



SPONSOR: Rep. K. Williams & Rep. Kowalko & Rep. Wilson-Anton
& Rep. Carson & Sen. Walsh
Reps. Bentz, Longhurst, Mitchell, Morrison, Osienski;
Sens. Ennis, Richardson

HOUSE OF REPRESENTATIVES
151st GENERAL ASSEMBLY

HOUSE BILL NO. 179

AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO LOT RENTAL ASSISTANCE IN
MANUFACTURED HOME COMMUNITIES.

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

1 Section 1. Amend § 7003, Title 25 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows and redesignating accordingly:

3 § 7003. Definitions.

4 Unless otherwise expressly stated, if a word or term is not defined under this section, it has its ordinarily accepted
5 meaning or means what the context implies. For purposes of this chapter:

6 (11) "Lot rent" means the amount of money a homeowner pays to the community owner for the rental of the
7 lot upon which the homeowner's manufactured home is located.

8 Section 2. Amend § 7022, Title 25 of the Delaware Code by making deletions as shown by strike through and
9 insertions as shown by underline as follows:

10 §7022. Lot Rental Assistance Program.

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

15 (1) One or more of the homeowners is 62 years of age or older or receives any of the following:

16 a. Social Security Disability.

17 b. Supplemental Security Income.

18 c. Veterans Pension.

19 d. Veteran's Administration Benefits.

20 (2) ~~The homeowner or tenant must have owned the manufactured home or resided in the home in the~~
21 manufactured home community prior to July 1, 2006. for a minimum of 5 years.

(2) (3) The homeowner ~~or tenant~~ must reside full time and exclusively in the manufactured home in the manufactured home community, and the manufactured home must be the homeowner's ~~or tenant's~~ only residence.

(3) (4) ~~The lot rent, excluding utility charges and other charges, fees, and assessments that are part of the services rider required under § 7008(a)(9) of this title, must exceed 30% of the income definition, as stated in the Delaware State Housing Authority Fact Book (DSHA Fact Book), or its successor document, for the United States Department of Housing and Urban Development (HUD) for the county median income limits based upon The homeowner's income is equal to or less than 40% of the county's median income for the number of residents in the home.~~ home and the lot rent, excluding charges that are the homeowner's responsibility under the services rider under § 7008(a)(9) of this title, exceeds 30% of the homeowner's income. Eligibility under this paragraph (a)(4)a. is determined as follows:

a. For purposes of this section, ~~"income" includes "homeowner's income" means the income and liquid assets of all occupants of the manufactured home, whether or not an occupant is a tenant, and of all tenants of the manufactured home, whether or not a tenant is an occupant.~~ also a homeowner, and all homeowners, regardless of whether a homeowner is an occupant.

b. The Delaware State Housing Authority Fact Book (DSHA Fact Book), or its successor document, for the United States Department of Housing and Urban Development (HUD) is the source for the county median income limits based upon 40% of the county's median income for the number of residents in the home.

(4) c. ~~The homeowner's total liquid assets, including but not limited to bank accounts, stocks, and bonds of the homeowner or homeowners, tenant or tenants, and other residents, may bonds, do not exceed \$50,000.~~

(5) d. ~~The homeowner, tenant, and other residents~~ homeowner must provide to the community owner all documentation necessary to determine eligibility for lot rental assistance, such as bank records, eligibility letters, tax returns, and brokerage statements.

(6) (7) ~~The homeowner, tenant, and other residents~~ homeowner and the manufactured home must be in substantial compliance with all manufactured home community rules, regulations, and standards.

(b) ~~The homeowner, tenant, and other residents~~ homeowner may not ~~be recipients of~~ receive any other rental assistance funding.

(c) Lot rental assistance or rent credit received by a homeowner ~~or tenant pursuant to~~ under this section is not transferable upon the sale of the manufactured home or the transfer of the rental agreement to a third-party purchaser.

(d)(1) A homeowner ~~or tenant~~ who qualifies for lot rental assistance under ~~subsection (a)~~ paragraph (a)(4) of this section is entitled to lot rental assistance for a term of 1 year. ~~Let A community owner shall provide the lot rental assistance for a qualified homeowner or tenant is in the form of a rent credit which is computed as the that equals the difference between the then-current lot rent and 30% of the homeowner's income definition for the county median income, as stated in the DSHA Fact Book for the number of residents in the home; provided, however, that the lot rent for an eligible homeowner or tenant after application of a lot rental assistance credit may not exceed 30% of the income definition for the county median income, as stated in the DSHA Fact Book for the number of residents in the home. under paragraph (a)(4)a. of this section.~~

(2) Notwithstanding paragraph (a)(4) of this section, a homeowner qualifies for limited lot rental assistance if the homeowner's income is between 40% and 55% of the median household income and the lot rent increases under § 7052 of this title. If eligible under this paragraph (d)(2), the homeowner's lot rental assistance is a limit on the amount the homeowner's rent is increased as follows:

a. If the median household income is between 40% and 45%, the lot rent increases by 25% of the increase.

b. If the median household income is between 45% and 50%, the lot rent increases by 35% of the increase.

c. If the median household income is between 50% and 55%, the lot rent increases by 40% of the increase.

