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

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 2
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:

Section 1. Amend Chapter 70, 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:

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

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

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

§ 7022A. Lot rental assistance program; requirements.

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

(2) The Office of the Manufactured Housing Ombudsperson shall annually hold at least 2 informational meetings in each county where information about the lot rental assistance and other programs and services available to homeowners is provided. The Office shall provide written notice to DEMHRA of the date, time, and location of each meeting at least 15 days in advance of the meeting and DEMHRA shall post the meeting information on its website.

~~(2)~~ (3) After 1 year, a community owner may require a homeowner receiving lot rental assistance to reestablish eligibility for lot rental assistance. If a community owner requires a homeowner to reestablish eligibility for lot rental assistance, the community owner shall provide written notice to the homeowner at least 60 days before the first day of the month that full rent will be due if the lot rental assistance credit is terminated. A notice under this 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 § 7015 of this title and include all of the following:

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

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

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

~~(3)~~ (4) A community owner shall provide a homeowner with at least 45 days, from the date of the notice under paragraph ~~(b)(2)~~ (b)(3) of this section, to reestablish program eligibility by providing necessary documents and information to the community owner.

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

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

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

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

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

§ 7047. Landlord disclosure obligations.

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

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

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

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

§ 7051. Rent increase; notice.

(a) A community owner may not increase a tenant's lot rent more than once during any 12-month period, regardless of the term of the tenancy or the term of the rental agreement. A community owner may not increase a tenant's lot rent by greater than 3 percent for any reason, including for the justifications authorized under §§ 7052, 7052A, and 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 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 least 1 of the following criteria are met:

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

(2) More than 50% of the homeowners in the community use the property as their second residence.

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

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

(2) The applicable requirements of this chapter.

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

a. Each affected homeowner.

b. The homeowners' association, if 1 exists.

c. ~~Demhra.~~DEMHRA. If paragraph (a)(2) of this section applies to the rent increase, the notice to DEMHRA must include a notarized certification under penalty of perjury that greater than 50% of the homeowners in the community use the property as their second residence. DEMHRA shall, by [1 year from the date of this Act's enactment], in collaboration with interested manufactured home community owners, create a

form that may be used for this certification. The certification may be submitted with or as part of the annual certification to DEMHRA concerning the lot rental assistance program under § 7022A of this title.

SYNOPSIS

House Substitute No. 2 to House Bill 212 prohibits manufactured home community owners from 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 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. It also allows a greater increase where more than 50% of the homeowners use the property as a second residence. 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.

It also requires community owners to annually provide certain information relating to the lot rental assistance program to its homeowners and to certify to DEMHRA its compliance with the program requirements, and allows DEMHRA to request further information about the program as needed. It requires enrollment in the lot rental assistance program to remain open year-round.

It 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. 2 requires the Manufactured House Ombudsperson Office to hold 2 meetings in each county per year where it offers information about lot rental assistance and other programs and services homeowners may be eligible for.