirs of a deceased homeowner for a period of 1 year when no heir is an occupant of the home at the time of the homeowner's death.

d. To the estate of a deceased homeowner for a period of 1 year.

(2) A community owner may not terminate a lease due to the death of a tenant, if the estate or heirs transfer the lease to any non-tenant occupants already living in the home at the time of a tenant's death. The community owner may require the heir to complete the community's criminal background portion of the tenancy application process, if this was never completed prior to the tenant's death.

(3) An heir who obtains an interest in a manufactured home may not be required to complete a tenant application unless the heir intends to reside in the home.

a. An heir who intends to reside in the home may be required to complete only the community's criminal background portion of the tenancy application process, if this was never completed prior to the tenant's death.

b. A community owner may not prohibit an heir with only a partial ownership interest in the manufactured home from residing in the community. If there is more than one heir and fewer than all of the heirs reside in the home, it is not a violation of any lease provision that may prohibit such an arrangement, including any provisions against subletting.

(4) It is not a violation of any lease provision for some or all of the heirs not to reside or occupy a home during the initial 1-year period, or for any period of time if an occupant that was residing in the home at the time of the tenant's death or at least 1 heir resides in the home. Such heir or occupant may be required to complete the community's criminal background portion of the tenancy application process if this was never completed prior to the tenant's death. The heirs or the estate of the deceased homeowner must still comply with lease provisions that do not conflict with this section.

(5) It is a defense to a summary possession action for nonpayment of rent that circumstances surrounding the administration of the estate prevented payment of the rent for a period up to 90 days. The estate or the heirs may still be held responsible for late fees and court costs, and a community owner may take appropriate legal action to protect the community owner's rights for any unpaid rent.

(6) Upon the death of the last remaining tenant in a manufactured home, the community owner may not start a summary possession action under Chapter 57 of this title for at least 90 days after the death of the tenant. The community owner may change locks for safety reasons.

(7) The personal representative of the estate, if one is opened, or the heirs to whom the home transfers if there is no estate, shall provide notice to the community owner within 90 days of the death of the tenant, notifying the community owner of the following:

a. All new owners of the manufactured home.

b. The address of each homeowner.

c. A phone number for each homeowner, if known.

d. A list of any new intended residents in the home when such information is known.

(c) Right of first refusal.

(1)a. An owner of a manufactured home who plans to sell, convey, or transfer title of the home to a buyer or transferee must do the following:

1. Prior to listing the home for sale, the homeowner must notify the community owner of the intent to sell. The community owner may then conduct an inspection, following the procedures under § 7007(c) of this title.

2. Once an agreement is reached to sell, convey, or transfer title to the home, the homeowner must notify the community owner in writing no less than 3 weeks prior to the scheduled, rescheduled, or final sale, conveyance, or transfer of title of the manufactured home, giving the name and address of the prospective buyer or transferee, along with a written statement or a proposed bill of sale clearly indicating the agreed sale price and terms. If the homeowner failed to give timely notice under this paragraph, the sale, conveyance, or transfer date previously contained in any agreement may be modified to comply with the provisions of this subsection.

b. If the homeowner provides the written notice under paragraph (1)a.2. of this subsection without having provided notice under paragraph (1)a.1. of this subsection, then the community owner may conduct an inspection, following the procedures and time requirements under § 7007(c) of this title.

1. If the inspection under § 7007(c) of this title requires a new date for the sale, transfer, or conveyance to be changed, the homeowner only needs to provide the community owner of the new date under paragraph (1)a.2. of this subsection.

2. If the inspection under § 7007(c) of this title results in new terms of the sale, then the homeowner must provide these terms under paragraph (1)a.2. of this subsection.

3. If the community owner chooses to conduct an inspection under § 7007(c) of this title, this does not allow any delays in the process under subsection (e) of this section. The application for tenancy for the prospective transferee may be conducted at the same time as the inspection.

c. The written notice under paragraph (1)a.2. of this subsection may be sent to the community owner at its address registered with DEMHRA or at any address it uses to regularly conduct business with residents, or may be sent via email to the community owner's designated email address. Good faith efforts on behalf of the manufactured homeowner to comply with this subsection may satisfy the requirements of this subsection.

d. The community owner may purchase the home at a price that is 10% higher than the contract price contained in a written purchase agreement.