(e) The homeowner ~~or tenant~~ has the responsibility to reestablish annually eligibility for lot rental assistance if ~~that~~ the homeowner or tenant believes that the homeowner ~~or tenant~~ remains eligible for lot rental assistance. The homeowner ~~or tenant~~ must reestablish eligibility within 45 days immediately before the anniversary date of the ~~prior~~ most recent determination of eligibility.

(f)(1) A community owner who is required to participate in the lot rental assistance program shall provide notice of the program to all homeowners ~~and tenants~~ in the community, and shall provide, under paragraph (f)(2)a. or (f)(2)b. of this section, renewal notices to all program participants at least 45 days before a participant's term of assistance expires. If the community owner does not provide a renewal notice, the lot rental assistance credit remains in effect until 45 days after the community owner provides notice. Upon receiving notice, a homeowner ~~or tenant~~ has 45 days to reestablish program eligibility by providing necessary documents and information to the community owner. If the homeowner ~~or tenant~~ fails to reestablish eligibility within 45 days of notice, the community owner may terminate the lot rental assistance credit.

(2)a. Unless otherwise specified, renewal notice required by this subsection may be served personally upon a homeowner ~~or tenant~~ of a manufactured home community by leaving a copy of the notice at the homeowner's ~~or tenant's~~ dwelling place with an adult person who resides therein.

b. In lieu of personal service, renewal notice required by this subsection may be sent by regular first class mail with proof of mailing or by certified mail, return receipt requested, to the homeowner ~~or tenant~~ at the address of the homeowner's ~~or tenant's~~ rented lot, or at an alternative address which the homeowner ~~or tenant~~ provided in writing to the community owner.

(g) During the period of any lot rental assistance, a homeowner ~~or tenant~~ must remain current with payment of rent after the application of the lot rental assistance credit, as well as with payment of utility fees and other charges and assessments. ~~If~~ If, after receiving notice under § 7016 of this title and the expiration of the time provided in the notice, the homeowner ~~or tenant~~ does not pay all of the lot rent ~~rent~~, after the application of the lot rental assistance credit, ~~as well as pay and any~~ utility fees and other charges and assessments ~~on or before the due date or during the grace period provided under the law or otherwise, then assessments,~~ the lot rental assistance credit may be immediately terminated upon notice, and the homeowner ~~or tenant will not be~~ is not eligible for further lot rental ~~assistance: for 5 years.~~

(h) A homeowner ~~or tenant~~ receiving lot rental assistance credit must notify the community owner ~~immediately~~ within 30 days of any substantial change in that homeowner's ~~or tenant's~~ financial situation or in the composition of the household.

(i) ~~Any intentional misrepresentation by an applicant of that applicant's~~ If a homeowner intentionally misrepresents the homeowner's financial situation or living arrangements ~~which, and,~~ and, if the truth were known, would have resulted in the denial of lot rental assistance ~~shall result in the immediate termination of assistance,~~ all lot rental assistance, assistance immediately terminates and the homeowner has an immediate obligation to reimburse all credits received under the lot rental assistance program to from the point of the initial misrepresentation. A community owner may treat the amounts due and owing as a rent delinquency.

(k)(1) Nothing in this section prohibits the owner of a manufactured home community from offering a lot rental assistance program that provides benefits over and above the benefits ~~set forth in~~ under this section, or that extends eligibility for participation in the program.

(2) Benefits provided under paragraph (k)(1) of this section may not be used as a basis for a rent increase under § 7052 of this title.

108 ~~(b)(1)~~ The provisions of this section do not apply to a manufactured home community with 25 or fewer
109 manufactured home lots; ~~provided, however, that~~ an owner of such a manufactured home community may voluntarily offer
110 a lot rental assistance program to the homeowners ~~and tenants of~~ in the community.

SYNOPSIS

This Act revises Chapter 70 of Title 25, which governs manufactured homes on rented lots in manufactured home communities, by revising the eligibility criteria for the lot rental assistance program by expanding the sources of income that qualify a homeowner for the program and making a homeowner eligible after living in the community for 5 years. This Act also creates a new eligibility category for lot rental assistance after rent increases.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.