

LAWS OF DELAWARE  
VOLUME 82  
CHAPTER 38  
150th GENERAL ASSEMBLY  
FORMERLY  
HOUSE BILL NO. 45

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

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 strikethrough and insertions as shown by underline as follows and by redesignating Delaware Code subsections and internal references accordingly:

Chapter 70. Manufactured Homes and Manufactured Home Communities ACT

Subchapter I. ~~Manufactured Home Owners and Community Owners Act~~ Purpose, definitions, enforceability.

§ 7001. Purposes and policies; enforceability.

(a) ~~This subchapter~~ Subchapters I through V of this chapter, must be liberally construed and applied to promote ~~it's~~ the following underlying purposes and ~~policies, which are:~~ policies:

(1) To clarify and establish the law governing the rental of lots for manufactured homes as well as the rights and obligations of manufactured home community owners (landlords), manufactured home owners ~~(tenants)~~ (tenants), and residents of manufactured home ~~communities;~~ and communities.

(2) To encourage manufactured home community owners and manufactured ~~home owners~~ homeowners, and residents to maintain and improve the quality of life in manufactured home communities.

(b) ~~This subchapter applies~~ Subchapters I through V of this chapter, apply to all rental agreements for manufactured home lots and regulates and ~~determines~~ determine the legal rights, remedies and obligations of all parties to a rental agreement, wherever executed, for a lot for a manufactured home in a manufactured home community within this State. A provision of a rental agreement which conflicts with a provision of ~~this~~ Subchapters I through V of this chapter and is not expressly authorized herein is unenforceable. The unenforceability of a provision does not affect the enforceability of other provisions of a rental agreement which can be given effect without the unenforceable provision.

§ 7001A. ~~The Delaware Manufactured Housing Alternative Dispute Resolution Act.~~ [Reserved].

§ 7002. Jurisdiction.

(a) Any person, whether or not a citizen or resident of this State, who owns, holds an ownership or beneficial interest in, uses, ~~manages~~ manages, or possesses real estate situated in this State submits to the jurisdiction of the courts of this State as to any action or proceeding for the enforcement of an obligation or right arising under ~~this subchapter.~~ Subchapters I through V of this chapter.

(b) A summary proceeding to recover the possession of a rented lot, pursuant to Chapter 57 of this title, may be maintained in the Justice of the Peace Court in the county where the property is located.

(c) In the absence of a provision in this ~~this subchapter~~ Subchapters I through V of this chapter governing the relationship between a manufactured home owner (tenant) and a manufactured home community owner (landlord), the Residential Landlord-Tenant ~~Code set forth in~~ Code, under Part III of this ~~title~~ title, governs the relationship. The Residential Landlord-Tenant Code also governs the rental of manufactured homes. In the event of conflict between the provisions of ~~this subchapter~~ Subchapters I through V of this chapter and ~~those of~~ the Residential Landlord-Tenant Code, ~~this subchapter governs~~ Subchapters I through V of this chapter govern issues pertaining to the rental of lots in manufactured home communities.

§ 7003. Definitions.

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

(1) "Agreement" means a written rental agreement.

(2) "Authority" means the Delaware Manufactured Home Relocation Authority.

(3) "Common area" means shared land or facilities within a manufactured home community over which the landlord retains control.

(4) "Community owner" or "landlord" means the owner of 2 or more manufactured home lots offered for rent. It includes a lessor, sublessor, park ~~owner~~ owner, or receiver of 2 or more manufactured home lots offered for rent, as well as

any person, other than a lender not in possession, who directly or indirectly receives rents for 2 or more manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

(5) "Guest" or "visitor" means a person who is not a tenant or resident of a manufactured home community and who is on the premises of the manufactured home community with the express or implied permission of a tenant or resident of the community.

~~(6) "Hold over" means to retain possession of a rented lot in a manufactured home community after the termination, nonrenewal, or expiration of a rental agreement governing the rented lot.~~

(7) "Holdover" means a tenant who retains possession of a rented lot in a manufactured home community after the termination, nonrenewal, or expiration of a rental agreement governing the rented lot.

(8) "Home owner" or "tenant" means an owner of a manufactured home who has a tenancy of a lot in a manufactured home community; a lessee.

(9) "Landlord" or "community owner" means the owner of 2 or more manufactured home lots offered for rent. It includes a lessor, sublessor, park owner or receiver of 2 or more manufactured home lots offered for rent, as well as any person, other than a lender not in possession, who directly or indirectly receives rents for 2 or more manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

(10) "Lease" or "rental agreement" means a written contract between a landlord and a tenant establishing the terms and conditions whereby a manufactured home is placed upon or is allowed to remain upon a rented or leased lot in a manufactured home community.

(11) "Manufactured home" means a factory-built, single-family dwelling:

a. Transportable in 1 or more sections, which is either 8 body feet or more in width and 40 body feet or more in length, or, when erected on site, has more than 400 square feet in living area; and

b. With or without a permanent foundation and designed to be used as a year-round dwelling when connected to the required utilities; and

c. If manufactured since June 15, 1976, built in accordance with manufactured home construction requirements promulgated by the federal Department of Housing and Urban Development (HUD) or by other applicable codes.

"Manufactured home" is synonymous with "mobile home", "trailer", and similar terms used elsewhere in this title.

(12) "Manufactured home community" means a parcel of land where 2 or more lots are rented or offered for rent for the placement of manufactured homes. Manufactured home community is synonymous with "mobile home park", "trailer park", and "trailer court".

(13) "Notice" means a written announcement, warning or other communication delivered to or served upon a person, as designated in statute.

(14) "Premises" means the rented lots in a manufactured home community, the structures upon them, and the facilities and appurtenances thereon, as well as the grounds, common areas and facilities held out for the use of the tenants and/r residents generally or whose use is contracted for between landlord and tenant.

(15) "Related party" means any of a person's parents, spouse, children, and siblings of the whole and half-blood.

(16) "Standing water" means motionless water, not flowing in a stream, tide, or current, that has not dissipated within 48 hours after cessation of precipitation.

~~(17)~~ (17) "Quiet enjoyment" includes the peaceful possession of the premises in a manufactured home community without unwarranted disturbance.

~~(18)~~ (18) "Recreational vehicle" means a travel trailer, camping trailer, park trailer, camper, camper motor home or similar accommodation which is primarily designed as temporary living quarters for recreational camping or for seasonal or travel use and which either has its own motor power or is mounted on or drawn by another vehicle.

~~(19)~~ (19) "Rent" means money paid by a tenant to a landlord for the possession, use and enjoyment of a rented lot and other parts of the premises in a manufactured home community pursuant to a rental agreement. For purposes of summary possession, rent includes late fees for rent, other fees and charges, including utility charges, and the tenant's share of the Delaware Manufactured Home Relocation Trust Fund assessment.

~~(20)~~ (20) "Rental agreement" or "lease" means a written contract between a landlord and a tenant establishing the terms and conditions whereby a manufactured home is placed upon or is allowed to remain upon a rented or leased lot in a manufactured home community.

(19) (21) "Resident" means a person who resides in a manufactured home located in a manufactured home community. A resident may or may not be a tenant.

(20) (22) "Seasonal property" means a parcel of land operated as a vacation resort on which 2 or more lots are rented or offered for rent for the placement of manufactured homes or other dwellings used less than 8 months of the year. A seasonal property is characterized by a lack of availability of year-round utilities and by the fact that its tenants have primary residences elsewhere.

(21) (23) "Tenant" or "~~home owner~~" "homeowner" means an owner of a manufactured home who has a tenancy of a lot in a manufactured home community; a lessee.

(22) (24) "Tree" for the purpose of this chapter means a woody, perennial plant at least 25 feet in height or with a main stem a minimum of 6 inches in diameter.

(23) (25) "Trust Fund" means the Delaware Manufactured Home Relocation Trust Fund.

(24) (26) "Utility charge" means a charge by a landlord or others to a tenant for a ~~commodity service~~, such as water, sewer, electricity, fuel, propane, cable ~~television~~ television, or trash.

(25) (27) "Utility service" means a service provided by a landlord or others to a tenant for a ~~commodity service~~, such as water, sewer, electricity, fuel, propane, cable ~~television~~ television, or trash.

§ 7004. Exemptions.

(a) The rental of ground upon which a recreational vehicle is placed, including any facilities or utilities thereon, is exempt from the requirements of ~~this subchapter~~ Subchapters I through V of this chapter and nothing in ~~this subchapter~~ Subchapters I through V of this chapter may be construed as determining, regulating or governing the legal rights of parties to any lease or rental agreement for the ground on which a recreational vehicle is situated.

(b) The rental of ground within the category of seasonal property is exempt from the requirements of ~~this subchapter~~ Subchapters I through V of this chapter and nothing in ~~this subchapter~~ Subchapters I through V of this chapter may be construed as determining, regulating, or governing the legal rights of parties to any lease or rental agreement for the rental of ground within the category of seasonal property.

~~§ 7025.~~ § 7005. Enforcement.

(a) It is the duty and obligation of the Consumer Protection Unit, or its successor, of the ~~Attorney General's Office~~ Department of Justice to enforce the provisions of ~~this subchapter~~ Subchapters I through V of this chapter. A violation of any provision of ~~this subchapter~~ Subchapters I through V of this chapter by a landlord is within the scope of enforcement duties and powers of the Consumer Protection Unit, or its successor, of the ~~Attorney General's Office~~ Department of Justice.

(b) Whenever the Consumer Protection Unit, or its successor, of the ~~Attorney General's Office~~ Department of Justice has reasonable cause to believe that any landlord is engaged in a pattern or practice of violating or failing to comply with the terms of any provision of a rental agreement covered by this chapter, the Attorney General may commence a civil action in any court of competent jurisdiction and seek such relief as the ~~Attorney General's Office~~ Department of Justice deems necessary to enforce and to ensure the compliance with the terms of such agreement.

Subchapter II. Landlord-tenant relationship

Subpart I. General provisions.

~~§ 7005.~~ § 7006. Requisites for rental of a manufactured home lot.

A landlord shall not rent a lot in a manufactured home community without first delivering to the prospective tenant a copy of the proposed rental agreement, a copy of the rules, standards and fee schedule of the manufactured home community, a copy of this ~~subchapter~~, chapter, and a summary of this ~~subchapter~~ chapter written by the ~~Office of the Attorney General~~ Department of Justice and made available to all landlords prior to January 1, 2012, all of which shall be delivered to the prospective tenant at the time the prospective tenant obtains from the landlord an application for tenancy in the community. The prospective tenant shall acknowledge such delivery by signing a receipt.

§ 7007. Manufactured home standards.

(a) *Standards for manufactured homes of new tenants.* —

(1) A landlord shall adopt reasonable written standards regarding the size, age, quality, appearance, construction, materials, and safety features for a manufactured home entering the landlord's manufactured home community.

(2) A landlord may refuse to allow the placement of a manufactured home on a lot in the manufactured home community if the manufactured home does not comply with the reasonable written standards adopted under paragraph (a)(1) of this section.

(b) Standards for manufactured homes not for sale. — A tenant who is residing in a manufactured home community at the time a standard is promulgated must bring the tenant's own manufactured home into compliance with the standard within 9 years of the promulgation of the standard or be subject to a summary possession proceeding under Chapter 57 of this title. However, if a change in a manufactured home is necessary to protect life or for other safety reason, the landlord may require that the change be made in less than 9 years. Once work begins on the manufactured home, the necessary change must be completed within a reasonable time.

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

(d) A standard promulgated under subsections (a), (b), or (c) of this section may not be arbitrarily or capriciously enforced. A landlord may choose not to enforce a standard based upon the documented special needs or hardship of a tenant without waiving the right to the later enforcement of the standard as to that tenant or any other tenant.

(e) A landlord may at any time establish or amend a standard promulgated under subsection (a), (b), or (c) of this section, but an established or amended standard promulgated under subsection (b) or (c) of this section is not effective until the date specified in the established or amended standard or 60 days after the landlord delivers to the tenant written notice of the established or amended standard, whichever is later.

(1) Within 10 days of the landlord's notice of the established or amended standard, a committee, not to exceed 5 members, may be chosen by any method agreed to by the tenants of the manufactured home community.

(2) The committee shall meet with the landlord at a mutually convenient time and place to discuss the established or amended standard.

(3) At the meeting, the landlord shall disclose and explain all material factors and present any supporting documentation for the established or amended standard.

~~§ 7006.~~ § 7008. Provisions of a rental agreement.

(a) All new and renewing rental agreements, including those rental agreements whose original term has expired, for a lot in a manufactured home community must contain all of the following:

(1) ~~Specify~~ The specific identification and location of the rented lot within the manufactured home community; community.

(2) ~~A stipulation of the~~ The total amount of annual rent for the lot; lot.

(3) ~~a. A stipulation of the~~ The term of the rental agreement and the agreement.

(4) The terms of for payment of rent, which rent.

a. Rent shall be in monthly increments, unless the parties agree otherwise as noted below. ~~In addition, rental under paragraph (a)(4)c. of this section.~~

b. Rental payments shall be paid by the tenant to the owner/landlord in equal dollar amounts, or as close thereto as possible, and shall be extended equally, pro rata on a monthly basis, over a calendar year.

c. Any provision in a rental agreement or otherwise which requires rental payments or rental increases to be paid in one lump sum shall be null and void. ~~Nothing herein shall preclude~~ However, a tenant from requesting, may request and the owner/landlord from agreeing may agree thereto, that rental payment be made in a 1-time lump sum payment by the tenant.

b. ~~d.~~ The provisions of this section shall be prospective in nature.

e. ~~e.~~ The monthly rental amount, as aggregated, must not exceed the annual rental amount and such monthly rental amount shall be determined by dividing the total annual into 12 equal payments, to be made on a monthly rental schedule.

(4) ~~f.~~ The amount of rent due ~~for each term of payment~~ each month and the date ~~on which each the monthly rent payment is due~~; due.

(5) The amount of any late-payment fee for rent and the conditions under which the fee may be ~~imposed~~; imposed.

(6) A listing of each other fee or charge in a manner that identifies the service to be provided for the fee or charge in accordance with the provisions of § 7008 of this ~~title~~; title.

(7) The name and address of the landlord or the person authorized to receive notices and accept service on the landlord's ~~behalf~~; behalf.

(8) The name and location of the federally insured financial institution where the landlord's security-deposits account is ~~located~~; located.

(9) A services rider which contains a description of each utility, ~~facility~~ facility, and service provided by the landlord and available to the ~~tenant~~, tenant. The services rider must clearly indicating indicate the financial responsibility of the tenant and the landlord for installation and maintenance of each service, and ~~for~~ the related fees or charges ~~that may be imposed upon the tenant by the landlord~~; for each service.

(10) A rental agreement summary ~~which~~ that must contain a all of the following:

a. A brief description of the manufactured home, the home.

b. The rented lot, rental amount, term, lot.

c. The amount of the annual rent and monthly rental payment.

d. The duration of the rental agreement.

e. The landlord's mailing address, address.

f. The name, address, and phone number of the property manager.

g. The tenant's mailing address, fees, security deposit, information address.

h. Fees.

i. The amount of the security deposit.

~~j. regarding rent adjustment, community status and method of notice; in addition, the summary must include the~~

k. The amount of rent charged for the lot for the 3 most recent past years. If the amounts are unknown after a diligent search or if the lot was not rented, a statement to that effect must be included. The rent history provided pursuant to this paragraph may not be used as a predictor of future rent increases, nor may it be used against the community owner/landlord in any way;

(11) The grounds for termination, as described in ~~this subchapter~~; Subchapters I through V of this chapter.

(12) A specific reference to this subchapter as the law governing the relationship between the landlord and the tenant regarding the lot ~~rental~~; rental.

(13) Provisions requiring the landlord to do all of the following:

a. Maintain and regrade the lot area where necessary and in good faith, as permitted by law, to prevent the accumulation of standing water thereon and to prevent the detrimental effects of moving water if such efforts ~~shall~~ do not cause the creation of any new accumulations of standing water or detrimental effects of moving water on another lot area. ~~"Standing water" shall be understood to mean motionless water, not flowing in a stream, tide or current, that has not dissipated within 48 hours after cessation of precipitation.~~ Areas defined by local, state, or federal regulations as wetlands, flood plains, tidal areas, water recharge areas, or recorded drainage systems are exempt from this ~~provision~~; paragraph.

b. Maintain the manufactured home community in such a manner as will protect the health and safety of residents, ~~visitors and guests~~; visitors, and guests.

c. Identify each lot area in the community in such a way that each tenant can readily identify that tenant's own area of ~~responsibility~~; responsibility.

d. Maintain the community, including common areas and rental lots not under rent, keeping it free of species of weeds or plant growth which are noxious or detrimental to the health of the ~~residents;~~ residents.

e. Make a good faith effort to exterminate insects, rodents, ~~vermin~~ vermin, or other pests which are dangerous to the health of the residents when an infestation exists in the common areas of the ~~community;~~ community.

f. Maintain all water, electrical, plumbing, gas, sewer, ~~septic~~ septic, and other utilities and services provided by the landlord in good working order, repairing these utilities and services within the earlier of 48 hours after written notification of a utility or service problem, or as soon thereafter as is practicable if a repair within 48 hours is not ~~practicable;~~ practicable.

g. When applicable, specify whether septic systems are to be maintained by the landlord or by the ~~tenant;~~ tenant.

h. Respect the privacy of residents and agree not to enter into, ~~under~~ under, or on the manufactured home without the permission of the tenant or an adult resident unless emergency circumstances exist and entry is required to prevent injury to person or damage to property. However, the landlord may, with 72 hours' notice, inspect any utility connections owned by the landlord or for which the landlord is ~~responsible;~~ responsible.

i. Maintain all roads within the community in good ~~condition;~~ conditions.

j. Comply with all federal, ~~State~~ State, and local building ~~codes;~~ codes.

k. Allow the tenant freedom of choice in the purchase of goods and services other than utilities and related services subject to the limitations in paragraph (b)(13) of this ~~section;~~ section.

l. Maintain, care ~~for~~ for, and remove, if necessary, trees on any lot, including common areas, if the tree is at least 25 feet in height or has a main ~~stem/trunk~~ stem or trunk larger than 6 inches in diameter. Such maintenance, ~~care~~ care, and removal means those steps required to maintain a live and healthy tree condition per standard horticultural practices in accordance with the standards as set forth by the American Association of Nurserymen.