1. The community owner must notify the homeowner in writing of its intent to purchase or not purchase the homeowner's home, delivered to the primary mailing address of the homeowner and via email, if that method was used to notify the community owner of the sale, within 7 days of the date the homeowner sent the notice of sale to the community owner. The 7 days may not be extended due to any requests by the community owner, including

requests for additional information. If the community owner does not notify the homeowner in writing within 7 days, the right to purchase the home expires.

A. If paragraph (1)b. of this subsection applies, and the homeowner provided notice under paragraph (1)a.2. without having provide the notice under paragraph (1)a.1 of this subsection with enough time for the community owner to conduct an inspection under § 7007(c) before receiving the notice of sale, then the 7 days to respond under paragraph (1)d.1. of this subsection do not start until after the inspection results are provided under § 7007(c) of this title.

B. If the terms of the sale change as a result of the inspection results, then the community owner has 7 days from the date of the notice under paragraph (1)b.2. of this subsection to respond under paragraph (1)d.1. of this subsection.

2. If the community owner exercises its option to purchase, it must provide the seller with a 5% nonrefundable deposit at the time it notifies the seller of its intent to exercise this option.

3. If the community owner exercises its option to purchase the home, the homeowner must sell the home to the community owner, and the homeowner must formally transfer the title to the community owner.

4. The community owner must agree to the same settlement date as provided in the notice to sell unless both parties otherwise agree in writing.

(2) The community owner does not have the right to purchase the home under the following circumstances:

a. A bank, mortgage company, or any other mortgagee has foreclosed on the home.

b. If the sale, transfer, or conveyance of the home is to a family member of the homeowner or to a trust, the beneficiaries of which are family members of the homeowner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member of the homeowner on the modified Table of Consanguinity, under § 7014 of this title, who is included within the line of intestate succession if the homeowner dies intestate.

c. The sale, transfer, or conveyance of the home is between joint tenants or tenants-in-common.

d. The transfer or conveyance is by gift, devise, or operation of law.

(d) Exterior inspection of home.

If the community owner does exercise its right to purchase the home, it may conduct an inspection under § 7007(c) of this title.

(e) Application for tenancy for prospective transferee.

(1) A community owner may require a prospective transferee to complete an application for tenancy in the community and may charge a fee under § 7020(d) of this title. The application may be requested and submitted prior to the submission of the notice of sale under this subsection, and a contract for sale is not required for a prospective buyer to submit an application and have it considered.

(b) (1) A rental agreement for a lot in a manufactured home community is only transferable from an individual tenant, or heir, who owns the manufactured home on the lot under the rental agreement to a transferee to whom the tenant intends to sell or transfer title to the home, if all of the following apply:

~~a. The home qualifies for retention in the manufactured home community according to written standards promulgated under § 7007 of this title. The community owner may conduct an exterior inspection of the home to determine if it qualifies for retention consistent with the written standards.~~

~~b. After a review of the proposed rental agreement transferee's written application, the landlord accepts the proposed rental agreement transferee as a tenant.~~

(2) Acceptance or rejection of a proposed rental agreement transferee under this subsection must be on the same basis by which the landlord accepts or rejects any prospective ~~tenant~~; tenant, unless subsection (b) of this section provides otherwise.

(3) A landlord must give the rejected proposed rental agreement transferee a written statement that explains the specific eligibility requirement not satisfied and the grounds for the rejection.

(4) Within ~~45~~ 10 days of the receipt of a completed application package of the prospective tenant, including the applicable fee, ~~under subsection (c) of this section~~, a landlord must provide written notice, to the tenant under the lot rental agreement when a sale or transfer is pending and to the proposed rental agreement transferee, that states whether the proposed rental agreement transferee is accepted or rejected. If the application is rejected, the notice must comply with paragraph ~~(b)(3)~~ (c)(3) of this section.

(f) Right to purchase the transfer of the lease.

(1) At the time the written inspection results are given to the homeowner under § 7007(c)(4) of this title or at any time prior thereto, a community owner may terminate the right to transfer the lease by entering into an agreement as a lease addendum to pay the homeowner the greater of the following:

a. \$1,500.

b. An amount calculated by multiplying the difference between the current monthly lot rent and the then-current market monthly lot rent multiplied by 36 months.

