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HOUSE OF REPRESENTATIVES

142nd GENERAL ASSEMBLY

HOUSE BILL NO. 2
AS AMENDED BY
HOUSE AMENDMENT NOS. 1,2 & 4

AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO MANUFACTURED HOMES, MANUFACTURED HOME OWNERS, MANUFACTURED HOME COMMUNITIES, MANUFACTURED HOME COMMUNITY OWNERS, AND MANUFACTURED HOME COMMUNITY CONVERSIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend Title 25 of the Delaware Code, by striking the descriptive heading of Part VI, Title 25 of the Delaware Code and by substituting in lieu thereof a new descriptive heading to read:

“Part VI. Manufactured Home Communities”

and by striking the descriptive heading of Chapter 70 of Title 25 of the Delaware Code and by substituting in lieu thereof a new descriptive heading to read:

“Chapter 70. Manufactured Homes And Manufactured Home Communities.”

Section 2. Amend Subchapter I of Chapter 70, Title 25 of the Delaware Code, by striking Subchapter I in its entirety and by substituting in lieu thereof the following:

"Subchapter I. Manufactured Home Owners and Community Owners Act.

§7001. Purposes and policies; enforceability.

(a) This subchapter must be liberally construed and applied to promote its underlying purposes and policies, which are:

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

(b) This subchapter applies to all rental agreements for manufactured home lots and regulates and determines 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 subchapter 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.

§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, 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.

(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 subchapter governing the relationship between a manufactured home owner (tenant) and a manufactured home community owner (landlord), the Residential Landlord-Tenant Code set forth in Part III of this 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 and those of the Residential Landlord-Tenant Code, this subchapter governs 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.

- (a) 'Agreement' means a written rental agreement.
- (b) 'Authority' means the Delaware Manufactured Home Relocation Authority.

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

(d) 'Community owner' or 'landlord' means the owner of two or more manufactured home lots offered for rent. It includes a lessor, sub-lessor, park owner, or receiver of two 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 two or more manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

(e) '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.

(f) 'Hold over' means to retain possession of a rented lot in a manufactured home community after the termination, non-renewal, or expiration of a rental agreement governing the rented lot.

(g) 'Holdover' means an act of retaining or a tenant who retains possession of a rented lot in a manufactured home community after the termination, non-renewal, or expiration of a rental agreement governing the rented lot.

(h) '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.

(i) 'Landlord' or 'community owner' means the owner of two or more manufactured home lots offered for rent. It includes a lessor, sub-lessor, park owner, or receiver of two 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 two or more manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

(j) '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.

(k) 'Manufactured home' means a factory-built, single-family dwelling: (1) transportable in one or more sections, which is either (8) body feet or more in width and forty (40) body feet or more in length, or, when erected on site, has more than four hundred (400) square feet in living area; and (2) with or without a permanent foundation and designed to be used as a year-round dwelling when connected to the required utilities; and (3), 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.

(l) 'Manufactured home community' means a parcel of land where two 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'.

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

(n) '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/or residents generally or whose use is contracted for between landlord and tenant.

(o) 'Quiet enjoyment' includes the peaceful possession of the premises in a manufactured home community without unwarranted disturbance.

(p) '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.

(q) '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.

(r) '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.

(s) '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.

(t) 'Tenant' or 'home owner' means an owner of a manufactured home who has a tenancy of a lot in a manufactured home community; a lessee.

(u) 'Trust Fund' means the Delaware Manufactured Home Relocation Trust Fund.

(v) 'Utility charge' means a charge by a landlord or others to a tenant for a commodity such as water, sewer, electricity, fuel, propane, cable television, or trash.

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

§7004. Exemption.

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, and nothing in this subchapter 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.

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

A landlord may not rent a lot in a manufactured home community without first delivering a copy of the rental agreement, a copy of the rules, standards, and fee schedule of the manufactured home community, and a copy of this subchapter to the prospective tenant who shall acknowledge such delivery by signing a receipt.

§7006. Provisions of a rental agreement.