1. Nothing contained in ~~this subsection shall require~~ paragraph (a)(13)l. of this section requires the landlord to remove leaves, needles, pine cones, sap, pods, seed containers, or any such material normally produced by the tree as part of its life cycle.

2. The landlord must respect the privacy of the tenant and not enter the rented lot to maintain, care for, ~~and/or~~ or remove trees without the permission of the tenant or an adult resident unless emergency circumstances exist and entry is required to prevent injury to person or damage to property.

(14) Provisions requiring the tenant to do all of the following:

a. Keep the exterior of the manufactured home and the rented lot in a clean and sanitary ~~condition;~~ condition.

b. Refrain from storing outside on the lot occupied by the tenant's manufactured home building materials, ~~furniture~~ furniture, or similar items usually not stored outside a home by a property owner in a residential ~~area;~~ area.

c. Dispose of all rubbish, ~~garbage~~ garbage, and other waste materials in a clean and sanitary ~~manner;~~ manner.

d. Abide by all reasonable written rules concerning use, ~~occupation~~ occupation, and maintenance of the premises, ~~and amendments thereto, as provided for in~~ under § 7019 of this ~~title;~~ title.

e. Abide by all reasonable written manufactured home standards, ~~and amendments thereto, as provided for~~ in ~~in~~ under § 7020 of this title.

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

(1) A provision whereby the tenant authorizes a person to confess judgment on a claim arising out of the rental ~~agreement;~~ agreement.

(2) A provision whereby the tenant agrees to waive or to forego any right or remedy provided by ~~law;~~ law.

(3) A provision whereby the tenant waives the right to a jury ~~trial;~~ trial.

(4) A provision which permits the landlord to take possession of the rented lot or the tenant's personal property without the benefit of formal legal ~~process;~~ process.

- (5) A provision which permits the landlord to collect a fee for late payment of rent without allowing the tenant to remit the monthly rent in full a minimum of 5 days beyond the date the rent is ~~due~~; due.
- (6) A provision which permits the landlord to impose for late payment of rent, based on a monthly payment, a fee in excess of the greater of \$25 or 5% of the monthly rental payment specified in the rental ~~agreement~~; agreement.
- (7) A provision which permits the landlord to charge an amount in excess of 1 month's rent for a security deposit, unless mutually agreed to, or to retain the security deposit upon termination of the rental agreement ~~even though~~ when the tenant has paid the rent and any fees or charges in full as of the date of termination and has caused no damage to the landlord's ~~property~~; property.
- (8) A provision which permits the landlord to collect a deposit in excess of 1 normal billing period for any governmental mandated charge which is the responsibility of the tenant and would ultimately become the responsibility of the landlord if not paid by the tenant, or to retain the deposit upon termination of the lease if the tenant has paid the mandated ~~charge~~; charge.
- (9) A provision which prohibits the tenant from terminating the rental agreement upon a minimum of 30 days notice when a change in the location of the tenant's current employment causes the tenant to commute 30 miles farther from the manufactured home community than the tenant's current commuting distance from the community, or a provision which prohibits a tenant who is a member of the armed forces of the United States from terminating a rental agreement with less than 30 days notice to the landlord if the tenant receives reassignment orders which do not allow at least 30 days ~~notice~~; notice.
- (10) A provision for a waiver of any cause of action against, or indemnification for the benefit of, the landlord by the tenant for any injury or harm caused to the tenant or to residents, ~~guests~~ guests, or visitors or to the property of the tenant, residents, ~~guests~~ guests, or visitors resulting from any negligence of the landlord or of a person acting for the landlord in the performance of the landlord's obligations under the rental ~~agreement~~; agreement.
- (11) A provision which denies to the tenant the right to treat a continuing, substantial violation by the landlord of any agreement or duty protecting the health, ~~welfare~~ welfare, or safety of the tenant or residents as a constructive or actual eviction which would otherwise permit the tenant to terminate the rental agreement and to immediately cease payments thereunder; provided, that the landlord fails to correct the condition giving rise to the violation or fails to cease the violation within a reasonable time after written notice is given to the landlord by the ~~tenant~~; tenant.
- (12) A provision which prohibits displaying a for-sale sign that advertises the sale of a manufactured home in a manufactured home community; however, the landlord may establish reasonable limitations as to the number of signs and the size and placement of ~~signs~~; signs.
- (13) A provision which unreasonably limits freedom of choice in the tenant's purchase of goods and services, ~~provided however, that:~~ however, a landlord may do any of the following:
- a. ~~The landlord is not required to allow~~ Prohibit service vehicles to have access to the manufactured home community in such numbers or with such frequency that a danger is created or that damage beyond ordinary wear and tear is likely to occur to the infrastructure of the ~~community~~; community.
  - b. ~~The landlord may restrict~~ Restrict trash collection to a single ~~provider~~; and provider.
  - c. ~~The landlord may select~~ Select shared utilities; utilities.
- (14) A provision which permits the recovery of attorneys' fees by either party in a suit, ~~action~~ action, or proceeding arising from the ~~tenancy~~; tenancy.
- (15) A provision which violates any federal, ~~state~~ State, or local ~~law~~; law.
- (16) A provision which requires the tenant to do any of the following:
- a. Sell or transfer a manufactured home to the ~~landlord~~; or landlord.
  - b. Buy a manufactured home from the ~~landlord~~; or landlord.
  - c. Sell a manufactured home through the services of the ~~landlord~~; or landlord.
- (17) A provision which requires the tenant to provide the landlord with a key to the tenant's manufactured home or any appurtenances ~~thereto~~; thereto.
- (18) A provision which regulates the use of satellite dishes or television antennas that conflicts with federal law or FCC ~~regulations~~; regulations.

(19) A provision which requires the tenant to accept automatic deduction of rent payments from the tenant's checking or other ~~account; account.~~

(20) A provision which grants the landlord an option or right of first refusal to purchase the tenant's manufactured ~~home; and home.~~

(21) A provision which limits to a liquidated sum the recovery to which the tenant otherwise would be entitled in an action to recover damages for a breach by the landlord in the performance of the landlord's obligations under the rental agreement.

(c) If a court of ~~competent jurisdiction~~ finds that a tenant's rental agreement contains a provision in violation of subsection (b) of this ~~section; section, all of the following apply:~~

(1) The landlord shall remove the provision and provide all affected tenants by regular first-class mail with proof of mailing or by certified mail, return receipt requested, at the address of the tenants' rented lots, with either an amended rental agreement or corrective addendum to the rental agreement within 30 days of the exhaustion of all appeals, if any are ~~taken; and taken.~~

(2) The landlord is liable to the tenant for actual damages suffered by the tenant as a result of the violation, plus court costs, if any.

(d) If a court of ~~competent jurisdiction~~ finds that a landlord has wilfully included in the rental agreement a provision in violation of subsection (b) of this section, the tenant is entitled to recover 3 months' rent in addition to an award under subsection (c) of this section.

(e) A rental agreement must be executed before a tenant occupies a lot.

(f) A landlord may not offer a lot for rent in a manufactured home community unless the lot conforms to the applicable state, ~~county county,~~ or municipal statutes, ~~ordinances ordinance,~~ or regulations under which the manufactured home community was created, or under which the manufactured home community currently and lawfully exists.

(g) A violation of subsection (f) of this section is punishable by a fine of not more than \$1,000.

(h) If a court of competent jurisdiction finds that a tenant's rental agreement fails to contain a provision required by subsection (a) of this ~~section; section, all of the following apply:~~

(1) The landlord shall include the provision and provide all affected tenants by regular first class mail with proof of mailing or by certified mail, return receipt requested, at the address of the tenants' rented lots, with either an amended rental agreement or corrective addendum to the rental agreement within 30 days of the exhaustion of all appeals, if any are ~~taken; and taken.~~

(2) The landlord is liable to the tenant for actual damages suffered by the tenant as a result of the violation, plus court costs, if any.

(i) If a court of ~~competent jurisdiction~~ finds that a landlord has wilfully failed to include in the rental agreement a provision required by subsection (a) of this section, the tenant is entitled to recover 3 months' rent in addition to an award under subsection (h) of this section.

(j) Both the landlord and tenant shall comply with the provisions of the rental agreement. The remedies available to a landlord or a tenant set forth in this chapter are in addition to those remedies available to a landlord or a tenant in a court of competent jurisdiction for the failure by the landlord or the tenant to comply with any provision of a rental agreement.

~~§ 7007. § 7009. Term of rental agreement; renewal-of rental agreement~~

~~(a) The term of a rental agreement for a lot in a manufactured home community must be:~~

~~(1) One year; or~~

~~(2) A shorter or longer term that is mutually agreed upon by the parties and is designated in writing within the rental agreement.~~

~~(b) Upon the expiration of the term of a rental agreement, the rental agreement must be automatically renewed by the landlord for the same term and with the same provisions as the original agreement, with the exception that modified provisions relating to the amount and payment of rent are permitted, and, with the mutual agreement of all parties to the rental agreement, other modifications not prohibited by law, unless:~~

~~(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, or a shorter or longer period of time as is mutually agreed upon by the parties; or parties.~~

~~(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, as described in of this title.  
must be:~~

~~(a) The duration of a rental agreement for a lot in a manufactured home community is 1 year unless a shorter or longer duration is mutually agreed upon by the parties and is designated in writing within the rental agreement.~~

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

~~(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, or a shorter or longer period of time as is mutually agreed upon by the parties.~~

~~(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 § 7010 or § 7010A of this title.~~

~~(c) If the rental agreement is not terminated under subsection (b) of this section, the rental agreement renews for the same duration and with the same terms, conditions, and provisions as the original agreement, with the following exceptions:~~

~~(1) All parties mutually agree, in writing, to permitted modifications.~~

~~(2) Rent modified under Subchapter VI of this title.~~

~~§ 7015A. § 7010. Rent — Prohibited lump sum payments: payments: acceptance of rent.~~

~~(a) Rental payments shall must be paid by the tenant to the owner/landlord in equal dollar amounts, or as close thereto as possible, and shall must be extended equally, pro rata, over a calendar year. Any provision in a rental agreement or otherwise which agreement, or otherwise, that requires rental payments or rental increases to be paid in 1 lump sum shall be null and is void. Nothing herein shall preclude However, a tenant from requesting, may request and the owner/landlord from agreeing may agree that rental payment be made in a 1-time lump sum, semi-annual, or quarterly payment made by the tenant; nor does anything herein this subsection prevent a landowner an owner/landlord from offering discounts as incentives to homeowners to pay annually, semi-annually or quarterly semi-annually, or quarterly, provided it is made clear that the homeowners are under no obligation to pay in any way except monthly.~~

~~(b) If an owner/landlord accepts a cash payment for rent, the owner/landlord shall, within 15 days, give the tenant a receipt for that payment. The owner/landlord must maintain a record of all cash receipts for rent for 3 years.~~

~~§ 7016. § 7011. Holdover remedies after rental agreement terminates, expires expires, or is not renewed.~~

~~Following a determination by When a court of competent jurisdiction finds that a landlord is entitled to possession of a rented lot in a manufactured home community if the tenant continued in and/or or continues in possession of the lot after the date of termination, expiration or nonrenewal of the rental agreement without the consent of the landlord, the tenant is liable for, and the landlord is entitled to receive, because of a holdover by a tenant the court may award damages as follows:~~

~~(1) If the holdover was in bad faith, a payment of double the periodic rent under the terminated, expired or nonrenewed rental agreement, but only if the tenant held over and/or holds over in bad faith. agreement. Double-rent is computed and prorated for each day the tenant remained in and/or or remains in possession of the lot after the date on which the rental agreement terminated, expired expired, or was not renewed.~~

~~(2) If a holdover is determined to be in good faith, the landlord is entitled to a payment of the periodic rent under the rental agreement, computed and prorated for each day the tenant remained in and/or or remains in possession of the lot after the date on which the rental agreement terminated, expired expired, or was not renewed.~~

~~§ 7017. § 7012. Effect of unsigned rental agreement.~~

~~(a) If the landlord does not sign a written rental agreement which has been signed and tendered to the landlord by the tenant, acceptance of rent from the tenant without reservation by the landlord gives to the rental agreement the same effect as if it had been signed by the landlord.~~

~~(b) If the tenant does not sign a rental agreement which has been signed and tendered to the tenant by the landlord, acceptance of possession of the rented lot and payment of rent without reservation give to the rental agreement the same effect as if it had been signed by the tenant.~~

~~(c) Even if a rental agreement which is given effect by the operation of this section provides for a term longer than 1 year, it operates to create only a 1-year term.~~

~~§ 7020. Manufactured home standards.~~

~~(a) *Standards for manufactured homes of new tenants.*—~~

~~(1) A landlord shall adopt reasonable written standards regarding the size, age, quality, appearance, construction, materials materials, and safety features for a manufactured home entering the landlord's manufactured home community.~~

~~(2) A landlord may refuse to allow the placement of a manufactured home on a lot in the manufactured home community if the manufactured home does not comply with the reasonable written standards adopted pursuant to under paragraph (a)(1) of this section.~~

~~(b) *Standards for manufactured homes not for sale.* — A tenant who is residing in a manufactured home community at the time a standard is promulgated must bring the tenant's own manufactured home into compliance with the standard within 9 years of the promulgation of the standard or be subject to a summary possession proceeding pursuant to under Chapter 57 of this title. However, if a change in a manufactured home is necessary to protect life or for other safety reason, the landlord may require that the change be made in less than 9 years. Once work begins on the manufactured home, the necessary change must be completed within a reasonable time.~~

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

~~(d) A standard promulgated pursuant to subsection under subsections (a), (b) (b), or (c) of this section may not be arbitrarily or capriciously enforced. A landlord may choose not to enforce a standard based upon the documented special needs or hardship of a tenant without waiving the right to the later enforcement of the standard as to that tenant or any other tenant.~~

~~(e) A landlord may at any time establish or amend a standard promulgated pursuant to subsection under subsection (a), (b) (b), or (c) of this section, but an established or amended standard promulgated pursuant to subsection under subsection (b) or (c) of this section is not effective until the date specified in the established or amended standard or 60 days after the landlord delivers to the tenant written notice of the established or amended standard, whichever is later.~~

~~(1) Within 10 days of the landlord's notice of the established or amended standard, a committee, not to exceed 5 members, may be chosen by any method agreed to by the tenants of the manufactured home community.~~

~~(2) The committee shall meet with the landlord at a mutually convenient time and place to discuss the established or amended standard.~~

~~(3) At the meeting, the landlord shall disclose and explain all material factors and present any supporting documentation for the established or amended standard.~~

~~§ 7021. Rent increases.~~

~~A landlord 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 landlord shall give written notice of a lot rent increase to a tenant a minimum of 60 days prior to the effective date of the rent increase.~~

~~§ 7022. § 7013. Manufactured home transfer; rented lot transfer.~~

~~(a) This section governs the sale, conveyance, or transfer of title of a manufactured home 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 is only transferable from an individual tenant, or hier, 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 § 7020 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.

(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 15 days of the receipt of a completed application package, including the applicable fee, under subsection (c), a landlord must provide written notice, to the tenant under the lot rental agreement and the proposed rental agreement transferee, that states whether the proposed rental agreement transferee is accepted or rejected. If the application is ~~rejected~~ rejected, the notice must comply with ~~B(3) above~~ paragraph (b)(3) of this section.

(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 ~~pursuant to § 7024~~ under § 7004A 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 ~~pursuant to § 7024~~ under § 7024 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~~; home.

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

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

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

(6) 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.

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 willfully does any of the following:

1. Exerted undue influence or undue pressure on the tenant to sell the tenant's home to the ~~landlord~~; or landlord.

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~~; or 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, ~~pursuant to~~ under § 7020(c) of this title.

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.

c. If a court of competent jurisdiction 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.

d. If a court of competent jurisdiction 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 one 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 but not limited to 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 tenant/seller 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 ~~of~~ under § 7020 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 ~~pursuant to~~ under § 7020 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 ~~pursuant to~~ under subsection (e) of this section is subject to a summary possession proceeding pursuant to Chapter 57 of this title.

§ 7014. Modified Table of Consanguinity.

~~§ 7024.~~ § 7015. Delivery of written notice.