(2) At the time a community owner makes an offer for the transaction under paragraph (1) of this subsection, it must inform the homeowner, in writing, that the ability to transfer a lease with its current rental amount is likely to increase the value of the home when it is sold.

(3) A homeowner is not required to accept any offer made under paragraph (1) of this subsection.

(4) A homeowner must disclose to a potential buyer or transferee if the lease is being transferred with below market rental rates, if known, or whether the home will be subject to a new lease and that such information may have an impact on the value of the home.

(5) If a potential buyer or transferee inquires to the community owner as to the terms of the lease, including the amount of rent, the community owner must disclose the amount of rent that would be paid by the potential buyer or transferee.

(6) Annually, by January 31st, any community owner that has completed a lease transfer termination transaction under this subsection must send a written list to DEMHRA of any such transactions completed during preceding calendar year.

(c) A tenant who owns a manufactured home in a manufactured home community, and plans to sell, convey, or transfer title to the home to a buyer or transferee who intends to retain the home in the manufactured home community, must notify the landlord in writing 3 weeks prior to the scheduled sale, conveyance, or transfer of title of the manufactured home and the transfer of the lot rental agreement, giving the name and address of the prospective buyer or transferee, along with a written statement or a proposed bill of sale clearly indicating the agreed sale price and terms. Failure on the part of a tenant to so notify the landlord is grounds for termination by the landlord of the tenant and landlord's rental agreement.

(1) The landlord has the right to purchase the home at a price of 1% higher than the contract price and under the same terms at which the tenant has agreed to sell the home to a third party.

(2) If the landlord wishes to purchase the home at 1% higher than the contract price and under the same terms at which the tenant has agreed to sell the home to a third party, the tenant must sell the home to the landlord.

(3) Upon receipt of the name and address of the prospective buyer or transferee and the agreed sale price and terms, the landlord shall notify the tenant in writing within 5 business days that the landlord is exercising the right to purchase the home. If the landlord does not notify the tenant in writing under § 7015 of this title within 5 business days that the landlord is exercising the right to purchase the home, the right of the landlord to purchase the home expires.

(4) The landlord's notice must be sent to the tenant under § 7015 of this title. The notice must clearly state that the price and terms are acceptable, and must set a settlement date within 14 days.

(5) The right of the landlord to purchase a tenant's home does not extend to the following circumstances:

a. A bank, mortgage company, or any other mortgagee has foreclosed on the home.

b. The sale, transfer, or conveyance of the home is to a family member of the homeowner or to a trust, the beneficiaries of which are family members of the homeowner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member of the homeowner on the modified Table of Consanguinity, under § 7014 of this title, who is included within the line of intestate succession if the homeowner dies intestate.

c. The sale, transfer, or conveyance of the home is between joint tenants or tenants in common.

d. The transfer or conveyance is by gift, devise, or operation of law.

(6)(g)(1) A landlord may not engage in any act or activity with the intention of placing undue influence or undue pressure on a tenant to sell the tenant's home to the landlord or enter into a transaction to terminate the right to transfer the lease.

a. A tenant may file an action in a court of competent jurisdiction for actual damages sustained when the tenant reasonably believes that the landlord wilfully has done any of the following:

1. Exerted undue influence or undue pressure on the tenant to sell the tenant's home to the landlord or enter into a transaction to terminate the right to transfer the lease.

2. Exerted undue influence or undue pressure on a former tenant which resulted in the sale of the former tenant's home to the landlord.

3. Did not evaluate the home in a reasonable and fair manner when applying written standards for resale or transfer of the manufactured home in the community under § 7007(c) of this title.

4. Unreasonably denied a prospective tenant's application for residency in the community.

5. Engaged in any other actions that a reasonable person under the circumstances would find had the purpose of preventing the transfer of the home or the lease.

~~b. It is an affirmative defense to a claim that a landlord engaged in an act or activity with the intention of placing undue influence or undue pressure on a tenant or former tenant by initiating a rent increase, if the landlord provides proof that the increased rent is within the range of market lot rents.~~

~~e. b.~~ If a court finds that a landlord has wilfully engaged in any of the acts enumerated in paragraph (c)(6)a. of this section, the landlord is liable to the tenant or former tenant for 3 times the actual damages sustained as a result of the landlord's acts and reasonable court costs or 3 times the monthly rent, whichever is higher.

(2) Violations by a community owner of this section is an unlawful practice under § 2513 of Title 6 and a violation of subchapter II of Chapter 25 of Title 6.