(a) A rental agreement for a lot in a manufactured home community must contain:

- (1) specific identification and location of the rented lot within the manufactured home community;
- (2) a stipulation of the total amount of annual rent for the lot;
- (3) a stipulation of the term of the rental agreement and the terms of payment of rent, whether monthly, quarterly, semiannually, or annually;
- (4) the amount of rent due for each term of payment and the date on which each payment of rent is due;
- (5) the amount of any late-payment fee for rent and the conditions under which the fee may be 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 subchapter;
- (7) the name and address of the landlord or the person authorized to receive notices and accept service on the landlord's behalf;

- (8) the name and location of the federally insured financial institution where the landlord's security-deposits account is located;
- (9) a services rider which contains a description of each utility, facility, and service provided by the landlord and available to the tenant, clearly indicating the financial responsibility of the tenant and the landlord for installation and maintenance, and for the related fees or charges that may be imposed upon the tenant by the landlord;
- (10) a rental agreement summary which must contain a brief description of the manufactured home, the rented lot, rental amount, term, landlord's mailing address, tenant's mailing address, fees, security deposit, information regarding rent adjustment, community status, and method of notice;
- (11) the grounds for termination, as described in this subchapter;
- (12) a specific reference to this subchapter as the law governing the relationship between the landlord and the tenant regarding the lot rental;
- (13) provisions requiring the landlord to:
 - a. maintain and re-grade the lot area where necessary and in good faith to prevent the accumulation of stagnant water thereon and to prevent the detrimental effects of moving water;
 - b. maintain the manufactured home community in such a manner as will protect the health and safety of residents, visitors, and guests;
 - c. identify each lot area in the community in such a way that each tenant can readily identify his or her area of responsibility and specify the duties of the tenant in maintaining his or her area of 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;
 - e. make a good faith effort to exterminate insects, rodents, vermin, or other pests which are dangerous to the health of the residents when an infestation exists in the common areas of the community;

- f. maintain all water, electrical, plumbing, gas, sewer, 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;
- g. when applicable, specify whether septic systems are to be maintained by the landlord or by the tenant;
- h. respect the privacy of residents and agree not to enter into, 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;
- i. maintain all roads within the community in good condition;
- j. comply with all federal, State, and local building 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 subsection (b)(13) of this section;

(14) provisions requiring the tenant to:

- a. keep the exterior of the manufactured home and the rented lot in a clean and sanitary condition;
- b. refrain from storing outside on the lot occupied by the tenant's manufactured home building materials, furniture, or similar items usually not stored outside a home by a property owner in a residential area;
- c. dispose of all rubbish, garbage, and other waste materials in a clean and sanitary manner;
- d. abide by all reasonable written rules concerning use, occupation, and maintenance of the premises, and amendments thereto, as provided for in §7019 of this subchapter;
- e. abide by all reasonable written manufactured home standards, and amendments thereto, as provided for in §7020 of this subchapter.

- (b) A rental agreement for a lot in a manufactured home community may not contain:
- (1) a provision whereby the tenant authorizes a person to confess judgment on a claim arising out of the rental agreement;
 - (2) a provision whereby the tenant agrees to waive or to forego any right or remedy provided by law;
 - (3) a provision whereby the tenant waives the right to a jury 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;
 - (5) a provision which permits the landlord to collect a fee for late payment of rent without allowing the tenant to remit the rent in full a minimum of five (5) days beyond the date the rent is 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 twenty-five dollars (\$25.00) or 5% of the rental payment specified in the rental agreement;
 - (7) a provision which permits the landlord to charge an amount in excess of one (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 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;
 - (8) a provision which permits the landlord to collect a deposit in excess of one 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;
 - (9) a provision which prohibits the tenant from terminating the rental agreement upon a minimum of thirty (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 his or her 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 thirty (30) days notice to the landlord if the tenant receives reassignment orders which do not allow at least 30 days 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, or visitors or to the property of the tenant, residents, 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;
- (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, 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;
- (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;
- (13) a provision which unreasonably limits freedom of choice in the tenant's purchase of goods and services, provided, however, that:
 - a. the landlord is not required to allow 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;
 - b. the landlord may restrict trash collection to a single provider; and
 - c. the landlord may select shared utilities;
- (14) a provision which permits the recovery of attorney's fees by either party in a suit, action, or proceeding arising from the tenancy;
- (15) a provision which violates any federal, State, or local law;
- (16) a provision which requires the tenant to:
 - a. sell or transfer a manufactured home to the landlord; or
 - b. buy a manufactured home from the landlord; or

c. sell a manufactured home through the services of the 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;
- (18) a provision which regulates the use of satellite dishes or television antennas that conflicts with federal law or FCC regulations;
- (19) a provision which requires the tenant to accept automatic deduction of rent payments from his or her checking or other account;
- (20) a provision which grants the landlord an option or right of first refusal to purchase the tenant's manufactured 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:

- (1) the landlord shall remove the provision and provide all affected tenants by regular mail with either an amended rental agreement or corrective addendum to the rental agreement within thirty (30) days of the exhaustion of all appeals, if any are taken; and
- (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 willfully included in the rental agreement a provision in violation of subsection (b) of this section, the tenant is entitled to recover three (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, or municipal statutes, ordinances, 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 one thousand dollars (\$1,000).