(a) Unless otherwise specified, notice required by this ~~subchapter~~ chapter may be served personally upon a tenant of a manufactured home community by leaving a copy of the notice at the tenant's dwelling place with an adult person who resides therein. Notice required by ~~this subchapter~~ under Subchapters I through V of this chapter may be served personally upon a landlord or upon any other person in the employ of the landlord whose responsibility is to accept such service. If a landlord is a corporation, firm, unincorporated ~~association~~ association, or other artificial entity, service of the notice may be made by leaving a copy of the notice at its office or place of business with an agent authorized to accept such notice or authorized by law to receive

service of process. Service of notice or process may be obtained through personal service by a special process-server appointed by the court.

(b) In lieu of personal service, notice required ~~by this subchapter~~ under Subchapters I through V of this chapter may be sent by regular first class mail with proof of mailing or by certified mail, return receipt requested, to the tenant at the address of the tenant's rented lot, or at an alternative address which the tenant provided in writing to the landlord. Notice required ~~by this subchapter~~ under Subchapters I through V of this chapter may be sent by regular first class mail with proof of mailing or by certified mail, return receipt requested, to the landlord at the landlord's last known dwelling place or at the landlord's last known office or place of business. Proof of mailing regular first class mail on U.S. Postal Service Form 3817 or its successor, or a return receipt, signed or unsigned, for certified mail constitutes valid service of any notice required under ~~this subchapter~~ Subchapters I through V of this chapter.

Subpart II. Tenant obligations and landlord remedies.

~~§ 7010A.~~ § 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~~ 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;~~ 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;~~ 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;~~ 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, pursuant to~~ community under § 7022(c) of this title; ~~or title.~~

(5) The failure of a tenant to bring his or her manufactured home into compliance with written standards ~~pursuant to~~ under § 7020(b) or § 7022(e) of this title.

(b) A landlord may terminate a rental agreement with a tenant by providing prior written notice as follows:

(1) If the tenant's noncompliance with the terms of the rental agreement or the requirements of this subchapter involves conduct of the tenant, of a resident of the tenant's manufactured home, or of a guest or visitor of the tenant or resident which results in the disruption of the rights of others entitled to the quiet enjoyment of the premises, the landlord shall notify the tenant in writing to immediately cause the conduct to cease and not allow its repetition. The notice must specify the conduct which formed the basis for the notice and notify the tenant that if substantially the same conduct recurs within 6 months, whether or not the 6-month period falls within 1 lease period or overlaps 2 lease periods, the landlord may immediately terminate the rental agreement and bring an action for summary ~~possession;~~ possession.

(2) If the noncompliance is based upon a condition on or of the premises of the manufactured home community, the landlord shall notify the tenant in writing, specifying the condition constituting the noncompliance and allowing the tenant 12 days from the date of mailing or personal service to remedy the noncompliance. If the tenant remains in noncompliance at the expiration of the 12-day period, whether or not the 12-day period falls within 1 lease period or overlaps 2 lease periods, the landlord may immediately terminate the rental agreement and bring an action for summary ~~possession;~~ possession.

(3) If rent, which includes late fees for rent, other fees and charges, including utility charges, and the Trust Funds assessment, is not received by the landlord by the 5th day after the due date or during the grace period stated in the rental agreement, whichever is longer, the landlord shall notify the tenant in writing, demanding payment and stating that unless the required payment is made within 7 days from the date of mailing or personal service, the rental agreement will be terminated. If the tenant remains in default after the 7-day period, whether or not the 7-day period falls within 1

lease period or overlaps 2 lease periods, the landlord may terminate the rental agreement and bring an action to recover the rent due and for summary possession.

(c) Whether or not repeated instances of noncompliance fall within 1 lease period or overlap 2 or more lease periods, if there are repeated instances of noncompliance by the tenant with a provision of the rental agreement, with any rule or regulation material to the rental agreement, or with a provision of this subchapter, even when corrected by the tenant, a landlord may immediately terminate the rental agreement and bring an action for summary possession and any moneys due, or may refuse to renew the agreement pursuant to § 7007 of this title. "Repeated instances of noncompliance" ~~include:~~ any of the following:

(1) Failure of the tenant on 4 separate occasions within 12 consecutive payment periods, to make a rent payment by the fifth day after the due date or during the grace period stated in the rental agreement, whichever is longer, resulting in notice being sent to the tenant ~~pursuant to~~ under paragraph (b)(3) of this section; ~~section.~~

(2) Failure of the tenant on 2 separate occasions within 12 consecutive payment periods to reimburse a landlord within 7 days of notice from the landlord to the tenant that the landlord paid the tenant's utility ~~charge;~~ charge.

(3) Tender by the tenant on 2 separate occasions within 12 consecutive payment periods of a bank draft or check which is dishonored by a financial institution for any reason, except for a mistake by the financial ~~institution;~~ institution.

(4) Four separate incidents of noncompliance as described in paragraph (b)(1) or ~~(b)(2)~~ (b)(2) of this section within a 12-month ~~period;~~ or period.

(5) Any combination of ~~four~~ 4 separate incidents of noncompliance as described in any subdivision of this subsection within a 12-month period.

(d) A landlord may not terminate a rental agreement or refuse to renew a rental agreement ~~pursuant to~~ under paragraph (c)(1) of this section unless the landlord notifies the tenant after the third separate occasion within 12 consecutive payment periods that a subsequent incident of noncompliance ~~described in~~ under paragraph (c)(1) of this section may result in either the immediate termination of the rental agreement or the nonrenewal of the rental agreement at its expiration.

(e) In an action for summary possession based on nonpayment of rent, the tenant is entitled to raise by defense or counterclaim any claim against the landlord that is related to the rental of the lot.

(f) A notice sent to a tenant advising the tenant that the rental agreement is terminated or will be terminated or will not be renewed must specify the reasons for such action in sufficient detail so that the dates, ~~places~~ places, and circumstances concerning the termination are clear. Mere reference to or recital of the language of this section is not sufficient.

(g) A landlord's right to terminate a rental agreement prior to the expiration of the agreement or right to refuse to renew at the expiration of the agreement does not arise until the landlord has complied with the applicable notice provision upon which the landlord is relying for the termination or non-renewal of the agreement.

~~§ 7018.~~ § 7017. Security deposits; pet security deposits.

(a)(1) A landlord may require a tenant to pay a security deposit if provided for in the rental agreement.

(2) A landlord may not require a tenant to pay a security deposit in an amount in excess of 1 month's rent unless the tenant agrees to do so and the full amount is specified in the rental agreement.

(b)(1) Every security deposit paid to a landlord must be placed by the landlord in an escrow bank account in a federally-insured financial institution with an office that accepts deposits within the State. The account must be designated as a security-deposits account and may not be used by the landlord for any purposes other than those described ~~in~~ under subsection (c) of this section. The landlord shall disclose in the rental agreement the location of the security deposit account. If the landlord changes the location of the security deposit account, the landlord shall notify each tenant of the new location within 30 days of the change. Security deposit principal must be held and administered for the benefit of the tenant, and the tenant's claim to such money has priority over that of any creditor of the landlord, ~~including, but not limited to,~~ including a trustee in bankruptcy, even if such money is commingled.

(2) A security deposit paid pursuant to a new rental agreement signed on or after August 25, 2003, must be immediately escrowed ~~pursuant to~~ under paragraph (b)(1) of this section. A security deposit paid as provided for in an existing rental agreement signed prior to August 25, 2003, must be escrowed ~~pursuant to~~ under paragraph (b)(1) of this section on or before June 30, 2005.

(c) ~~The purposes of a security deposit are:~~ A security deposit may be used for any of the following purposes:

(1) To reimburse a landlord for actual damages which exceed normal wear and tear to the landlord's property and which were caused by the ~~tenant~~; tenant.

(2) To pay a landlord for all rent, rent arrearage, fees, charges, Trust Fund ~~assessments~~ assessments, and other moneys due and owed to the landlord by the ~~tenant~~; tenant.

(3) To reimburse a landlord for all reasonable expenses incurred in renovating and re-renting the landlord's property caused by the premature termination of the rental agreement by the tenant, except for termination ~~pursuant to~~ under § 7009 of this title.

(d) Within 20 days after the expiration or termination of a rental agreement, the landlord shall provide the tenant with an itemized list of damages, if any, to the landlord's property and the estimated cost of repair for each item. The landlord shall tender payment for the difference between the security deposit and the cost for repair of damage to the landlord's property. Failure to do so constitutes an acknowledgment by the landlord that no payment for repair of damage is due. A tenant's acceptance of a payment submitted with an itemized list of damages constitutes agreement on the damages as specified by the landlord, unless the tenant objects in writing within 10 days of receipt of the landlord's tender of payment to the amount withheld by the landlord.

(e) If a landlord is not entitled to all or any portion of a security deposit, the landlord shall remit to the tenant within 20 days of the expiration or termination of the rental agreement the portion of the security deposit to which the landlord is not entitled.

(f) *Penalties.* —

(1) Failure by a landlord to remit to a tenant the security deposit or the difference between the security deposit and the cost for repair of damage within 20 days from the expiration or termination of the rental agreement entitles the tenant to double the amount wrongfully withheld.

(2) Failure by a landlord to disclose the location of the security deposit account within 20 days of a written request by a tenant or failure by a landlord to deposit a security deposit in a federally-insured financial institution with an office that accepts deposits within the State results in forfeiture of the security deposit by the landlord to the tenant. Failure by a landlord to return the full security deposit to a tenant ~~pursuant to~~ under this paragraph within 20 days from the effective date of forfeiture entitles the tenant to double the amount of the security deposit.

(g) All communications and notices required under this section must be directed to a landlord at the address specified in the rental agreement and to a tenant at an address specified in the rental agreement or at a forwarding address, if a forwarding address was provided to the landlord in writing by the tenant. Failure by a tenant to provide a forwarding address relieves the landlord of the responsibility to give notice pursuant to this section and removes the landlord's liability for double the amount of the security deposit. However, the landlord continues to be liable to the tenant for any unused portion of the security deposit if, within 1 year from the expiration or termination of the rental agreement, the tenant makes a claim in writing to the landlord.

(h) *Pet deposits.* —

(1) A landlord may require a tenant to pay a pet security deposit for each pet if provided for in the rental agreement. Damage to a landlord's property caused by a tenant's pet must first be deducted from the pet security deposit. If the pet deposit is insufficient, pet damages may be deducted from the tenant's nonpet security deposit.

(2) If a nonpet security deposit is insufficient to cover nonpet damages ~~described in~~ under subsection (c) of this section, damages may be deducted from the pet security deposit even if such damages were not caused by a pet. A pet security deposit is a type of security deposit and is subject to subsections (b), (d), (e), ~~(f)~~ (f), and (g) of this section.

(3) A landlord may not require a tenant to pay a pet security deposit in an amount in excess of 1 month's rent, unless the tenant agrees to do so and the full amount is specified in the rental agreement.

(4) A landlord may not require a pet security deposit from a tenant if the pet is a certified and trained support animal for a person with a disability who is a resident of a manufactured home on a rented lot.

(5) Notwithstanding legal ownership of a pet, for purposes of this subchapter, a pet that resides in a manufactured home, ~~and/or~~ or on the lot where the home is located in a manufactured home community, is deemed owned and controlled by a tenant who resides in the manufactured home.

(i) If a rental agreement so specifies, a landlord may increase a security deposit commensurate with an increase in rent. If an increase of the security deposit exceeds 10 percent of the monthly rent, the tenant may choose to pay the increase in the security deposit prorated over the term of the rental agreement but not to exceed 12 months, except in the case of a month-to-

month tenancy, in which case payment of the increase may not be prorated over a period in excess of 4 months unless mutually agreed to by the landlord and tenant.

~~§ 7019.~~ § 7018. Rules.

(a) A landlord may promulgate reasonable written rules concerning the occupancy and use of the premises and the use of the landlord's property, and concerning the behavior of manufactured home community tenants, residents, ~~guests~~ guests, and visitors, provided that the rules further any of the following purposes:

- (1) Promoting the health, safety, or welfare of tenants, residents, ~~guests or visitors;~~ guests, or visitors.
- (2) Promoting the residents' quiet ~~enjoyment;~~ enjoyment.
- (3) Preserving the property values of tenants ~~and/or landlords;~~ or the landlord.
- (4) Promoting the orderly and efficient operation of the manufactured home ~~community;~~ community.
- (5) Preserving the tenants' ~~and/or~~ or landlords' property from abuse.

(b) A landlord may not arbitrarily or capriciously enforce a rule. A landlord may choose not to enforce a rule based upon the documented special needs or hardship of a tenant or resident without waiving the right to the later enforcement of the rule as to that tenant or resident or any other tenant or resident.

(c) A landlord may amend an existing rule at any time, but the amended rule is not effective until the date specified in the amended rule or 60 days after the landlord delivers to the tenant written notice of the amended rule, whichever is later.

(1) Within 10 days of the landlord's notice of an amended rule, a committee, not to exceed 5 members, may be chosen by any method agreed to by the tenants of the manufactured home community.

(2) The committee shall meet with the landlord at a mutually convenient time and place to discuss the amended rule.

(3) At the meeting, the landlord shall disclose and explain all material factors and present any supporting documentation for the amended rule.

~~§ 7023.~~ § 7019. Retaliatory acts prohibited.

(a) Retaliatory acts are prohibited.

(b) A retaliatory act is an attempted or completed act on the part of a landlord to pursue an action against a tenant for summary possession, to terminate a tenant's rental agreement, to cause a tenant to move involuntarily from a rented lot in the manufactured home community, or to decrease services to which a tenant is entitled under a rental agreement, after any of the following occur:

(1) The tenant has complained in good faith to either the landlord or to an enforcement authority about a condition affecting the premises of the manufactured home community which constitutes a violation ~~of this subchapter under Subchapters I through V of this chapter~~ or a violation of a housing, health, building, ~~sanitation~~ sanitation, or other applicable statute or ~~regulation;~~ regulation.

(2) An enforcement authority has instituted an enforcement action based on a complaint by the tenant for a violation ~~of this subchapter under Subchapters I through V of this chapter~~ or a violation of a housing, health, building, ~~sanitation~~ sanitation, or other applicable statute or regulation with respect to the ~~premises;~~ premises.

(3) The tenant has formed or participated in a manufactured home tenants' organization or ~~association;~~ or association.

(4) The tenant has filed a legal action against the landlord or the landlord's agent for any reason.

(c) If a tenant proves that a landlord attempted to commit or committed an act pursuant to subsection (b) of this section within 90 days of the tenant's action under ~~paragraph (b)(1)-(4)~~ paragraphs (b)(1) through (b)(4) of this section, the landlord's act is presumed to be a retaliatory act.

(d) Affirmative defenses to a claim that a landlord attempted to commit or committed a retaliatory act include proof by a preponderance of the evidence ~~that~~ of any of the following:

(1) The landlord had due cause for termination of the rental agreement ~~pursuant to this subchapter under Subchapters I through V of this chapter~~ and gave the required notice to the ~~tenant;~~ tenant.

(2) The tenant's legal action against the landlord relates to a condition caused by the lack of ordinary care by the tenant or by a resident of the tenant's manufactured home or by a guest or visitor on the premises with the tenant's or resident's ~~consent;~~ consent.

(3) The rented lot was in substantial compliance with all applicable statutes and regulations on the date of the filing of the tenant's legal action against the ~~landlord~~; or landlord.

(4) The landlord could not have reasonably remedied the condition complained of by the tenant by the date of the filing of the tenant's legal action against the landlord.

(e) A tenant subjected to a retaliatory act set forth in subsection (b) of this section is entitled to recover the greater of 3 months' rent, or 3 times the damages sustained by the resident, in addition to the court costs of the legal action.

### Subpart III. Landlord obligations and tenant remedies.

#### ~~§ 7008.~~ § 7020. Fees; services; utility rates.

(a) A "fee" or "charge" is a monetary obligation, other than lot rent, designated in a fee schedule pursuant to subsection (b) of this section and assessed by a landlord to a tenant for a service furnished to the tenant, or for an expense incurred as a direct result of the tenant's use of the premises or of the tenant's acts or omissions. A fee or charge may be considered as rent for purposes of termination of a rental agreement, summary possession ~~proceedings~~ proceedings, or for other purposes if specified in this title.

(b) A landlord must clearly disclose all fees in a fee schedule attached to each rental agreement.

(c) A landlord may assess a fee if the fee relates to a service furnished to a tenant or to an expense incurred as a direct result of the tenant's use of the premises. However, a fee that is assessed due to the tenant's failure to perform a duty arising under the rental agreement may be assessed only after the landlord notifies the tenant of the failure and allows the tenant 5 days after notification to remedy or correct the failure to perform. A tenant's failure to pay the fee within ~~5~~ 5 days of notification is a basis for termination of the rental agreement pursuant to § 7010A of this title.

(d) A prospective tenant in a manufactured home community may be required to pay an application fee to be used by the landlord to determine the prospective tenant's credit worthiness. A landlord may not charge an application fee that exceeds the greater of 10% of the monthly lot rent or \$50. A landlord shall, upon receipt of any money paid as an application fee, furnish a receipt to the prospective tenant for the full amount paid by the prospective tenant, and shall ~~maintain~~ maintain, for a period of at least ~~2 years~~ years, complete records of all application fees charged and the amount received for each fee. If a landlord unlawfully demands or charges more than the allowable application fee, the prospective tenant is entitled to damages equal to double the amount demanded or charged as an application fee by the landlord.

(e) If a landlord pays a tenant's utility charge to a third party due to the tenant's failure to ~~do so~~, pay the utility charge, the charge is considered a pass-through utility charge. In addition to any late charge paid by the landlord to the third party, the landlord may assess a third-party-payment fee not to exceed the greater of 5% of the total payment by the landlord to the third party or \$25.

