



SPONSOR: Rep. Longhurst & Sen. Pinkney
Reps. Carson, Heffernan, Lambert, Schwartzkopf,
K. Williams, Wilson-Anton; Sens. Hoffner, Poore

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1
FOR
HOUSE BILL NO. 212

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

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

1 Section 1. Amend Chapter 70, Title 25 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows and by redesignating accordingly:

3 § 7022. Lot rental assistance program; eligibility [For application of this section, see 79 Del. Laws, c. 304, § 7].

4 (a) A homeowner in a manufactured home community who is eligible for Social Security Disability or
5 Supplemental Security Income benefits or who is 62 years of age or older is eligible for lot rental assistance from the
6 manufactured home community owner if the homeowner meets all of the following criteria:

7 (1) The homeowner must have owned the manufactured home or resided in the home in the manufactured
8 home community for the ~~5-3~~ consecutive years before requesting lot rental assistance under this section.

9 (4) a. The total liquid assets of the homeowner and all occupants do not exceed ~~\$50,000.~~\$100,000.

10 (5) ~~The homeowner and occupants must provide to the community owner all documentation necessary to~~
11 ~~determine eligibility for lot rental assistance, such as bank records, eligibility letters, tax returns, and brokerage~~
12 ~~statements.~~ submits a written certification that the eligibility criteria under paragraphs (a)(1) through (a)(4) and
13 paragraph (a)(6) of this section are met. This self-certification may be on a form created by DEMHRA or on a separate
14 application or other document signed by the homeowner. DEMHRA shall create a form for this certification within 1
15 year of [the date of this Act's enactment].

16 (6) The homeowner, occupants, and the manufactured home must be in substantial compliance with all
17 manufactured home community rules, regulations, and standards. If the manufactured home community owner
18 determines that these criteria are not met, the community owner must notify the homeowner in writing of the nature of
19 the noncompliance and allow the homeowner 30 days to correct the noncompliance, after which the community owner
20 must reevaluate the homeowner's eligibility for the lot rental assistance program.

21 § 7022A. Lot rental assistance program; requirements.

22 (b) (1) A community owner shall annually provide written notice of the lot rental assistance program to all
23 homeowners in the community. The Delaware Manufactured Home Relocation Authority shall develop by [1 year from the
24 effective date of this Act] requirements for the annual written notice. Community owners must follow these requirements
25 when providing written notice of the lot rental assistance program to homeowners in their communities.

26 (2) A community owner must annually, within 90 days of the start of the fiscal year as defined in § 6507 of Title
27 29, conduct or cause to be conducted a meeting for all homeowners in each community owned by the community owner.
28 The community owner must do the following:

29 a. Provide information during the meeting to the homeowners in the community about resources available
30 to the homeowners, including, but not limited to, how to apply for the lot rental assistance program. DEMHRA shall
31 develop by [1 year from the effective date of this Act] a list of topics and information that a community owner must provide
32 to homeowners in the community.

33 b. Coordinate with the Office of the Manufactured Housing Ombudsperson to arrange for an
34 ombudsperson to host or co-host the meeting with the community owner and provide homeowners in the community with
35 information about the resources available through the Office of the Manufactured Housing Ombudsman.

36 (2) (3) After 1 year, a community owner may require a homeowner receiving lot rental assistance to
37 reestablish eligibility for lot rental assistance. If a community owner requires a homeowner to reestablish eligibility for
38 lot rental assistance, the community owner shall provide written notice to the homeowner at least 60 days before the
39 first day of the month that full rent will be due if the lot rental assistance credit is terminated. A notice under this
40 paragraph (b)(2)-(b)(3) of this section is not a notice of a rent increase under § 7051 of this title, but must comply with
41 § 7015 of this title and include all of the following:

42 a. The date by which the homeowner must reestablish program eligibility under paragraph (b)(3)-(b)(4) of
43 this section.

44 b. The date that the full amount of rent will be due if the homeowner does not reestablish program
45 eligibility.

46 c. The amount of rent that will be due without the lot rental assistance credit.

47 (3) (4) A community owner shall provide a homeowner with at least 45 days, from the date of the notice under
48 paragraph (b)(2)-(b)(3) of this section, to reestablish program eligibility by ~~providing necessary documents and information~~
49 ~~to the community owner.~~ certifying in writing that the homeowner meets the criteria set forth in § 7022 of this title.

50 (4) ~~(5)~~ If the homeowner fails to reestablish eligibility under paragraph ~~(b)(3)~~-(b)(4) of this section, the
51 community owner may terminate the lot rental assistance credit under paragraph ~~(b)(2)~~-(b)(3) of this section.

52 ~~(5)~~ (6) A community owner may not terminate a lot rental assistance credit without providing notice and the
53 opportunity to reestablish eligibility under ~~this~~-subsection (b) of this section.