§7007. 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
 - (2) the landlord notifies the tenant in writing, a minimum of 60 days prior to the expiration of the rental agreement, that the agreement will not be renewed for due cause, as described in §7010(a) of this subchapter.

§7008. 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, 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 days of notification is a basis for termination of the rental agreement pursuant to §7010A of this subchapter.

(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 for a period of at least 2 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, 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 \$25.00.

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

- (1) the rent is not paid within five days after the due date specified in the rental agreement; and
- (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 subchapter. Optional-user fees include, but are not limited to, fees for the use of a swimming pool, marine 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 twelve-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 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 §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, or service previously provided pursuant to the rental agreement is discontinued, the landlord shall adjust the tenant's rent, charge, or fee payment by deducting the landlord's direct operating costs of providing the discontinued utility, facility, or service. An adjustment is determined as follows:

- (1) No less than 60 days prior to the discontinuance of the utility, 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 (1) of this subsection, the tenants may form a committee not to exceed five members. The committee and the landlord shall meet together at a mutually convenient time and place to discuss the discontinuance of the utility, facility, or service.
- (3) At the meeting, the landlord shall disclose and explain all material factors for the proposed discontinuation of the utility, facility, or service, together with supporting documentation. The reduction in the direct operating cost of the utility, 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.

§7009. 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 non-compliance with this subchapter or any statute, 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 his or her 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 his or her 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, 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, reasonable expenditures necessary to obtain adequate substitute housing while the manufactured home is uninhabitable or while an imminent threat to health, 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 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.

§7010. Termination or nonrenewal of rental agreement by landlord; due cause: change in land use.

(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:

- (1) an intended change in the use of the land of a manufactured home community as specified in subsection (b) of this section; or
- (2) the grounds for termination pursuant to §7010A of this subchapter.

(b) If a change is intended 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:

- (1) provide all tenants affected with at least a one-year termination or non-renewal 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;
- (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;
- (3) provide, along with the one-year notice required by paragraph (1) of this subsection, 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 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;
 - 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;
 - c. a listing, known to the landlord after reasonable effort, of government and community agencies available to assist tenants with disabilities and older tenants;
 - d. a basic description of relocation and abandonment procedures and requirements;

- e. a preliminary indication of whether a tenant's manufactured home can or cannot be relocated;
 - f. a copy of this section of the 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;
 - (5) update the Plan and distribute the updated Plan every three 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 one month for each omitted quarterly update;
 - (6) during the relocation process observe and comply with all federal, State, and local laws relating to older tenants and tenants with disabilities.

(c) 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.

§7010A. 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:

- (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;
- (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;
- (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;

- (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 §7022(c) of this subchapter; or
 - (5) the failure of a tenant to bring his or her manufactured home into compliance with written standards pursuant to §7020(b) or §7022(e) of this subchapter.
- (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 one lease period or overlaps two lease periods, the landlord may immediately terminate the rental agreement and bring an action for summary possession; or
 - (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 one lease period or overlaps 2 lease periods, the landlord may immediately terminate the rental agreement and bring an action for summary possession; or
 - (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 fifth 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 seven (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 one lease period or overlaps two 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 one lease period or overlap two 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 monies due, or may refuse to renew the agreement pursuant to §7007 of this subchapter. 'Repeated instances of noncompliance' include:

- (1) failure of the tenant on 4 separate occasions within 12 consecutive payment periods, to make a rent payment by the 5th 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 subsection (b)(3) of this 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;
- (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;
- (4) four separate incidents of noncompliance as described in subsection (b)(1) or (2) of this section within a 12-month period; or
- (5) any combination of four separate incidents of noncompliance as described in any paragraph 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 subsection (c)(1) of this section unless the landlord notifies the tenant after the 3rd separate occasion within 12 consecutive payment periods that a subsequent incident of noncompliance described in subsection (c)(1) of this section may result in either the immediate termination of the rental agreement or the non-renewal 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, 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.

§7011. Delaware Manufactured Home Relocation Authority.

(a) The Delaware Manufactured Home Relocation Authority ('Authority') is administered by a board of directors made up of nine members, four of whom are appointed by the Governor from a list of at least 10 nominees submitted by the largest not-for-profit association representing manufactured home owners in this State. Of the four, one must be an owner and resident of a manufactured home located in Sussex County, one must be an owner and resident of a manufactured home in Kent County, and one must be the owner and resident of a manufactured home in New Castle County. The fourth must be an owner of, but need not necessarily reside in, a manufactured home located in this State. Another four members are appointed by the Governor from a list of at least 10 nominees submitted by the largest not-for-profit association representing the manufactured home industry in this State. There is no requirement that any of these four members reside in Delaware; however, each member must be either a community owner or an agent or designated representative of a community owner. One additional member is appointed by the Governor from the public-at-large. There is no requirement that the at-large member reside in Delaware. All members of the board of directors serve for 6-year terms. Each term ends on June 30. The terms are staggered so that no more than the terms of 3 members end on any June 30.