(f) A landlord may assess a late-payment fee for the late payment of rent if all of the following apply:

(1) The rent is not paid within 5 days after the due date specified in the rental ~~agreement~~; and agreement.

(2) The rental agreement provides for a late-payment fee.

(g) A landlord may assess an optional-user fee for the use of designated facilities or services. Failure of a tenant to pay an optional-user fee for requested use of a facility or service may not be the basis for termination of the rental agreement. However, continued use of the requested facility or service without paying the optional-user fee may result in termination of the rental agreement pursuant to § 7010A of this title. Optional-user fees ~~include, but are not limited to,~~ include fees for the use of a swimming pool, marine ~~facilities~~ facilities, and tennis courts.

(h) The amount of an optional-user fee must be reasonably related to the cost of providing the facility or service upon which the fee is based.

(i) A fee may not be increased more than once during any 12-month period. A utility rate may be adjusted as provided in subsection (j) of this section. A landlord shall notify a tenant in writing of any fee increase or additional fee at least 60 days prior to the effective date of the increase or addition. A fee increase or an additional fee is unenforceable unless proper written notice has been given to the tenant.

(j) A landlord may charge a tenant for utilities provided by the landlord to the tenant ~~if specified in~~ under the terms of the rental agreement. The rate charged by a landlord for a utility may not exceed the utility's retail consumer rate, and the rate charged by the landlord may be adjusted without notice on a monthly basis.

(k) A landlord may not assess an entrance or exit fee. An entrance fee is any fee assessed by a landlord to a tenant prior to the tenant's occupancy of a rented lot, except for an application fee or a security deposit, or for those fees or charges for

utilities, for direct services actually rendered, or for the use of facilities, all of which must be identified and described in the rental agreement or in a separate notice pursuant to ~~under~~ § 7006 of this title. An exit fee is a fee assessed by a landlord to a tenant immediately prior to or after the tenant's final departure from the rented lot, except for those fees or charges for direct services actually rendered by the landlord which would not otherwise be provided without charge in the normal course of business.

(l) If a utility, ~~facility~~ facility, or service previously provided pursuant to the rental agreement is discontinued, the landlord shall adjust the tenant's rent, ~~charge~~ charge, or fee payment by deducting the landlord's direct operating costs of providing the discontinued utility, ~~facility~~ facility, or service. An adjustment is determined as follows:

(1) No less than 60 days prior to the discontinuance of the utility, ~~facility~~ facility, or service, the landlord shall notify all affected tenants of the discontinuance, and include in the notification an explanation of the discontinuance and the reduction in the direct operating cost, if any, associated with the discontinuance.

(2) Within 10 days after the landlord's notice pursuant to paragraph (l)(1) of this section, the tenants may form a committee not to exceed 5 members. The committee and the landlord shall meet together at a mutually convenient time and place to discuss the discontinuance of the utility, ~~facility~~ facility, or service.

(3) At the meeting, the landlord shall disclose and explain all material factors for the proposed discontinuation of the utility, ~~facility~~ facility, or service, together with supporting documentation. The reduction in the direct operating cost of the utility, ~~facility~~ facility, or service, as determined by an independent public accountant or certified public accountant paid for by the landlord, is binding upon both the landlord and the tenants.

(m) Notwithstanding any other provision in this chapter, where there exists a community center available for use by community tenants, the owner/landlord shall not refuse to make such community center available to a tenant's association or to a group of tenants, whose purpose of such use is to address matters affecting or relating to such tenants' rights, ~~obligations and/or obligations, or privileges~~ in, about, ~~and/or~~ or relating to the manufactured home community. The use of the community center for such meetings shall be at no additional charge to the tenants as imposed for ordinary use by tenants and the landlord shall honor the request for use of the community center by the tenants' association or group of tenants within 14 days after a request to the landlord has been made. The tenants shall abide by all existing rules ~~and/or~~ and regulations established for the community center.

~~§ 7009.~~ § 7021. Termination of rental agreement by tenant during first month of occupancy; during first 18 months of occupancy.

(a) If a landlord fails to substantially comply with the provisions of a rental agreement, or if there is a material noncompliance with this subchapter or any statute, ~~ordinance~~ ordinance, or regulation governing the landlord's maintenance or operation of the manufactured home community, a tenant may, upon written notice to the landlord, terminate the rental agreement and vacate the rented lot by removing that tenant's manufactured home and all personal possessions at any time during the first month of occupancy. The tenant has no further obligation to pay rent after the date of vacating the lot. A tenant retains the right to terminate a rental agreement beyond the first month of occupancy if the tenant remains in possession of the lot in reliance on the written promise by the landlord to correct the condition or conditions which would justify termination of the agreement by the tenant during the first month of occupancy.

(b) If a condition exists which deprives a tenant of a substantial part of the benefit and enjoyment of the bargain pursuant to the rental agreement, the tenant may notify the landlord in writing of the condition, and, if the landlord does not remedy the condition within 15 days from the date of mailing, the tenant may terminate the rental agreement and vacate the rented lot by removing the tenant's own manufactured home and all personal possessions. The tenant has no further obligation to pay rent after the date of vacating the lot. Notice pursuant to this subsection need not be given if the condition renders the premises uninhabitable or poses an imminent threat to the health, ~~safety~~ safety, or welfare of the tenant or a resident of the tenant's manufactured home.

(c) A tenant may not terminate a rental agreement pursuant to this section for a condition caused by lack of due care by the tenant, a resident of the tenant's manufactured home, or any other person on the premises with the tenant's or resident's consent.

(d) If a condition referred to in subsection (a) or (b) of this section was caused by the landlord, the tenant may recover any damages sustained as a result of the condition, ~~including, but not limited to,~~ including reasonable expenditures necessary to obtain adequate substitute housing while the manufactured home is uninhabitable or while an imminent threat to health, ~~safety~~ safety, or welfare exists, or while the tenant is deprived of a substantial part of the benefit and enjoyment of the bargain pursuant

to the rental agreement prior to the termination of the rental agreement by the tenant, and for a reasonable length of time following the termination of the rental agreement.

(e) If a landlord or the landlord's authorized representative intentionally misrepresents a material fact regarding a manufactured home community, the scope or extent of services provided by the landlord, or a provision of a rental agreement in a brochure, newspaper, ~~radio~~ radio, or television advertisement, or other document or advertisement, for the purpose of inducing a tenant to enter into a rental agreement, and the tenant reasonably relies upon the misrepresentation to the tenant's detriment when entering into the rental agreement, the tenant has the right to terminate the rental agreement within 18 months of execution of the rental agreement.

~~§ 7021A.~~ § 7022. Lot Rental Assistance Program.

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

(1) The homeowner or tenant must have owned his or her manufactured home ~~and/or~~ or resided in the home in the manufactured home community prior to July 1, 2006.

(2) 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 or tenant's only residence.

(3) The lot rent, excluding utility charges and other charges, fees, and assessments that are part of the services rider required under § 7006(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 40% of the county's median income for the number of residents in the home. For purposes of this section, "income" includes the income 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.

(4) The 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 not exceed \$50,000.

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

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

(d) A homeowner or tenant who qualifies for lot rental assistance ~~based on the criteria in~~ under subsection (a) of this section is entitled to lot rental assistance for a term of 1 year. Lot rental assistance for a qualified homeowner or tenant is a credit which is computed as the difference between the then-current lot rent and 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; 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.

(e) The homeowner or tenant has the responsibility to reestablish annually eligibility for lot rental assistance if that 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 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, ~~pursuant to~~ 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 ~~in which~~ 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 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 the homeowner or tenant does not pay all lot rent after the application of the lot rental assistance credit, as well as pay 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 the lot rental assistance credit may be immediately terminated upon notice, and the homeowner or tenant will not be eligible for further lot rental assistance.

(h) A homeowner or tenant receiving lot rental assistance credit must notify the community owner immediately 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 financial situation or living arrangements which, if the truth were known, would have resulted in the denial of lot rental assistance shall result in the immediate termination of all lot rental assistance, and an immediate obligation to reimburse all credits received under the lot rental assistance program to the point of the initial misrepresentation. A community owner may treat the amounts due and owing as a rent delinquency.

(j) A community owner shall treat all documents and information submitted for the lot rental assistance program as confidential and may not disclose the documents or information publicly or use them in any manner other than to determine eligibility under the lot rental assistance program. Any intentional public dissemination of confidential information provided pursuant to the lot rental assistance program is subject to civil relief which is reasonable and appropriate under Delaware law.

(k) 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 this section, or that extends eligibility for participation in the program.

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

(m) For the purpose of benefiting persons aged 62 and older, this section establishes a narrow exception to the prohibition against housing discrimination on the basis of "age" as set forth in Chapter 46 of Title 6, otherwise known as Delaware's Fair Housing Act [§ 4600 et seq. of Title 6].

Subchapter III. Termination of rental agreement; change in land use.

§ 7027. § 7023. Change of use; conversion.

This subchapter governs a change in use of a manufactured home community, as described in § 7010(b) of this title, to any use other than a conversion of the community to a manufactured home cooperative or condominium community, which is governed by Chapter 71 of this title.

§ 7010. § 7024. Termination or nonrenewal of rental agreement by landlord; due cause: noncompliance.

(a) A landlord may terminate a rental agreement for a lot in a manufactured home community before it expires or may refuse to renew an agreement only for due cause. "Due cause" means any of the following:

(1) An intended change in the use of the land of a manufactured home community as ~~specified in~~ under subsection (b) of this section.

(2) The grounds for termination ~~pursuant to~~ under § 7010A of this title.

(b) If a change is intended in good faith in the use of land on which a manufactured home community or a portion of a manufactured home community is located and the landlord intends to terminate or not renew a rental agreement, the landlord ~~shall~~: shall do all of the following:

(1) Provide all tenants affected with at least a 1-year termination or nonrenewal notice, which informs the tenants of the intended change of use and of their need to secure another location for their manufactured homes. The landlord may not increase the lot rental amount of an affected tenant after giving notice of a change in ~~use;~~ use.

(2) Give all notice required by this section in writing. All notice must be posted on the affected tenant's manufactured home and sent to the affected tenant by certified mail, return receipt requested, addressed to the tenant at an address specified in the rental agreement or at the tenant's last known address if an address is not specified in the rental ~~agreement;~~ agreement.

(3) Provide, along with the 1-year notice required by paragraph (b)(1) of this section, a relocation plan (Plan) to each affected tenant of the manufactured home community. The Plan must be written in a straightforward and easily comprehensible manner and include all of the following:

a. The location, telephone number and contact person of other manufactured home communities, known to the landlord after reasonable effort, within a 25-mile radius of the manufactured home community where the change of land use is ~~intended;~~ intended.

b. The location, telephone number and contact person of housing for tenants with disabilities and for older tenants, known to the landlord after reasonable effort, within a 25-mile radius of the manufactured home community where the change of land use is ~~intended;~~ intended.

c. A listing, known to the landlord after reasonable effort, of government and community agencies available to assist tenants with disabilities and older ~~tenants;~~ tenants.

d. A basic description of relocation and abandonment procedures and ~~requirements;~~ requirements.

e. A preliminary indication of whether a tenant's manufactured home can or cannot be ~~relocated;~~ relocated.

f. A copy of this section of the ~~Code;~~ Code.

(4) Submit the Plan to the Delaware Manufactured Home Relocation Authority at the same time that the Plan is submitted to the affected ~~tenants;~~ tenants.

(5) Update the Plan and distribute the updated Plan every 3 months. If the landlord fails to provide a quarterly update to each affected tenant and to the Authority, the date of termination of the tenant's rental agreement will be extended by 1 month for each omitted quarterly ~~update;~~ update.

(6) During the relocation process observe and comply with all federal, ~~state~~ State, and local laws relating to older tenants and tenants with disabilities.

(c) If a manufactured home community owner does not in good faith intend to change the land use of the community, yet provides a homeowner or tenant with a termination or nonrenewal notice pursuant to subsection (b) of this section, the community owner has committed the act of misrepresentation with intent to deceive the homeowner or tenant.

(1) A violation of this subsection is subject to all of the following civil penalties:

a. A cease and desist ~~order;~~ order.

b. Payment of a monetary penalty of not more than \$250 for each ~~violation;~~ violation.

c. ~~Restitution;~~ Restitution.

d. Such other relief as is reasonable and ~~appropriate;~~ and appropriate.

e. Double the monetary penalty if the homeowner or tenant is over 65 years old.

(2) Prima facie evidence that a community owner did not intend in good faith to change land use ~~includes, but is not limited to,~~ includes evidence that the community owner reused the land for lot rentals for manufactured homes within 7 years of providing a tenant with a termination or nonrenewal notice, and did not make a material and bonafide effort to change the subdivision plan or zoning designation, or both.

(3) A court may award attorneys' fees and costs to a homeowner if it determines that the community owner violated this section.

(d) If a landlord has given the required notice to a tenant and has fulfilled all other requirements of this subchapter, the failure of the Authority to perform its duties or authorize payments does not prevent the landlord from completing the change in use of land.

Subchapter IV. Right of first offer.

§ 7026. Right of first offer; duty to negotiate in good faith, penalties for noncompliance.

(a) If a community owner has decided to sell, transfer, or convey all or part of the community, the community owner and the home owner association shall negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. If a party fails to negotiate in good faith, the court shall award reasonable attorneys' fees to the prevailing party.

(b) If a community owner or a home owner association fails to comply with any provision of this section, either party has standing to seek equitable relief, including declaratory relief, injunctive relief, and the appointment of a receiver. The offending party is liable for actual damages. If a court of competent jurisdiction finds that the offending party wilfully and intentionally failed to comply with the requirements of this section, it is a per se violation of the Consumer Fraud Statute, § 2511 et seq. of Title 6, and the aggrieved party may be entitled to recover treble damages. In any action under this section, the court may award reasonable attorneys' fees and costs.

(c) Chapter 71 of this title does not apply to the sale, transfer, or conveyance of manufactured home communities under this section.

~~§ 7026.~~ § 7026A. Right of first offer; notice required before sale of manufactured home community.

(a) Upon reaching a decision to sell, transfer, or convey all or part of a manufactured home community, the manufactured home community's owner shall provide notice of the home owner association's right of first offer to purchase all or part of the community to the community's home owner association if one exists, to the Delaware Manufactured Home Owners Association (DMHOA) or its successor, and to the Delaware Manufactured Home Relocation Authority (Authority).

(1) The Authority shall ~~send, pursuant to § 7024 of this title,~~ send an annual notice under § 7024 of this title, to all registered community owners, stating that the community owner is required to comply with the requirements of this section if the community owner decides to sell, transfer, or convey all or part of the community. In addition, the notice must state that every manufactured home community must be registered with the Delaware Manufactured Home Relocation Authority, and that all fund assessments must be paid to date prior to the sale, transfer, or conveyance of the community.

(2) The Authority shall notify the manufactured home community's owner if a home owner association for that community has been registered with the Authority.

(b)(1) If a home owner association wishes to use its right of first offer ~~pursuant to~~ under subsection (a) of this section, either directly through a community owner or its designated agent, or indirectly through DMHOA or its successor or through the Authority, that home owner association must register with the Authority as prescribed by the Authority.

(2)a. There can be only 1 home owner association per community eligible to participate in the process of this section. That home owner association must register with the Delaware Manufactured Home Relocation Authority as prescribed by the Authority. The first association to register in compliance with the requirements of this section will be the official home owner association eligible to participate in the process. In order to be eligible for registration with the Authority, the home owner association must adopt bylaws.

b. In order to be eligible for registration with the Authority, the home owner association must comply with all of the following requirements:

1. The home owner association must be incorporated in the State and under the laws of the ~~State;~~ State.
2. The home owner association must have written ~~bylaws.~~ bylaws that comply with the laws of this State.

The bylaws must provide that each home owner of each home site is automatically entitled to vote as a special member of the association concerning matters related to the purchase of all or part of the community after a notice of right of first offer has been extended to the home owner association by the community owner. Special members under this paragraph may not be required to meet other preconditions of general membership including the payment of dues.

c. A home owner who is a community owner, or an employee, agent, or servant of, or who has any business relationship with, the community owner may not directly or indirectly participate in the process, except that the home owner may vote. Nothing herein prevents a home owner association, after a vote of the members present, from excluding a community owner, or an employee, agent, or servant of the community owner from a meeting where confidential information relating to the home owner association's strategies in connection with the purchase will be discussed.