(3) Regardless of whether a violation of this section allegedly took place before or after a transfer occurred, the buyer or transferee or the seller or prior homeowner has the right to bring an action under this section and, in addition to other remedies available, may seek equitable remedies including adjustment of the rental amount or the required purchase of the home by the community owner under subsection (c) of this section.

~~d. If a finds that a landlord has wilfully engaged in an act or activity with the intention of placing undue influence or undue pressure on a current or former tenant in order to purchase the current or former tenant's home, the landlord may not exercise that landlord's own right to buy any tenant's home for 365 days. Each offense is subject to a 365-day penalty.~~

~~(d) If a landlord accepts a proposed rental agreement transferee, the transfer of an existing rental agreement must be completed using 1 of the following 2 methods at the exclusive discretion of the individual tenant, or heir, under the lot rental agreement for the manufactured home, and the proposed rental agreement transferee and landlord are bound by that selection:~~

~~(1) The tenant proposing to transfer the existing lot rental agreement agrees to an assignment of the lot rental agreement to an approved rental agreement transferee, with all of the existing obligations and benefits, including the rental amount under the existing rental agreement, for the remaining term of the agreement.~~

~~a. If the method under paragraph (d)(1) of this section is selected, the existing rental agreement between the existing tenant and the landlord is simultaneously assigned by the existing tenant and assumed by the approved rental agreement transferee and the approved rental agreement transferee becomes the new tenant.~~

~~b. Upon the sale, assignment, and assumption, the landlord must amend the existing lot rental agreement and list the approved rental agreement transferee as the new tenant.~~

~~(2) The tenant who is selling the manufactured home chooses to terminate the existing lot rental agreement. The buyer must then negotiate the terms of and enter into a new rental agreement for a full term at a rental amount~~

set by the landlord. If this method is selected, the existing rental agreement is terminated upon the execution of the new rental agreement.

~~(e) Notwithstanding the provisions of this section and § 7007 of this title, written standards which were in effect on January 1, 2003, relating to the sale or transfer of title of a manufactured home for retention in a manufactured home community will apply for a sale or transfer of title during 2003. For a sale or transfer on January 1, 2004, and thereafter, standards promulgated under § 7007 of this title apply. In addition, a buyer or transferee who becomes a tenant in a manufactured home community has 3 years from the date of the resale or transfer to complete changes to the buyer or transferee's manufactured home required under the written standards of the manufactured home community. However, if the changes are necessary to protect life or for other safety reasons, the landlord may require that changes be made in less than 3 years. Further, if a seller-tenant does not make necessary changes to meet the standards prior to sale, the buyer or transferee shall deposit 120% of the estimated cost of the changes necessary to meet the standards into an account jointly controlled by the landlord and the buyer or transferee. Once work begins on the manufactured home, the necessary changes must be completed within a reasonable time.~~

~~(f) A buyer or transferee who does not complete required changes under subsection (e) of this section is subject to a summary possession proceeding pursuant to Chapter 57 of this title.~~

§ 7016. Termination or nonrenewal of rental agreement by landlord; due cause: noncompliance.

(a) A landlord may terminate a rental agreement with a tenant immediately upon written notice if the tenant does not comply with the terms of the rental agreement or the requirements of this subchapter and the noncompliance is the result of any of the following:

(1) Clear and convincing evidence that conduct of the tenant or of a resident of the tenant's manufactured home caused, is causing, or threatens to cause, immediate and irreparable harm to any person or property in the manufactured home community.

(2) Conviction of a crime or adjudication of delinquency committed by a tenant or by a resident of the tenant's manufactured home, the nature of which at the time of the crime or act of delinquency caused immediate and irreparable harm to any person or property in the manufactured home community.

(3) Clear and convincing evidence of a material misrepresentation on the tenant's application to rent a lot in the manufactured home community which, if the truth were known, would have resulted in the denial of the application.

~~(4) The failure of the tenant to provide proper notification to the landlord prior to selling or transferring to a buyer or transferee title of a manufactured home which the buyer or transferee intends to retain in the manufactured home community under § 7013(e) of this title.~~

(5) ~~(4)~~ The failure of a tenant to bring such tenant's manufactured home into compliance with written standards under § 7007(b) or § 7013(e) of this title.

Approved September 3, 2025