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
AS AMENDED BY
SENATE AMENDMENT NO. 1

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 Department of Justice 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. DOJ 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.

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~~(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 amount of lot rental assistance credit received, 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.

(8) On or before January 31st each year, DEMHRA shall submit a report to the General Assembly on the number of homeowners statewide that received lot rental assistance credit in the previous year, the amount of lot rental assistance credit received, the number of homeowners previously receiving the credit who became ineligible for the credit during the previous year, and the reason such homeowners became ineligible.

(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 or the preceding year under a multi-year lease, 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.

(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.

§ 7052A. Rent increase; justified base rent increase calculations.

(c) (1) a. For purposes of this section, "24-month CPI-U" means the average annual increase of the CPI-U for the most recently available preceding 24-month period.

b. The Delaware State Housing Authority shall monitor updates to the CPI-U and within 5 days after new CPI-U data is released, calculate the 24-month CPI-U and report the 24-month CPI-U to DEMHRA.

(2) A community owner may increase rent in an amount that does not exceed the following:

a. If the 24-month CPI-U is equal to or below ~~7%~~ 6.1%, by 3.5% of the rent plus 50% of the 24-month CPI-U up to an amount that does not exceed ~~7% of the 24-month CPI-U.~~ 6.1%.

b. If the 24-month CPI-U exceeds ~~7%~~ 6.1%, by the 24-month CPI-U.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, in periods of extremely high inflation, community owners are further restricted from increasing rent in a single year as follows:

a. If the calculation under paragraph (2) of this subsection would result in a rent increase between 6.1% and 8%, a community owner must limit the rent increase to 6.1%.

b. If the calculation under paragraph (2) of this subsection would result in an increase greater than 8%, a community owner must limit the rent increase to 6.1% plus 50% of the 24-month CPI-U above 6.1%.

(4)a. If the community owner must reduce the rent increase due to paragraph (3) of this subsection, the community owner may apply the difference between the percentage increase calculated under paragraph (2) of this subsection and the amount applied under paragraph (3) of this subsection in the next 12-month rent increase period so long as it would not cause the rent to increase beyond the limits contained in paragraph (3) of this subsection.

b. A community owner may continue to carry forward any rent increase percentage not applied under paragraph (4)a. of this subsection until such rent increase percentage has been applied in a future year.