~~(c) The following model bylaws comply with the requisites of this section and may be used by a home owner association. The model bylaws below are intended as a model and home owner associations are not required to adopt the model~~

bylaws. However, to comply with this section, the bylaws of the home owner association must address the substantive topics included as articles in the model bylaws (such as: name and location, corporate seal, members, etc.):

~~MODEL BYLAWS~~

~~OF~~

~~[INSERT COMMUNITY NAME] HOME OWNERS ASSOCIATION~~

~~ARTICLE I NAME AND LOCATION~~

~~The name of the corporation is "[INSERT COMMUNITY NAME] HOME OWNERS ASSOCIATION", hereinafter referred to as the "Association".~~

~~The principal office of the Association is located at the home of the acting President of the Association, but meetings of members and directors may be held at places designated by the Board of Directors within the State of Delaware, [NAME OF COUNTY] County, where the manufactured home community is located.~~

~~The name and address of the Association's registered agent in the State of Delaware is as set forth in the Certificate of Incorporation.~~

~~ARTICLE II CORPORATE SEAL~~

~~The corporate seal shall have inscribed thereon the name of the Association and the year of its incorporation.~~

~~ARTICLE III MEMBERS~~

~~Section 1. General Membership. The owner or owners of each home in the community are entitled to membership in the home owners association. In order to become a member in good standing the home owner must pay the annual dues set by the board of directors. Members in good standing are entitled to cast a vote or votes as provided by the Certificate of Incorporation for the Association and these bylaws. The owner or owners of each home are collectively entitled to one vote in all matters.~~

~~Section 2. Special Membership for Exercising Right of First Offer. Each home owner of each home site, as defined in the record plan of the community on tax parcel maps, for as long as the owner is and remains as such, is automatically a special member of the Association. At all meetings of the Association concerning the exercise of the right of first offer by the Association, the owner or owners of each home are entitled collectively to cast the vote or votes provided for by the Certificate of Incorporation for the Association and in these bylaws. The vote or votes may be cast in person or by proxy. The owner or owners of each home are collectively entitled to one vote on all matters. If more than one person holds an interest in a home, all persons holding an interest are members of the Association, and the vote for the home is to be exercised as they among themselves determine; but in no event may more than one (1) total vote be cast with respect to the home.~~

~~ARTICLE IV MEETING OF MEMBERS~~

~~Section 1. First Meeting of the Members. The first meeting of the Members shall be called by the initial Board of Directors for the purpose of nominating and electing a Board of Directors consisting of the owners of the community's homes. The initial Board of Directors shall send each home owner notice of the meeting at least [INSERT NUMBER] days before the meeting. The notice shall specify the place, day, and hour of the meeting and shall state that the purpose of the meeting is to nominate and elect a new Board of Directors. Nominations shall be accepted by the initial Board of Directors in any form up and until the time of the election. A list of nominations, including the offices in which the nominee is interested, shall be prepared by the initial Board of Directors. Elections shall be by ballot, by plurality vote. Notwithstanding any contrary provision in the governing documents, quorum requirements for nomination and election of the first Board of Directors consisting of home owners are satisfied if the meeting is properly noticed in conformance with this section.~~

~~Section 2. Annual Meeting of the Members. The members of the Association shall meet at least once each year, which means a period of 12 consecutive months, at a time and place established by the Directors, for the purpose of nominating and electing a Board of Directors, or replacements thereto, and conducting other business that may come before the meeting. Members of the Board of Directors must be members of the Association. Nominations may be by proxy received by the Board of Directors prior to the election of the Directors, and may also be made at the meeting. A list of nominations, including the offices in which the nominee is interested, shall be prepared by the Board of Directors. The Board of Directors shall oversee the election. A Director shall remain in office until his or her replacement is elected. Elections shall be by ballot, by plurality vote.~~

~~Section 3. Special meetings. Special meetings of the members may be called at any time by the President, and must be called upon a request in writing or by the vote of the majority of the Directors, or at the request in writing of six (6) or more members of the Association.~~

~~Section 4. Notice of meetings. Written notice of each meeting of the members of the Association must be given by, or at the direction of, the secretary or the person authorized to call the meeting. Notice must be mailed, postage prepaid, or delivered by hand at least [INSERT NUMBER] days before the meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No change in the time or place of a meeting for the election of Directors, as fixed by these Bylaws, may be made within the [INSERT NUMBER] days immediately before the day on which the election is to be held. In case of any change in the time or place for an election of Directors, notice must be given in person to each member entitled to vote, or be mailed to the member's last known post office address, at least [INSERT NUMBER] days before the election is held.~~

~~Section 5. List of members. The Secretary shall prepare a complete alphabetical list of members entitled to vote. The list must be open for examination by any member at the principal office of the Association and the place of election for [INSERT NUMBER] days prior to the election.~~

~~Section 6. Proxies. Each member entitled to vote is, at every meeting of the members, entitled to vote in person or by proxy, in writing and signed by the member, but no proxy may be voted after one (1) year from its date, unless it specifically provides for a longer period. A proxy is revocable at any time, and shall automatically cease upon conveyance of the home. The right to vote by proxy is subject to the right of the Board of Directors to close the transfer books or to fix a record date for voting members as hereinafter provided; and, if the Directors do not exercise this right, no vote may be cast at an election for Directors by anyone who has become a member of the Association within [INSERT NUMBER] days of the election. Only one (1) vote may be cast with respect to each home in the Community. If joint owners are unable to agree among themselves about how to vote on any given matter, they lose their right to vote on the matter, in accordance with Article II, Section 2 of these Bylaws.~~

~~Section 7. Quorum. At a noticed meeting of members entitled to cast votes, or of proxies entitled to cast votes, 33% of the total votes constitute a quorum for any action, except as otherwise provided in the Certificate of Incorporation or in these Bylaws. If, however, a quorum is not present at a meeting, the members entitled to vote have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum is present.~~

#### ~~ARTICLE V BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE~~

~~Section 1. Number. The property and business of the Association shall be managed and controlled by its Board of Directors, consisting of three (3) or more Directors, not to exceed [INSERT NUMBER]. Except for the initial Board of Directors, Directors must be members of the Association.~~

~~Section 2. Election. At the first meeting of the members, as set forth above, the members shall elect the Directors for a one (1) year term. The Directors shall hold office until the next annual election and until their successors are elected and qualify.~~

~~Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of the death, resignation, or removal of a Director, a successor shall be selected by the remaining members of the Board, though less than a quorum, by majority vote, and shall serve for the remainder of the unexpired term of the Director's predecessor.~~

~~Section 4. Compensation. A Director may not receive compensation for any service rendered to the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.~~

~~Section 5. Action taken without a meeting. Directors have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved has the same effect as though taken at a meeting of the Directors.~~

#### ~~ARTICLE VI MEETING OF DIRECTORS~~

~~Section 1. Regular meetings. After each annual election of Directors, the newly elected Directors shall meet for the purpose of organization, the election of officers, and the transaction of other business, at a place and time fixed by the members at the annual meeting. If a majority of the Directors are present at that place and time, no prior notice of the meeting is required to be given to the Directors. The place and time of the meeting may also be fixed by written consent of the Directors.~~

~~Section 2. Special meetings. Meetings of the Directors may be called by the President on [INSERT NUMBER] days notice in writing or on [INSERT NUMBER] days notice by telephone to each Director, and shall be called by the President in like manner on the written request of two (2) Directors. A majority of the Directors shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.~~

#### ~~ARTICLE VII POWERS AND DUTIES OF THE BOARD~~

~~Section 1. Powers. The Board of Directors has the power to:~~

~~(a) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws or the Certificate of Incorporation;~~

~~(b) Declare the office of a member of the Board of Directors to be vacant if the member is absent from three (3) consecutive regular meetings of the Board of Directors;~~

~~(c) Employ a manager, an independent contractor, or other employees as the Board considers necessary, and to prescribe their duties;~~

~~(d) Close the membership rolls of the Association for a period not exceeding [INSERT NUMBER] days preceding the date of any meeting of members; and~~

~~(e) Negotiate the purchase of the community on behalf of the homeowners when authorized by a vote of the special membership.~~

~~Section 2. Duties. The Board of Directors has the duty to:~~

~~(a) Cause to be kept a complete record of all of its acts and corporate affairs, and to present a statement of its acts and corporate affairs to the members at the annual meeting of the members or at any special meeting when the statement is requested in writing by five (5) or more members of the Association;~~

~~(b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;~~

~~(c) Procure and maintain adequate liability and other insurance considered necessary or desirable in connection with the services to be performed by the Association under these Bylaws;~~

~~(d) Cause all officers, employees, or independent contractors having fiscal responsibilities to be bonded, as the Board considers appropriate; and~~

~~(e) Perform other duties as provided in these Bylaws.~~

#### ~~ARTICLE VIII COMMITTEES~~

~~The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate committees that the Board considers necessary or desirable. Each committee shall consist of one (1) or more of the Directors of the Board of Directors and other member(s) of the Association as designated by the Board of Directors in the resolution. Committees shall meet at stated times or on notice to all by any of their own number. They shall adopt their own rules of procedure. A majority of committee members constitutes a quorum; the affirmative vote of a majority of the whole committee is necessary in every case. A committee has and may exercise the powers of the Board of Directors to the extent provided in the resolution that establishes it.~~

#### ~~ARTICLE IX OFFICERS OF THE ASSOCIATION~~

~~The officers of the Association are a president, one or more vice-presidents, a secretary, a treasurer, and other officers that may, from time to time, be chosen by the Board of Directors. The president and vice-presidents must be chosen from among the Directors. The officers of the Association hold office until their successors are chosen and qualify in their stead. An officer chosen or appointed by the Board of Directors may be removed with or without cause at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of an officer becomes vacant for any reason, the vacancy must be filled by the affirmative vote of a majority of the whole Board of Directors.~~

~~Section 1. Duties of the President. The President is the chief executive officer of the Association. The President has the duty to preside at all meetings of the members and Directors; to have general and active management of the business of the Association; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all agreements and other instruments in the name of the Association and to affix the corporate seal thereto when authorized by the Board of Directors.~~

~~The President oversees the general supervision and direction of the other officers of the Association to ensure that their duties are properly performed.~~

~~The President shall submit a report of the operations of the Association for the year to the Directors at their meeting next preceding the annual meeting of the members, and to the members at their annual meeting.~~

~~The President is an ex-officio member of all committees and has the general duties and powers of supervision and management usually vested in the office of the president of a corporation.~~

~~Section 2. Vice-President. The Vice-President or Vice-Presidents, in the order designated by the Board of Directors, are vested with all the powers and are required to perform all the duties of the President in the President's absence or disability, and shall perform other duties that may be prescribed by the Board of Directors.~~

~~Section 3. President Pro Tempore. In the absence or disability of the President and the Vice Presidents, the Board may appoint from their own number a president pro tempore.~~

~~Section 4. Secretary. The Secretary or a designee shall attend all meetings of the Association, the Board of Directors, and all committee meetings. The Secretary acts as clerk of these meetings and shall record all of the proceedings of the meetings in a book kept for that purpose. The Secretary shall give proper notice of meetings of members and Directors, and shall perform other duties that are assigned to the Secretary by the President or the Board of Directors.~~

~~Section 5. Treasurer. The Treasurer has custody of the funds and securities of the Association, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in the depositories designated by the Board of Directors.~~

~~The Treasurer shall disburse the funds of the Association as may be ordered by the Board or President, taking proper vouchers for these disbursements, and shall render to the President and Directors, whenever they may require it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Association; and at the regular meeting of the Board next preceding the annual members' meeting, a like report for the preceding year.~~

~~The Treasurer shall keep an account of the members of record in the manner and subject to whatever regulations that the Board of Directors may prescribe.~~

~~The Treasurer shall give the Association a bond, if required in writing by the Board of Directors, in sum and in form and with corporate security satisfactory to the Board for the faithful performance of the duties of the Treasurer's office and for the restoration to the Association, in case of the Treasurer's death, resignation, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession and belonging to the Association. The bond and security must, if required, be provided at the Association's expense. The Treasurer shall perform other duties that the Board of Directors may from time to time prescribe or require.~~

~~Section 6. Delegation of duties. In case of the absence or disability of any officer of the Association or for any other reason considered sufficient by the majority of the Board of Directors, the Board may temporarily delegate the officer's powers or duties to any other officer or to any Director.~~

#### ~~ARTICLE X BOOKS AND RECORDS~~

~~The books, records and papers of the Association are subject to inspection by any member. The Certificate of Incorporation and the Bylaws of the Association are available for inspection by any member at the principal office of the Association. Copies may be purchased at a reasonable cost, to be determined by the Board of Directors, to defray copying and administrative costs, but not to exceed five dollars (\$5.00) for both documents.~~

#### ~~ARTICLE XI ASSOCIATION PAYMENTS~~

~~All checks, drafts, or orders for the payment of money must be signed by the President and the Treasurer, or by such other officer or officers as the members of the Association may approve.~~

#### ~~ARTICLE XII MEMBERS OF RECORD~~

~~The Association is entitled to treat the title holder or holders of record of any home as members in fact of the Association, and accordingly are not bound to recognize any equitable or other claim to or interest in such home or memberships on the part of any other person, whether or not it has express or other notice thereof, save as expressly provided by the laws of Delaware.~~

#### ~~ARTICLE XIII FISCAL YEAR~~

~~The fiscal year of the Association begins on the first day of January of each year.~~

#### ~~ARTICLE XIV AMENDMENT~~

~~Section 1. Amendment. These Bylaws may be amended, altered, repealed, or added to at any regular meeting of the members or at any special meeting called for that purpose, by affirmative vote of the majority of the members of the Association.~~

#### ~~ARTICLE XV INCORPORATED BY REFERENCE~~

~~All of the terms, conditions, matters, and information contained and more fully set forth in the Certificate of Incorporation and the Bylaws are incorporated by reference.~~

#### ~~ARTICLE XVI MISCELLANEOUS~~

~~All reference herein to the masculine is deemed to include the feminine or neuter genders, and vice versa, as appropriate. All reference herein to the singular is deemed to include the plural, and vice versa, as appropriate.~~

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Association, have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witness:

\_\_\_\_\_  
\_\_\_\_\_, Director  
\_\_\_\_\_  
\_\_\_\_\_, Director  
\_\_\_\_\_  
\_\_\_\_\_, Director

CERTIFICATION

I, the undersigned, do hereby certify that I am the elected and acting secretary of the [COMMUNITY] Home Owners Association, a Delaware corporation, and that the foregoing Bylaws constitute the original Bylaws of the Association, as adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_, Secretary.

(c) If a community owner intends to offer more than one community for sale in a single transaction, a simple majority of members of the respective home owner associations in Delaware must vote in the affirmative to support their letter of response to the community owner. If a community owner offers a Delaware community for sale, along with 1 or more communities not located in the State, the community owner must afford the residents of the Delaware community a right of first offer as prescribed by this section for their community, separate and apart from the community or communities not located in the State.

(d)(1)a. If the Authority has informed the community owner that a registered home owner association exists in the community, the community owner shall send the right of first offer directly to the home owner association. The right of first offer shall be sent by overnight service with signature receipt.

b. The right of first offer also shall be sent indirectly to the home owner association through DMHOA, or its successor, through the Consumer Protection Unit of the ~~Office of the Attorney General of the State Department of Justice~~ and through the Authority. The right of first offer shall be sent to the Authority, the Consumer Protection Unit of the Office of the ~~Office of the Attorney General of the State Department of Justice~~ or DMHOA, or its successor, by overnight service with signature receipt.

(2) If the Authority has not informed the community owner that a registered home owner association exists in the community, the community owner must send the right of first offer directly to the Authority. The right of first offer must be sent by overnight service with signature receipt. The right of first offer to the Authority shall include a list of the known names and mailing addresses of all home owners in the community.

(3) The Authority shall then, within 5 business days of receipt of the community owner's right of first offer, send a summary notice to all home owners on the list.

a. The summary notice shall inform the homeowners that the community is for sale and they should contact their home owners association to secure further information. If no home owners association exists then the homeowner will need to organize a home owners association meeting the requirements of subsection (b) of this section in order to pursue the right of first offer.

b. The right of first offer shall be extended indirectly to the home owners through DMHOA or its successor and the ~~consumer protection unit of the office of the attorney general of the state.~~ Consumer Protection Unit of the Department of Justice. The right of first offer shall be sent to DMHOA and the Consumer Protection Unit of the ~~Office of the Attorney General of the State Department of Justice~~ by the community owner by overnight service with signature receipt.

(4) The right of first offer shall include: must include all of the following:

a. A statement that the community owner has decided to sell, transfer, or convey all or part of the community. The statement must indicate the real property and fixtures to be included in the sale of the community; community.

b. The price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community; community.

c. A form confidentiality statement indicating that all significant and material information, including operating expenses and other relevant operating and capital expenditure costs related to the community, shall remain confidential and cannot be released to any individual not a signer to the confidentiality statement. The statement may include reasonable penalties for breach of confidentiality; confidentiality.

d. A statement that the confidentiality statement must be signed by any individual of the home owners association seeking to utilize the confidential information and sent by overnight service with signature receipt to the community owner; owner.

e. A statement that once the confidentiality statement is received by the community owner, the community owner will send by overnight service with signature receipt the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community and all significant and material information, including operating expenses and other relevant operating and capital expenditure costs related to the community; community.

f. A statement that the home owner association has 30 calendar days from the date of mailing of the right of first offer to respond to the offer.

§ 7026B. Right of first offer; notice not required before sale of manufactured home community.

A manufactured home community owner is not required to give notice of or extend a right of first offer to a home owner association, to DMHOA or its successor, or to the Authority under the any of the following circumstances:

(1) A bank, mortgage company, or any other mortgagee has foreclosed on the community and the mortgagee is selling the community at a foreclosure sale, or is selling the community after having purchased the community at a foreclosure sale.

(2) The sale, transfer, or conveyance of the community is to a family member of the community owner on the modified Table of Consanguinity or to a trust, the beneficiaries of which are family members of the owner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member on the modified Table of Consanguinity who is included within the line of intestate succession if the community owner dies intestate.

(3) The sale, transfer, or conveyance is by a partnership to 1 or more of its partners.

(4) The sale, transfer, or conveyance is between joint tenants or tenants-in-common.

(5) The sale, transfer, or conveyance is by gift, devise, or operation of law.