54 (7) A community owner must annually submit a certification to DEMHRA confirming that the lot owner has
55 complied with the requirements of this section. The certification shall include a report of the number of homeowners
56 currently receiving a lot rental assistance credit, the number of homeowners who previously received the credit who
57 became ineligible for the credit in the prior year, and the reason for the ineligibility. DEMHRA may request, and the
58 community owner must provide, additional documents or information relating to the lot rental assistance program.

59 (g) If a homeowner is eligible for lot rental assistance under § 7022 of this title but has not received any assistance
60 under § 7022(d) in the lease period immediately preceding a lease renewal, the homeowner is entitled to a rental increase
61 limitation as calculated in § 7022B(d)(1).

62 (h) Enrollment to receive rental assistance under § 7022 and § 7022B of this title may not be limited by a
63 community owner. Enrollment shall remain open during every month of a homeowner's lease period.

64 § 7047. Landlord disclosure obligations.

65 All landlords must provide the following information to DEMHRA by [180 days after the enactment of this Act],
66 and thereafter all landlords must provide the following information to DEMHRA within 60 days of taking ownership,
67 possession, or control of a manufactured housing community:

68 (a) The name, address, and telephone number of the manager or other local representative of the manufactured
69 home community.

70 (b) The name, address, and telephone number of the owner of the manufactured home community.

71 (c) If the manufactured home community is owned by a corporate entity, the name, address, and telephone number
72 of a corporate representative for that corporate entity.

73 § 7051. Rent increase; notice.

74 (a) A community owner may not increase a tenant's lot rent more than once during any 12-month period,
75 regardless of the term of the tenancy or the term of the rental agreement. A community owner may not increase a tenant's
76 lot rent by greater than 3 percent for any reason, including for the justifications authorized under §§ 7052, 7052A, and
77 7052B of this title, if the lot rent was increased by 5 percent or more within the earlier of 12 months preceding the date of
78 the notice of the rent increase under this section or at the time of the last renewal of the lease or rental agreement, unless at
79 least 1 of the following criteria are met:

80 (1) The community owner is bringing the amount of rent to market rent and compliance with the prohibition
81 on an increase greater than 3 percent would render it impossible to bring the amount of rent to a market rent by phasing in
82 an increased rent equally within the periods of time provided under § 7052A(d)(3) of this title.

83 (2) Greater than 75 percent of the homeowners in the community use the property as their second residence.

84 (b) A community owner may only increase rent if the rent increase complies with all of the following:

85 (1) Any lease provision providing for a specific amount of rent for a specific period of time.

86 (2) The applicable requirements of this chapter.

87 (c) (1) A community owner must provide written notice of a rent increase at least 90 days, but no more than 120
88 days, before the first day the increased amount of rent is due, to all of the following:

89 a. Each affected homeowner.

90 b. The homeowners' association, if 1 exists.

91 c. ~~Demhra~~.DEMhRA. If paragraph (a)(2) of this section applies to the rent increase, the notice to
92 DEMhRA must include a notarized certification under penalty of perjury that greater than 75 percent of the
93 homeowners in the community use the property as their second residence. DEMhRA shall, within 1 year of [the
94 date of this Act's enactment], in collaboration with interested manufactured home community owners, create a
95 form that may be used for this certification. The certification may be submitted with or as part of the annual
96 certification to DEMhRA concerning the lot rental assistance program under § 7022A of this chapter. The
97 Department of Justice may criminally prosecute any landowner who submits false or fraudulent information to
98 DEMhRA.

SYNOPSIS

House Bill 212 prohibits manufactured home community owners from drastically increasing rent each year by prohibiting a community owner from increasing rent if the rent was increased by 5 percent or more the previous year or rental period. This Act does not prohibit a community owner from increasing rent to market rent in phases as called for in current law, even if doing so would otherwise violate the prohibition on increasing rent after a 5 percent or more increase. This Act clarifies that penalties of rent reduction and repayment of excess rent will be imposed for a community owner who increases rent in violation of any provision of Title 25, Chapter 70.

House Bill 212 requires community owners to annually provide certain information relating to the lot rental assistance program to DEMHRA as well as certify compliance with the program requirements, and allows DEMHRA to request further information about the program as needed.

House Bill 212 also requires community owners to provide specified contact information to DEMHRA within 60 days of taking ownership, possession, or control of a manufactured housing community.

This House Substitute No. 1 alters the prohibition from House Bill 212 on manufactured home community owners increasing rent if the rent was increased by 5 percent or more the previous year or rental period, instead permitting an increase capped at 3 percent. This Substitute also adds a requirement that landlords hold an annual meeting with homeowners in the month of August to provide the latter with information on available resources in coordination with the Office of the Manufactured Housing Ombudsman. This Substitute makes changes to the eligibility requirements for the lot

rental assistance program. It clarifies that enrollment in the program is open during every month of a homeowner's lease period. This Substitute requires that DEMHRA consult with interested community owners in developing a form to be used by community owners for the annual report of information relating to the lot rental assistance program. Finally, this Substitute closes a loophole in the existing law by imposing a rental increase limitation in circumstances where a homeowner qualified but was not provided with lot rental assistance during the immediately preceding rental period.