(6) The sale, transfer, or conveyance is pursuant to eminent domain.

(7) The sale, transfer, or conveyance is to an affiliate. An "affiliate" means any individual, corporation, limited partnership, unincorporated association, or entity which holds any direct or indirect ownership interest in the community; provided, however, that the notice and extension of the right of first offer provided for herein must be granted to a home owner association where the majority interest in the ownership of the community or the power, directly or indirectly, to direct or cause the direction of the management and policies over the community, whether through ownership of voting stock, by contract, or otherwise, is sold, transferred, or conveyed to any individual, corporation, limited partnership, unincorporated association, or other entity which has not held such a direct or indirect ownership interest in the community for 3 or more years.

(8) The sale, transfer, or conveyance is an exchange of the manufactured housing community for all, or substantially all, of other real property under § 1031 of the Internal Revenue Code [26 U.S.C. § 1031] or any other provision of the Internal Revenue Code that allows for exchanges or tax-free exchanges, regardless of whether the exchange also involves the payment of cash or other consideration.

(9) A change in use of the manufactured home community by the existing community owner.

§ 7026C. Right of first offer; response required by home owner association.

(e)(1)a. (a) A home owner association must respond in writing to the notice of a right of first offer and send the response by overnight service with signature receipt to the community owner or the community owner's agent or attorney within 30 calendar days from the date of the mailing of the notice sent by the community owner to the association or to the Authority. The home owner association's response must clearly indicate that: one of the following:

~~1. (1)~~ The members of the association intend to accept the purchase price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community, as described in the notice of right of first offer, ~~or, offer.~~

~~2. (2)~~ The members of the association do not accept the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community, as described in the notice of right of first offer, but that they intend to offer to purchase the community at an alternative ~~price; or, price.~~

~~3. (3)~~ The members of the association have no interest in purchasing the community and that they do not intend to proceed any further in the transaction, or, if the members of the association do not respond, they shall be deemed to have notified the community owner that they have no interest in purchasing the community.

~~b. (b)~~ If the home owners association does not respond in material compliance with this section, such failure to respond shall be deemed to serve as notice to the community owner that the home owners association does not wish to purchase the community.

~~(c) If the home owner association responds that it has no interest in purchasing the community, or fails to respond under § 7026C, § 7026D, or § 7026F of this title, the community owner shall file an affidavit of compliance under § 7026J of this title.~~

~~(d) Failure of the home owner association to accept the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community as stated in the notice of right of first offer; to state an alternative price under § 7026D of this title; or to respond under § 7026F of this title, eliminates the right of the home owner association to purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.~~

~~(e) A home owner association may transfer or assign a right of first offer only to an organization formed or controlled by the home owners to assist only in the purchase and operation of the community. Therefore, other than the preceding condition in this subsection, a right of first offer is neither transferable nor assignable.~~

§ 7026D. Right of first offer; offer of an alternative price.

~~(2)~~ ~~(a)~~ An alternative offer of price for the sale, transfer, or conveyance of the community from the home owner association remains valid for 6 months, unless withdrawn by the home owner association in writing and sent to the community owner by overnight service with signature receipt. If the community is still for sale at the expiration of the initial 6-month alternative offer period, the home owners association shall have the right to refresh their alternative offer within 7 days of its expiration upon written notice to the community owner. The refreshed offer will be valid for 6 months. The home owners association shall have the right to refresh their offer every 6 months until the property is sold or 18 months has elapsed from the time notice was provided ~~pursuant to subsection (a) of this section, under § 7026A(a) of this title,~~ whichever comes first. The alternative offer and any refreshed alternative offer may be amended at any time upon written notice to the community owner. In the event a community owner decides they no longer want to sell a community after having provided the home owners association with the notice of first offer, any outstanding alternative offer shall be void. The community owner shall promptly notify the home owners association of their decision to remove the community from the market.

~~a. (b)~~ A notice to withdraw an alternative offer must be approved by the members of the home owners association. The approval percentage must be stated in the notice to the community owner.

§ 7026E. Right of first offer; sale to a third-party at a lower price.

~~b. (a)~~ The community owner may not sell the community to a third party at or less than the price offered in the alternative offer from the home owner association unless one of the following occur:

~~1. (1)~~ The offer is withdrawn ~~as described in paragraph (e)(2)a. of this section, or under § 7026D(b) of this title.~~

~~2. (2)~~ The home owner association is given 30 calendar days to match the lower price and all of the material terms and conditions of the lower offer.

~~i. (b)~~ The notice of the right to match the lower third-party offer shall be sent to the home owner association by overnight service with signature receipt. The notice must state the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community.

~~ii. (c)~~ Upon written demand from the home owner association, the community owner must provide the home owner association with tangible evidence of the lower offer received within 3 business days

of receipt of the written request from the home owner association by overnight service with signature receipt.

~~iii. (d) If the home owner association matches the offer within 30 calendar days of receipt of the notice, the community owner is obligated to move to the next step of the negotiation with the home owner association pursuant to subsection (g) of this section. under § 7026G of this title.~~

§ 7026F. Right of first offer; sale to a third-party at a higher price.

e. (a) The community owner may accept an offer from a third party higher than the alternative price, if any, offered by the home owner association without further obligation to the home owner association unless there are significant ~~and/or~~ or material changes in terms and conditions. However, the home owner association must be given 7 business days to match the higher offer ~~under the following circumstances: if one of the following apply:~~

~~1. (1) If the higher offer is less than \$40 million and the home owner association's alternate price is within 6% of the offer; or~~ offer.

~~2. (2) If the higher offer is \$40 million or greater and the home owner association's alternate price is within 4.5% of the offer.~~

d. (b) The notice of the right to match the higher offer ~~pursuant to paragraph (e)(2)e.1. or (e)(2)e.2. of this section above~~ under subsection (a) of this section, must be sent to the home owner association by overnight service with signature receipt. The notice must state the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community. Upon written demand from the home owner association, the community owner must provide the home owner association with tangible evidence of the higher offer received within 3 business days of receipt of the written request from the home owner association by overnight service with signature receipt.

e. (c) If the home owner association matches the offer within 7 business days of receipt ~~pursuant to paragraph (e)(2)e.1. or (e)(2)e.2. of this section above;~~ under subsection (a) of this section, the community owner ~~is obligated to~~ must move to the next step of the negotiation with the home owner association ~~pursuant to subsection (g) of this section below. under § 7026G of this title.~~ The community owner ~~shall~~ must not accept or entertain a higher offer from a third party after the home owners association matches the offer.

f. (d) If the community owner accepts an offer from a third party that is greater than the alternative price offered by the home owners association, such that the provisions of either ~~paragraph (e)(2)e.1. or (e)(2)e.2. of this section~~ under subsection (a) of this section, are not triggered, the community owner shall certify this fact in writing to both the home owner association and the Consumer Protection Unit within 7 business days of acceptance of the third-party offer. Such written certification shall also indicate whether the accepted third-party offer contained any significant ~~and/or~~ or material changes in terms or conditions.

~~(3) If the home owner association responds that it has no interest in purchasing the community, or fails to respond within the 30-day response period pursuant to paragraph (e)(1) of this section or fails to respond within 7 business days pursuant to paragraph (e)(2)e. of this section the community owner shall file an affidavit of compliance, pursuant to subsection (m) of this section at the Office of the Recorder of Deeds in the appropriate county.~~

~~(4) Failure of the home owner association to accept the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community as stated in the notice of right of first offer, or failure to state an alternative price pursuant to paragraph (e)(1)b. of this section within the 30-day response period, or failure to respond within 7 business days pursuant to paragraph (e)(2)e. of this section eliminates the right of the home owner association to purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.~~

~~(f) If a community owner has decided to sell, transfer, or convey all or part of the community, the community owner and the home owner association shall negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. If a party fails to negotiate in good faith, the court shall award reasonable attorneys' fees to the prevailing party.~~

§ 7026G. Right of first offer; contract of sale.

~~(g)(a)~~ If a home owner association responds to the notice of right of first offer pursuant to paragraph (e)(1) of this section, under § 7026C of this title, or if the community owner agrees to sell the community to the home owner association pursuant to paragraph (e)(2) of this section, under § 7026D of this title, the home owner association has an additional 30 days to formalize the agreed price, terms, and conditions into a contract of sale. This 30-day period may not be used to renegotiate the price, terms, or conditions agreed to during the first 30-calendar-day period unless mutually agreed to in writing. Time is of the essence.

(b) Failure of the home owner association to formalize a contract of sale during the 30-day period following an agreement of price, terms, and conditions eliminates any right of the home owner association to purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.

~~(h)(1)~~ (c) Upon a formalized contract of sale being signed by both parties, the change of ownership of the community must be completed within 90 days. Time is of the essence.

(2) (d)(1) The completion date may be extended beyond the 90-day period if both parties agree to an extension. However, neither party is obligated to agree to an extension.

(2) An agreement to extend the settlement date must be in writing and signed by both parties to the transaction. However, if

(3) If the parties did not fully exhaust the 30-day periods provided in subsections (e) and (g) of this section, under § 7026C, § 7026D, § 7026E, or § 7026F of this title, any unused days may be added to the 90-day period in paragraph (h)(1) of this section subsection (c) of this section by either party by providing written notification to all other parties within 5 business days prior to the end of the 90-day period. The time period for calculation of unused days is from the dates of mailing of the notices required by each section.

§ 7026H. Right of first offer; failure to complete sale.

~~(3)~~ If, for any reason except default by the community owner, the home owner association and the community owner do not complete the sale within the 90-day period as specified by paragraph (h)(1) of this section under § 7026G(c) of this title before the expiration of the extension period agreed to by the parties under paragraph (h)(2) of this section, § 7026G(d) of this title, the right of first offer right of first offer obligations of the community owner to the home owner association are terminated, and the community owner may sell, transfer, or convey all or part of the community to any third party at the price offered in the right of first offer, or at a higher price or lower price, for the remainder of the 12-month period that commences on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.

§ 7026I. Right of first offer; auction.

~~(i)(1)~~ (a) If the Authority has sent the required annual notice to a community owner and the community owner then decides to sell, transfer, or convey all or part of the manufactured home community at auction, the community owner shall notify the home owner association directly of its intention if the Authority has informed the community owner of a registered home owner association in that community. The community owner's notice must also be sent to DMHOA or its successor, to the Authority. A copy must be sent pursuant to under § 7024 of this title to each home owner in the affected community. If the Authority has not informed the community owner that a registered home owner association exists in the community, the community owner must send the notice of the intent to convey the community at auction directly to the Authority. The notice shall include a list of the known names and mailing addresses of all home owners in the community. The Authority shall, within 5 business days of the receipt of the notice from the community owner, send the notice to all home owners on the list.

(2) (b) The notice of a community owner's intention to sell, transfer, or convey all or part of the manufactured home community at auction must be sent within 10 days after a date for the auction has been established and at least 60 days prior to the date of the auction. The notice must be sent by overnight service with signature receipt. The notice must state all of the following:

a. (1) The intention to sell the community at ~~auetion~~; auction.

b. (2) The date, time, and place of the ~~auetion~~; and auction.

e. (3) The terms of the auction, which must be similar to other auction practices and standards in the area.

(3) (c) At least 60 days prior to a scheduled auction, the community owner shall provide all pertinent information directly to the home owner association if the Authority has informed the community owner of a registered

home owner association in the community. Copies of the pertinent information must also be sent to DMHOA or its successor, to the Authority. A community owner may not be held liable for misinformation provided by a third-party professional. Pertinent information, ~~to be provided by from~~ third-party professionals, ~~includes, but is not limited to, descriptions if already available, including any of the following:~~

- ~~a. Descriptions of topography, soils (including but not limited to topography).~~
- ~~b. Soils, including a Phase I environmental soil study and a Phase II study, if required, flood required.~~
- ~~c. Flood plain study, wetlands study, water system, water quality, distribution system, sanitary survey, wastewater disposal, access, egress, and interior community roads, storm water drainage, electrical, telephone, and cable utility services, boundary survey, and home lot plan if available, along with a USGS plan, aerial photo, tax map, flood zone map, soils map, site photographs, and a study.~~
- ~~d. Wetlands study.~~
- ~~e. Water system.~~
- ~~f. Water quality.~~
- ~~g. Distribution system.~~
- ~~h. Sanitary survey.~~
- ~~i. Wastewater disposal.~~
- ~~j. Access, egress, and interior community roads.~~
- ~~k. Storm water drainage.~~
- ~~l. Electrical, telephone, and cable utility services.~~
- ~~m. Boundary survey, home lot plan, if available.~~
- ~~n. A USGS plan.~~
- ~~o. Aerial photo.~~
- ~~p. Tax map.~~
- ~~q. Flood zone map.~~
- ~~r. Soils map.~~
- ~~s. Site photographs.~~
- ~~t. A future repair and capital improvement analysis. A community owner may not be held liable for misinformation provided by a third-party professional.~~

(4) ~~(d)~~ Within 30 days of receiving the notice of the auction, a home owner association in the affected community may make an offer to purchase the community. If the home owner association makes an offer, and the community owner accepts the offer, the parties shall negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. If the community owner accepts the offer, a contract shall be formalized and ownership shall be transferred as ~~provided in subsections (g) and (h) of this section.~~ under § 7026G and § 7026H of this title.

(5) ~~(e)~~ If the home owner association makes an offer to purchase the community within 30 days after receiving the notice of the auction sale, but the community owner does not accept the offer, the community owner may proceed to auction the community. The home owner association's offer must be the minimum bid at the auction and the community owner may not accept a bid of less than the home owner association's offer.

(6) ~~(f)~~ If a home owner association participates in the auction process by providing deposit moneys, if required, the home owner association has the right to purchase the community within 7 days after the date of the auction for 1% higher than the winning bid with the same terms and conditions. If a home owner association decides to purchase the community for 1% higher than the winning bid under the same terms and conditions, a contract of sale must be formalized within 20 calendar days, and the change of ownership must be completed within 90 days. However, if the home owner association does not participate in the auction process, or if the home owner association fails to respond within 7 business days and to formalize a contract within 20 calendar days, or to complete the change of ownership within 90 calendar days, the community owner has no further obligation to the home owner association.

(7) ~~(g)~~ If the winning bidder does not complete the transaction, and if the association still does not have the next highest bid, and if the community owner still intends to sell the community to the next highest bidder, the community owner must repeat the procedure ~~set forth in paragraph (i)(6) of this section.~~ under § 7026I(f) of this title.

(8) (h) A community owner has the right to accept or reject any auction bids.

~~(j) If a community owner intends to offer more than one community for sale in a single transaction, a simple majority of members of the respective home owner associations in Delaware must vote in the affirmative to support their letter of response to the community owner. If a community owner offers a Delaware community for sale, along with 1 or more communities not located in the State, the community owner must afford the residents of the Delaware community a right of first offer as prescribed by this section for their community, separate and apart from the community or communities not located in the State.~~

~~(k) A home owner association may transfer or assign a right of first offer only to an organization formed or controlled by the home owners to assist only in the purchase and operation of the community. Therefore, other than the preceding condition in this subsection, a right of first offer is neither transferable nor assignable.~~

~~(l) If a community owner or a home owner association fails to comply with any provision of this section, either party has standing to seek equitable relief, including declaratory relief, injunctive relief, and the appointment of a receiver. The offending party is liable for actual damages. If a court of competent jurisdiction finds that the offending party wilfully and intentionally failed to comply with the requirements of this section, it is a per se violation of the Consumer Fraud Statute, § 2511 et seq. of Title 6, and the aggrieved party may be entitled to recover treble damages. In any action under this section, the court may award reasonable attorneys' fees and costs.~~

§ 7026J. Right of first offer; affidavit of compliance.

~~(m) Affidavit of compliance with the requirements of this section: Subchapter IV of this chapter.~~

(4) (a) A community owner may, if appropriate under the circumstances, record in the Registry of Deeds of the county in which the community is located an affidavit in which the community owner certifies that to one of the following:

a. (1) The manufactured home community owner has complied with the requirements of this section, and has included a copy of the notice sent to the residents of the ~~community;~~ community.

b. (2) The sale, transfer, or conveyance of the community is exempt from this section, ~~pursuant to subsection (n) of this section.~~ under subsection § 7026(c) of this title.

(2) (b) A party acquiring an interest in a manufactured home community, and title insurance companies and attorneys preparing, furnishing, or examining any evidence of title, have the right to rely on the truth and accuracy of all statements appearing in an affidavit recorded ~~pursuant to paragraph (m)(1) of this section;~~ under § 7026J of this title and are under no obligation to inquire further as to any matter or fact relating to the community owner's compliance with the provisions of this section.

~~(n) Chapter 71 of this title does not apply to the sale, transfer, or conveyance of manufactured home communities under this section.~~

~~(o) *Right of first offer; exceptions to notice required before the sale of a manufactured home community.*—~~

Notwithstanding any provision to the contrary a manufactured home community owner is not required to give notice of or extend a right of first offer to a home owner association, to DMHOA or its successor, or to the Authority under the any of the following circumstances:

(1) A bank, mortgage company, or any other mortgagee has foreclosed on the community and the mortgagee is selling the community at a foreclosure sale, or is selling the community after having purchased the community at a foreclosure sale; sale.

(2) The sale, transfer, or conveyance of the community is to a family member of the community owner on the modified Table of Consanguinity or to a trust, the beneficiaries of which are family members of the owner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member on the modified Table of Consanguinity who is included within the line of intestate succession if the community owner dies intestate; intestate.

(3) The sale, transfer, or conveyance is by a partnership to 1 or more of its partners; partners.

(4) The sale, transfer, or conveyance is between joint tenants or tenants in common; tenants in common.

(5) The sale, transfer, or conveyance is by gift, devise, or operation of law; law.

(6) The sale, transfer, or conveyance is pursuant to eminent domain; domain.

(7) The sale, transfer, or conveyance is to an affiliate; affiliate. An "affiliate" means any individual, corporation, limited partnership, unincorporated association, or entity which holds any direct or indirect ownership interest in the community; provided, however, that the notice and extension of the right of first offer provided for herein must be

~~granted to a home owner association where the majority interest in the ownership of the community or the power, directly or indirectly, to direct or cause the direction of the management and policies over the community, whether through ownership of voting stock, by contract, or otherwise, is sold, transferred, or conveyed to any individual, corporation, limited partnership, unincorporated association, or other entity which has not held such a direct or indirect ownership interest in the community for 3 or more years; years.~~

~~(8) The sale, transfer, or conveyance is an exchange of the manufactured housing community for all, or substantially all, of other real property under § 1031 of the Internal Revenue Code [26 U.S.C. § 1031] or any other provision of the Internal Revenue Code that allows for exchanges or tax-free exchanges, regardless of whether the exchange also involves the payment of cash or other consideration.~~

~~(9) A change in use of the manufactured home community by the existing community owner.~~

Subchapter V. Delaware Manufactured Home Relocation Trust Fund.

§ 7011. § 7031. Delaware Manufactured Home Relocation Authority.

(a) The Authority shall be administered by a board of directors (~~Board~~) ~~made up of the following 5~~ (“Board”) as follows:

~~(1) Five voting members as follows: 4~~

~~a. One member who is appointed by the Governor from a list of at least 2 nominees submitted by the largest not-for-profit association representing manufactured home owners in the State; 1 State.~~

~~b. One member who is appointed by the Governor from a list of at least 2 nominees submitted by the largest not-for-profit association representing the manufactured home industry in this State; 1 State.~~

~~c. One member who is appointed by the Governor from the public-at-large; 1 member public-at-large.~~

~~d. One member, who is not a landlord, community owner, home owner, or tenant, who is appointed by the Speaker of the House of Representatives; and, 1 member Representatives.~~

~~e. One member, who is not a landlord, community owner, home owner, or tenant, who is appointed by the President Pro Tempore of the Senate.~~

~~(2) One nonvoting member member, who is not a landlord, community owner, home owner, or tenant, shall be appointed by the Attorney General, as a representative of the Consumer Protection Unit of the Justice Department, but none of the last 3 members listed above shall be a landlord, community owner, home owner, or tenant. Department of Justice.~~

~~(3) All Board members shall be residents of the State, and such members shall State and serve at the pleasure of the authority that appointed such member.~~

~~(4) The terms of the members shall be staggered so that no more than 2 members' terms end at the same time. The first 2 appointees shall serve for a term of 1 year, the next 2 appointees shall serve for a term of 2 years, and the remaining 1 appointee shall serve for a term of 3 years. Thereafter, all appointees shall serve for a term of 2 years; provided, however, that a member may be appointed for a term of less than 2 years to ensure that the Board members' terms expire on a staggered basis. The term for any member of the Board may subsequently be renewed for an additional term or additional terms.~~

~~(5) The Governor shall designate 1 member of the Board as the chairperson of the Board.~~

(b)(1) The board of directors of the Authority may employ or retain such persons as are reasonable and necessary to perform the administrative and financial transactions and responsibilities of the Authority and to perform other necessary and proper functions not prohibited by law. The Authority is responsible for all direct and indirect costs for its operations, ~~including, but not limited to,~~ including receipts and disbursements, personnel, rental of ~~facilities~~ facilities, and reimbursement to other State agencies for services provided and, therefore, must be fiscally revenue-neutral.

(2) Members of the board of directors of the Authority may be reimbursed from moneys of the Authority for actual and necessary expenses incurred by them as members, but may not otherwise be compensated for their services.

(3) There is no civil liability on the part of, and no civil cause of action of any nature against, the Authority, an agent or employee of the Authority, the board of directors of the Authority, or a member of the board of directors of the Authority for any act or omission in the performance of powers and duties under this subchapter unless the act or omission complained of was done in bad faith or with gross or wanton negligence.

(4) Meetings of the board of directors of the Authority are subject to the provisions of the Freedom of Information Act, Chapter 100 of Title 29. All meetings must be conducted at a central location in the State, unless agreed to for a given meeting by at least 3 of the 5 board members.

(c) The Authority's board of directors shall do all of the following:

(1) Adopt a plan of operation and articles, ~~bylaws~~ bylaws, and operating ~~rules~~; rules.

(2) Establish procedures under which applicants for payments from the Authority may be ~~approved~~; approved.

(3) Authorize payments and adjust, eliminate or reinstate the Trust Fund assessment established in § 7012 of this title only if at least 3 of the 5 members of the board of directors approve the payments or ~~assessments~~; assessments.

(4) Facilitate the initial meeting between the home owners and landowner and select an arbitrator pursuant to § 7043 of this title.

(d) The Authority and its board of directors ~~may~~:

(1) ~~Sue~~ may sue or be ~~sued~~;

(2) ~~Borrow~~ sued and may borrow from private finance sources and issue notes or vouchers in order to meet the objectives of the Authority and those of the Trust Fund established in § 7012 of this title.

~~§ 7012~~, § 7032, Delaware Manufactured Home Relocation Trust Fund.

(a) The Delaware Manufactured Home Relocation Trust Fund (Trust Fund) is established in the Division of Revenue of the Department of Finance for exclusive use by the Delaware Manufactured Home Relocation Authority to fund the Authority's administration and operations. All interest earned from the investment or deposit of moneys in the Trust Fund must be deposited into the Trust Fund.

(b) Moneys in the Trust Fund may be expended only for the following purposes:

(1) To pay the administrative costs of the ~~Authority~~; Authority.

(2) To carry out the objectives of the Authority by assisting manufactured home owners who are tenants in a manufactured home community where the community owner intends to change the use of all or part of the land on which the community is located or where the community owner intends to convert the manufactured home community to a manufactured home condominium community or to a manufactured home cooperative community pursuant to Chapter 71 of this title, and by assisting manufactured home community owners with the removal ~~and/or disposal~~ or disposal, or both, of nonrelocatable or abandoned manufactured ~~homes~~; and homes.

(3) ~~(c)~~ (c) After notifying the manufactured home owners who are tenants in a community owner's manufactured home community that the community owner intends to change the land use or to convert the community ~~pursuant to~~ under paragraph (b)(2) of this section, if the community owner does not change the land use or convert the community within 3 years of notification, or if the Authority finds there is prima facie evidence under § 7010(c)(2) of this title that the owner did not intend in good faith to change land use, the community owner shall within 30 days of the date the Authority provides written notice to the community owner, reimburse the Authority for whatever moneys the Authority has expended from the Trust Fund with respect to that manufactured home community, along with double the legal interest rate. The date of the mailing of notice by the Authority is deemed the date that a community owner is notified about reimbursing the Authority. However, if the community owner, with due diligence, has not been able to complete the change-in-use process within 3 years, the Authority may grant a reasonable extension to the community owner to complete the process.

~~(e)~~ (d) The Trust Fund terminates on July 1, 2024, unless terminated sooner or extended by the General Assembly.

~~(d)~~ (e) The cap on the Trust Fund is \$15 million. The cap may be adjusted, ~~eliminated~~ eliminated, or reinstated by the board of directors of the Authority at any time, subject to the voting requirements of § 7011(c)(3) of this title.

~~(e)~~ (f) If the Trust Fund ceases to exist, the funds held at the time of dissolution must be liquidated as follows:

(1) Fifty percent of the total funds, on a per capita basis, to tenants of rented lots in manufactured home communities in Delaware who have occupied the lots for at least the 12 months immediately prior to the time of the ~~dissolution~~; and dissolution.

(2) Fifty percent of the total funds to landlords owning rented lots at the time of dissolution, prorated on the number of lots actually rented by the landlords for at least the 12 months immediately prior to the time of dissolution.

~~(f)(1)~~ (g)(1) The board of directors of the Authority shall set a \$3.00 monthly assessment for deposit in the Trust Fund for each rented lot in a manufactured home community. The board may adjust, ~~eliminate~~ eliminate, or reinstate the assessment, and shall notify landlords and tenants of each adjustment, ~~elimination~~ elimination, or reinstatement pursuant to board regulations.

(2) One-half of the monthly assessment set ~~pursuant to~~ under paragraph ~~(f)(1)~~ (g)(1) of this section is the obligation of the tenant of rented lot, and 1/2 of the assessment is the obligation of the landlord. The landlord shall collect the tenant's portion of the assessment on a monthly basis as additional rent. The landlord shall remit to the Trust Fund both its portion and the tenant's portion of the assessment on a quarterly basis. The landlord is responsible for safeguarding all assessments it collects. Failure by a tenant to pay to the tenant's portion of the assessment as additional rent is grounds for termination of the rental agreement pursuant to § 7010A of this title. An assessment is not due or collectable for a vacant lot.

(3) If a lot is rented for any portion of a month, the full monthly assessment must be paid to the Trust Fund.

(4) If a rental agreement contains a capping provision which limits the amount by which rent may be increased, the Trust Fund assessment is deemed not to be rent for purposes of rent increases.

(5)a. If within 30 days of the quarterly due date a landlord fails to remit to the Trust Fund both its portion and the tenant's portion of the assessment, the Authority ~~may, but shall not be required to,~~ may notify the landlord in writing, demanding payment and stating that, unless the required payment is made within 7 days from the date of mailing, legal action may be initiated in a court of competent jurisdiction to collect any assessment, interest, at the rate of 1% per month until paid in full, or other sums due and owing. Any written notice must comply with § 7024 of this title. If the Authority is awarded a judgment in its favor, the Authority may request and the court shall award reasonable attorney's fees, costs, and expenses. Failure by the Authority to provide such notice described herein shall not be prejudicial to the Authority's right to pursue such cause of action.

b. A landlord may assert as an affirmative defense to legal action initiated ~~pursuant to~~ under paragraph ~~(f)(5)a.~~ (g)(5)a. of this section ~~above~~ that a tenant has failed to pay its portion of the assessment; there shall be a rebuttable presumption that the tenant has paid its required assessment amount, in full.

~~(g)~~ (h) The Authority may not for any reason, including age, income ~~level~~ level, or geography, exempt any community owner or tenant from paying the Trust Fund assessment.

~~(h)~~ (i) The Trust Fund must be audited annually. If the State Auditor's Office performs the audit, the Authority shall pay the cost of the audit to the State from the Trust Fund ~~the cost of the audit~~. The completed audit must be made available to the public by placing it on a website, by offering it as a hard copy for a fee which reflects reasonable reproduction cost, or in some other manner determined by the Authority.

~~(i)~~ (j) In addition to providing for an annual audit ~~pursuant to subsection (h)~~ under subsection (i) of this section, the Authority shall make available to the public, at least on a quarterly basis, the amount of the payment made to each tenant and landlord, along with a description of the property related to the payment and the reason for the payment.

~~§ 7013.~~ § 7033. Relocation expenses; payments for nonrelocatable homes.

(a) If a tenant is required to relocate due to a change in use or conversion of the land in a manufactured home community ~~as set forth in~~ under § 7010(b) of this title and complies with the requirements of this section, the tenant is entitled to ~~payment from the Trust Fund of the lesser of~~

~~(1) The actual, reasonable expenses of moving the manufactured home and existing appurtenances to a new location within a 25-mile radius of the vacated manufactured home community including, but not limited to, the cost of taking down, moving and setting up the home in a new location; or~~

~~(2) The the maximum relocation payment, which must be established by the Authority's board of directors. Board, from the Trust Fund, regardless of destination, including to property that is not in a manufactured home community or that is located in another state.~~

~~(b)~~ (c) The ~~determination by the board of the~~ amount of a relocation payment determined under subsection (a) of this section is final and may not be appealed.

~~(b)~~ (c) A tenant is not entitled to compensation for relocation under subsection (a) of this section if any of the following apply:

(1) The landlord moves the tenant's manufactured home by mutual consent to another lot in the manufactured home community or to another manufactured home community at the landlord's ~~expense;~~ expense.

(2) The tenant is vacating the manufactured home community and so informed the landlord before notice of the change in use was ~~given~~; given.

(3) The tenant abandons the manufactured home ~~as set forth in~~ under subsection (f) of this ~~section~~; or section.

(4) The tenant has failed to pay the tenant's share of the Trust Fund assessment during the course of the tenancy.  
(~~e~~) (d) Compensation for nonrelocatable homes.

(1) A tenant is entitled to compensation from the Trust Fund for the tenant's manufactured home if the home, which is on a lot subject to a change in use of land, cannot be relocated. The ~~board of directors of the Authority~~ Board shall establish criteria for determining whether a home can or cannot be relocated. The criteria must include all of the following:

- a. Availability of a replacement home ~~site~~; and site.
- b. Feasibility of physical relocation.

(2) If the ~~board~~ Board determines that a manufactured home cannot be relocated ~~pursuant to~~ under paragraph (c)(1) of this section, the ~~board~~ Board shall provide compensation to the tenant. The amount of compensation, as determined by a ~~board-approved~~; Board-approved, certified manufactured home appraiser, is the fair market value of the home as sited and any existing appurtenances, but excludes the value of the underlying land. However, the amount of compensation may not exceed an amount set by the ~~board~~ Board and which may be adjusted from time to time by the Board, to be paid in exchange for the title of the nonrelocatable manufactured home. Prior to receiving payment for a nonrelocatable home, the tenant must deliver to the ~~board~~ Board the current title to the home duly endorsed by the owner or owners of record, valid releases of all liens shown on the title, and a tax release. The ~~board~~ Board shall then relinquish the title to the landlord to facilitate the removal ~~and/or~~ or disposal of the home from the manufactured home community. For the purpose of compensation to the landlord ~~pursuant to~~ under § 7014 of this title, a home that cannot be relocated is deemed abandoned. The determination of the ~~board~~ Board as to the amount of compensation is final and may not be appealed.

(~~d~~) (e) Except as provided for abandonment ~~in~~ under subsection (f) of this section, in order to obtain payment from the Trust Fund for the relocation of a manufactured home, a tenant must submit to the Authority, with a copy to the landlord, an application for payment which includes all of the following:

(1) A copy of the notice of termination or nonrenewal of the rental agreement due to change in use of ~~land~~, as required by land under § 7010(b)(1) of this title; ~~and title~~.

(2) A contract with a licensed moving or towing contractor for the moving expenses for the manufactured home.

(~~e~~) (f) The Authority shall approve or reject payment to a moving or towing contractor within 30 days after receipt of the information required by this section, and forward a copy of the approval or rejection to the tenant, with a voucher for payment if payment is approved.

(~~f~~) (g) In lieu of the procedure ~~in~~ under subsection (a) of this section, a tenant may abandon the manufactured home in the manufactured home community. A tenant ~~shall~~ must receive a payment from the Trust Fund for the abandoned manufactured home. Before collecting a payment, a tenant shall deliver to the Authority a current State of Delaware title to the manufactured home duly endorsed by the owner of record, a valid release of all liens shown on the title, and a tax release. The amount of the payment shall be set by the Authority. The Authority's determination of the amount of the payment is final and may not be appealed.

~~§ 7014. § 7034.~~ Payment of funds to landlord for removal ~~and/or~~ or disposal of abandoned homes.

(a) A landlord is entitled to receive from the Trust Fund payment in an amount determined by the Board to be sufficient to remove ~~and/or~~ dispose or dispose, or both, of a non-relocatable or abandoned manufactured home ~~pursuant to~~ under paragraphs § 7013(c) and (f) of this title.

(b) Payment for removal ~~and/or~~ disposal or disposal, or both, of a manufactured home ~~pursuant to~~ under subsection (a) of this section must be authorized by the Authority and made in the form of a voucher issued to the Division of Revenue of the Department of Finance, directing the Division to issue a check in a designated amount to the landlord.

(c) If the Trust Fund does not have sufficient moneys to make a payment to a landlord ~~pursuant to~~ under this section, the Authority shall issue a written promissory note to the landlord for funds due and owing. Promissory notes may be redeemed in order of issuance of the notes as additional moneys come into the Trust Fund.

(d) If a landlord realizes a profit from the removal ~~and/or disposal~~ or disposal, or both, of a manufactured home, the landlord shall reimburse the Trust Fund for any profit gained by the landlord pertaining to that home.

(e) A landlord may not receive payment from the Trust Fund if the landlord has failed to pay the landlord's share of the total Trust Fund assessment during the course of tenancies or has failed to remit the tenant's share as required ~~by~~ under § 7012(f)(2) of this title.

(f) It is a class A misdemeanor for a landlord or a landlord's agent to file any notice, ~~statement~~ statement, or other document required under this section which is false or contains a material misstatement of fact.

~~§ 7015.~~ § 7035. Payment of funds to homeowners; tenants.

(a) When a payment to a tenant is authorized by the Authority, payment must be made in the form of a voucher issued to the Division of Revenue of the Department of Finance, directing the Division to issue a check in a designated amount to the named tenant.

(b) If the Trust Fund does not have sufficient moneys to make a payment to a tenant ~~pursuant to~~ under this section, the Authority shall issue a written promissory note to the tenant for funds due and owing. A promissory note may be redeemed in order of issuance of the notes as additional moneys come into the Trust Fund.

(c) It is a class A misdemeanor for a tenant or a tenant's agent to file any notice, ~~statement~~ statement, or other document required under this section which is false or contains a material misstatement of fact.

Subchapter VI. Rent increase; justification.

§ 7040. Purpose.

Manufactured housing has become a vital source of affordable housing in Delaware, particularly as a homeownership opportunity for low-income households who otherwise would likely not be able to move into homeownership. In recent years Delaware has experienced a difficult economic climate which has resulted in a crisis in affordable housing availability. Additionally, manufactured home owners make substantial and sizeable investments in their manufactured homes. Once a manufactured home is situated on a manufactured housing community site, the difficulty and cost of moving the home gives the community owner disproportionate power in establishing rental rates. The continuing possibility of unreasonable space rental increases in manufactured home communities threatens to diminish the value of manufactured home owners' investments. Through this subchapter, the General Assembly seeks to protect the substantial investment made by manufactured home owners, and enable the State to benefit from the availability of affordable housing for lower-income citizens, without the need for additional state funding. The General Assembly also recognizes the property and other rights of manufactured home community owners, and seeks to provide manufactured home community owners with a fair return on their investment. Therefore, the purpose of this subchapter is to accommodate the conflicting interests of protecting manufactured home owners, residents and tenants from unreasonable and burdensome space rental increases while simultaneously providing for the need of manufactured home community owners to receive a just, reasonable and fair return on their property.

~~§ 7041. Definitions~~ Rent increase; notice.

~~The definitions contained in § 7003 of this title shall apply to this subchapter. Unless otherwise expressly stated, if a word or term is not defined under § 7003 of this title, it has its ordinarily accepted meaning or means what the context implies.~~

A landlord 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.

§ 7042. Rent justification.

(a) A community owner may raise a home owner's rent for any and all 12-month periods governed by the rental agreement in an amount greater than the average annual increase of the Consumer Price Index For All Urban Consumers in the Philadelphia-Wilmington-Atlantic City area ("CPI-U") for the most recently available preceding 36-month period provided the community owner can demonstrate the increase is justified for all of the following conditions:

(1) The community owner, during the preceding 12-month period, has not been found in violation of any provision of this chapter that threatens the health or safety of the residents, visitors or guests that persists for more than 15 days, beginning from the day the community owner received notice of such ~~violation;~~ and violation.

(2) The proposed rent increase is directly related to operating, ~~maintaining~~ maintaining, or improving the manufactured home community, and justified by 1 or more factors listed under subsection (c) of this section.

(b) The Delaware State Housing Authority shall monitor the CPI-U and report to the Authority findings and recommendations relevant to the cost of rent in manufactured home communities in Delaware.

(c) One or more of the following factors may justify the increase of rent in an amount greater than the CPI-U:

(1) The completion and cost of any capital improvements or rehabilitation work in the manufactured home community, as distinguished from ordinary repair, replacement and ~~maintenance~~; maintenance.

(2) Changes in property taxes or other taxes within the manufactured home ~~community~~; community.

(3) Changes in utility charges within the manufactured home ~~community~~; community.

(4) Changes in insurance costs and financing associated with the manufactured home ~~community~~; community.

(5) Changes in reasonable operating and maintenance expenses relating to the manufactured home community including, but not limited to: costs for water service; sewer service; septic service; water disposal; trash collection; and ~~employees~~; employees.

(6) The need for repairs caused by circumstances other than ordinary wear and tear in the manufactured home community.

(7) *Market rent*. — For purposes of this section, "market rent" means that rent which would result from market forces absent an unequal bargaining position between the community owner and the home owners. In determining market rent relevant considerations include rents charged to recent new home owners entering the subject manufactured home community and/or by comparable manufactured home communities. To be comparable, a manufactured home community must be within the competitive area and must offer similar facilities, services, amenities and management.

(8) The amount of rental assistance provided by the community owner to the home owners under § 7021A of this title.

(d) A community owner shall not incorporate the cost of a civil penalty, criminal fine, or litigation-related costs for rent-related proceedings into rent charged under any circumstance. A community owner also shall not utilize as justification for any future rental increase the cost of capital improvements or rehabilitation work, once that cost has been fully recovered by rental increases that were incorporated into a prior rental increase in excess of CPI-U, where the prior rental increase was properly implemented under this subchapter.

§ 7043. Rent increase dispute resolution.

(a)(1) A community owner shall give written notice to each affected home owner and to the home owners' association, if one exists, and to the Delaware Manufactured Home Relocation Authority (~~the Authority~~), at least 90 days prior to any increase in rent. The notice shall identify all affected home owners by lot number, name, ~~group~~ group, or phase. If the affected home owners are not identified by name, the community owner shall make the names and addresses available to any affected home owner, home owners' ~~association~~ association, and the Authority, upon request.

(2) The Authority must maintain a form final meeting notice that includes all of the following:

a. The deadline to request arbitration under subsection (f) of this section.

b. A statement that an informal meeting under subsection (e) of this section does not affect, in any way, the date by which arbitration must be requested under subsection (f) of this section.

(3) The written notice under this subsection (a) must contain all of the following:

a. The approved date, time, and place for the final meeting required under subsection (b) of this section.

b. The form language maintained by the Authority under paragraph (a)(2) of this section.

(b) If the proposed rent increase exceeds the CPI-U, the Authority shall ~~schedule~~ approve a final meeting between the ~~parties at a mutually convenient time and place to be held~~ community owner and the affected home owners, and the home owners' association, if one exists, to discuss the reasons for the proposed increase. The final meeting must be held within 30 days from the mailing of the notice of the rent ~~increase. increase, to discuss the reasons for the increase~~ increase. At the community owner's election, the Authority shall also schedule 1 or more optional meetings prior to the final meeting.

(1) The community owner proposing the rent increase shall recommend to the Authority Authority, in writing, a date, time time, and place of the final meeting and of any preceding informal meetings, and the meeting and provide a copy of this recommendation to the home owner's association, if one exists.

(2) The Authority shall affirm that recommendation with approve the community owner, owner's recommendation if it finds determines that the date, time time, and place to be are reasonable.

(3) The community owner shall include the approved date, time, and place for the final meeting in the notice required under subsection (a) of this section.

(c) At or before the final meeting the community owner shall, in good faith, disclose in writing all of the material factors resulting in the decision to increase the rent. When market rent is a factor used by the community owner, the community owner shall provide a range of rental rates from low to high, and when relevant the mean and median; this disclosure ~~shall include:~~ must include all of the following:

(1) Whether comparable rents were determined at arm's length, each case in which the community owner or related party has an ownership interest in the comparable ~~lot/community;~~ and lot/community.

(2) The time relevance of the data.

~~For purposes of this subsection, "related party" means any of a person's parents, spouse, children (natural or adopted) and siblings of the whole and half blood.~~

(3) The community owner shall disclose financial and other pertinent documents and information supporting the reasons for the rent increase.

~~(d) The parties may agree in a writing signed by the community owner and at least 1 affected homeowner or the home owners' association may agree to extend or continue any meetings required by this section to a date specified in the writing and approved by the Authority as reasonable. The final meeting required under this section by doing all of the following:~~

~~(1) The community owner and the homeowner or home owner's association must sign a written document containing a specific date for the rescheduled final meeting.~~

~~(2) Within 2 business days of signing the agreement to continue or extend, the community owner shall notify the Authority of the agreement by forwarding the signed agreement to the Authority.~~

~~(e) At the community owner's election, the community owner may schedule 1 or more informal meetings, before or after the final meeting, to discuss the proposed rent increase.~~

~~(e) (f) After the final meeting, any affected home owner who has not already accepted the proposed increase, or the home owners' association on the behalf of 1 or more affected home owners who have not already accepted the proposed increase may, within 30 days from the conclusion of the final meeting, petition the Authority to appoint a qualified arbitrator to conduct nonbinding arbitration proceedings. If the thirtieth day is a Saturday, Sunday, legal holiday, or other day on which the office of the Authority is closed, the 30-day period shall run until the end of the next day on which the office of the Authority is open. Only if a petition is timely filed, the Authority shall select an arbitrator who is a member of the Delaware Bar with appropriate training in alternative dispute resolution. The Authority may select an arbitrator from the list of arbitrators maintained by the Superior Court of the State, or by soliciting applicants for a list maintained by the Authority, or through another method which the Authority, in its discretion, has determined will be sufficient to result in the selection of an appropriate arbitrator. The tenants and the landlord must each pay \$250 to the Delaware Manufactured Home Relocation Trust Fund to be applied to the arbitrator's fee. The Authority shall pay all direct arbitration costs in excess of the \$500 collected from the home owners and community owner. All other costs shall be the responsibility of the respective parties. The arbitration must be held within 60 days from the date of the petition.~~

~~(d) (g) The Delaware Uniform Rules of Evidence shall be used as a guide by the arbitrator for admissibility of evidence submitted at the arbitration hearing.~~

~~(e) (h) Unless waived by all parties, testimony will be under oath or affirmation, administered by the arbitrator.~~

~~(f) (i) Testimony shall be transcribed and shall be considered a written record.~~

~~(g) (j) The arbitrator will render a decision employing the standards set forth in under § 7042 of this title.~~

~~(h) (k) The arbitrator will render a written decision within 15 days of the conclusion of the arbitration hearing.~~

~~(i) (l) The home owners will be subject to the rent increase as notified; however, if the rent increase is not approved through the process provided in this section, the community owners shall rebate the increase.~~

§ 7044. Appeal.

The community owner, the home owners' association, or any affected home owner may appeal the decision of the arbitrator within 30 days of the date of issuance of the arbitrator's decision. The appeal shall be to the Superior Court in the county of the affected community. The appeal shall be on the record and the Court shall address written and/or oral arguments of the parties as to whether the record created in the arbitration is sufficient justification for the arbitrator's decisions and whether those decisions are free from legal error.

§ 7045. Penalties.

A community owner who raises a home owner's rent more than the annual average increase of the CPI-U for the preceding 36-month period without having obtained approval of the Authority shall be required to immediately reduce the rent to the amount in effect before the unauthorized increase and rebate the unauthorized rent collected to the home owners with interest. The Department of Justice shall have authority over this section.

§ 7046. Exemption.

(a) Resident-owned communities shall be exempt from the provisions of this subchapter.

(b) Any deed subject to lease community shall be exempt from the provisions of this subchapter. A deed subject to lease community is a community wherein each homeowner has a deed subject to lease recorded with the recorder of deeds, has a long-term lease of at least 40 years' duration where the lease includes specific rent increases, and wherein each home is of modular construction.

Subchapter H. VII. Tenant's Receivership

~~§ 7031.~~ § 7051. Petition for receivership.

Any tenant or group of tenants may petition for the establishment of a receivership in a Justice of the Peace Court upon the grounds that there has existed for 5 days or more after notice to the landlord of any the following:

(1) If the rental agreement or any ~~state~~ State or local statute, code, ~~regulation~~ regulation, or ordinance places a duty upon the landlord to so provide, a lack of heat, or of running water, or of light, or of ~~electricity~~ electricity, or of adequate sewage ~~facilities; or facilities.~~

(2) Any other conditions imminently dangerous to the life, ~~health~~ health, or safety of the tenant.

~~§ 7032.~~ § 7052. Necessary parties defendant.

(a) Petitioners shall join all of the following as defendants:

(1) All parties duly disclosed to any of them in accordance with § 7036 of this ~~title; and title.~~

(2) All parties whose interest in the property is a matter of public record, and whose interest in the property is capable of being protected in this proceeding.

(b) Petitioners shall not be prejudiced by a failure to join any other interested parties.

§ 7033. Defenses.

It shall be a sufficient defense to this proceeding if any defendant of record establishes ~~that:~~ any of the following:

(1) The condition or conditions described in the petition do not exist at the time of ~~trial;~~ trial.

(2) The condition or conditions alleged in the petition have been caused by the wilful or grossly negligent acts of 1 or more of the petitioning tenants or members of ~~his or their families,~~ a petitioning tenant's family or by persons on the premises with ~~his or their consent; or~~ the consent of a petitioning tenant.

(3) Such condition or conditions would have been corrected, were it not for the refusal by any petitioner to allow reasonable access.

~~§ 7034.~~ § 7054. Stay of judgment by defendant.

(a) If, after a trial, the court shall determine that the petition should be granted, the court shall immediately enter judgment thereon and appoint a receiver as authorized herein; provided however, prior to the entry of judgment and appointment of a receiver, the owner or any mortgagee or the lienor of record or other person having an interest in the property may apply to the court to be permitted to remove or remedy the conditions specified in the petition. If such person demonstrates the ability to perform promptly the necessary work and posts security for the performance thereof within the time, and in the amount and manner, deemed necessary by the court, then the court may stay judgment and issue an order permitting such person to perform the work within a time fixed by the court and requiring such person to report to the court periodically on the progress of the work. The court shall retain jurisdiction over the matter until the work is completed.

(b) If, after the issuance of an order under subsection (a) of this section, but before the time fixed in such order for the completion of the work prescribed therein, there is reason to believe that the work will not be completed pursuant to the court's order or that the person permitted to do the same is not proceeding with due diligence, the court or the petitioners, upon notice to all parties to the proceeding, may move that a hearing be held to determine whether judgment should be rendered immediately as provided in subsection (c) of this section.

(c)(1) If, upon a hearing authorized in subsection (b) of this section, the court shall determine that such party is not proceeding with due diligence, or upon the actual failure of such person to complete the work in accordance with the provisions of the order, the court shall appoint a receiver as authorized herein.

(2) Such judgment shall direct the receiver to apply the security posted to executing the powers and duties as described herein.

(3) In the event that the amount of such security should be insufficient to accomplish the above objectives, such judgment shall direct the receiver to collect the rents, profits and issues to the extent of the deficiency. In the event that the security should exceed the amount necessary to accomplish the above objectives, such judgment shall direct the receiver to return the excess to the person posting the security.

~~§ 7035.~~ § 7055. Receivership procedures.

(a) The receiver shall be the Division of Consumer Protection of this State, or its successor agency.

(b)(1) Upon its appointment, the receiver shall make within 15 days an independent finding whether or not there is proper cause shown for the need for rent to be paid to it, and for the employment of a private contractor to correct the condition complained of in § 7031 of this title and found by the court to exist.

(2) If the receiver shall make such a finding, it shall file a copy of the finding with the Recorder of Deeds of the county where the property lies and it shall be a lien on that property where the violation complained of exists.

(3) Upon completion of the aforesaid contractual work and full payment to the contractor, the receiver shall file a certification of such with the Recorder of Deeds of the appropriate county, and this filing shall release the aforesaid lien.

(4) The receiver shall forthwith give notice to all lienholders of record.

(5) If the receiver shall make a finding at such time or any other time that for any reason the appointment of the receiver is not appropriate, it shall be discharged upon notification to the court and all interested parties, and shall make legal distribution of any funds in its possession.

~~§ 7036.~~ § 7056. Powers and duties of receiver.

The receiver shall have all the powers and duties accorded a receiver foreclosing a mortgage on real property, and all other powers and duties deemed necessary by the court. Such powers and duties ~~shall include, but are not necessarily limited to, include~~ collecting and using all rents and profits of the property, prior to and despite any assignment of rent, ~~for the purposes of:~~ any of the following purposes:

(1) Correcting the condition or conditions alleged in the ~~petition;~~ petition.

(2) Materially complying with all applicable provisions of any ~~state~~ State or local statute, code, ~~regulation~~ regulation, or ordinance governing the maintenance, construction, ~~use~~ use, or appearance of the ~~surrounding grounds;~~ grounds.

(3) Paying all expenses reasonably necessary for the proper operation and management of the property including insurance, mortgage payments, taxes and assessments, and fees for the services of the receiver and any agent the receiver ~~should hire;~~ hires.

(4) Compensating the tenants for whatever deprivation of their rental agreement rights resulted from the condition or conditions alleged in the ~~petition;~~ and petition.

(5) Paying the costs of the receivership proceeding.

~~§ 7037.~~ § 7057. Discharge of receiver; costs.

(a) In addition to those situations described in § 7035 of this title, the receiver may also be discharged when all of the following have occurred:

(1) The condition or conditions alleged in the petition have been ~~remedied;~~ remedied.

(2) The property materially complies with all applicable provisions of any ~~state~~ State or local statute, code, ~~regulation~~ regulation, or ordinance governing the maintenance, construction, ~~use~~ use, or appearance of the ~~surrounding grounds;~~ grounds.

(3) The costs of the above work and any other costs as authorized herein have been paid or reimbursed from the rents and profits of the ~~property;~~ and property.

(4) The surplus money, if any, has been paid over to the owner.

(b) Upon subsections (a)(1) and (a)(2) of this section being satisfied, the owner, ~~mortgagee~~ mortgagee, or any lienor may apply for the discharge of the receiver after paying to the latter all moneys expended by that receiver and all other costs which have not been paid or reimbursed from the rents and profits of the property.

(c) If the court determines that future profits of the property will not cover the cost of satisfying subsections (a)(1) and (a)(2) of this section, the court may discharge the receiver and order such action as would be appropriate in the situation,

including but not limited to terminating the rental agreement; and may order the vacation of the mobile home park within a specified time. In no case shall the court permit repairs which cannot be paid out of the future profits of the property.

Approved June 13, 2019