(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, receipts and disbursements, personnel, rental of 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 monies 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 75% of the board members.
- (c) The Authority's board of directors shall:
- (1) adopt a plan of operation and articles, bylaws, and operating rules;
 - (2) establish procedures under which applicants for payments from the Authority may be approved;
 - (3) authorize payments and adjust, eliminate, or reinstate the Trust Fund assessment established in §7012 of this subchapter only if a minimum of 75% of the members of the board of directors approve the payments or assessments.
- (d) The Authority and its board of directors may:
- (1) sue or be sued;
 - (2) 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 subchapter.

§7012. Delaware Manufactured Home Relocation Trust Fund.

(a) The Delaware Manufactured Home Relocation Trust Fund (Trust Fund) is established in the Consumer Protection Unit of the Attorney General's Office 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 monies in the Trust Fund must be deposited into the Trust Fund.

- (b) Monies in the Trust Fund may be expended only:
- (1) to pay the administrative costs of the Authority; and

- (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.
- (c) The Trust Fund terminates on July 1, 2014 unless terminated sooner or extended by the General Assembly.
- (d) The cap on the Trust Fund is \$10 million. The cap may be adjusted, 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 subchapter.
- (e) If the Trust Fund ceases to exist, the funds held at the time of dissolution must be liquidated as follows:
 - (1) 50% 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
 - (2) 50% 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) 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, or reinstate the assessment, and shall notify landlords and tenants of each adjustment, elimination, or reinstatement pursuant to Board regulations. If the board does not adopt an adjusted assessment on or before January 31, 2006, the board shall eliminate the fee in its entirety.
 - (2) One-half of the monthly assessment set pursuant to paragraph (1) of this subsection is the obligation of the tenant of the rented lot, and one-half 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 landlord the tenant's portion of the assessment as additional rent is grounds for termination of the rental agreement pursuant to §7010A of this subchapter. The board of directors may place a lien against the property of any person who is required to pay the assessment to the Trust Fund, but fails to do so. 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.

§7013. Relocation expenses; payments for non-relocatable homes.

(a) If a tenant is required to relocate due to a change in use of the land in a manufactured home community as set forth in §7010(b) 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 maximum relocation payment, which must be established by the Authority's board of directors. The determination by the board of the amount of a relocation payment is final and may not be appealed.

(b) A tenant is not entitled to compensation for relocation under subsection (a) of this section if:

- (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;
- (2) the tenant is vacating the manufactured home community and so informed the landlord before notice of the change in use was given;
- (3) the tenant abandons the manufactured home as set forth in subsection (g) of this section; or
- (4) the tenant has failed to pay the tenant's share of the Trust Fund assessment during the course of the tenancy.

(c) Compensation for non-relocatable homes.

- (1) A tenant is entitled to compensation from the Trust Fund for his or her 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 shall establish criteria for determining whether a home can or cannot be relocated. The criteria must include:

- (i) availability of a replacement home site; and
- (ii) feasibility of physical relocation.

(2) If the board determines that a manufactured home cannot be relocated pursuant to paragraph (1) of this subsection, the board shall provide compensation to the tenant. The amount of compensation, as determined by a 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 and which may be adjusted from time to time by the Board, to be paid in exchange for the title of the non-relocatable manufactured home. Prior to receiving payment for a non-relocatable home, the tenant must deliver to the 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 shall then relinquish the title to the landlord to facilitate the removal and/or disposal of the home from the manufactured home community. For the purpose of compensation to the landlord pursuant to §7014 of this subchapter, a home that cannot be relocated is deemed abandoned. The determination of the board as to the amount of compensation is final and may not be appealed.

(d) Except as provided for abandonment in 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:

- (1) a copy of the notice of termination or nonrenewal of the rental agreement due to change in use of land, as required by §7010(b)(1) of this subchapter; and
- (2) a contract with a licensed moving or towing contractor for the moving expenses for the manufactured home.

(e) 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) In lieu of collecting payment from the Trust Fund pursuant to subsection (a) of this section, a tenant may abandon the manufactured home in the manufactured home community and collect from the Trust Fund \$1,500.00 for a single-section home or \$2,500.00 for a multi-section home, as long as the tenant delivers to the Authority a current State

of Delaware title to the manufactured home duly endorsed by the owner or owners of record, valid releases of all liens shown on the title, and a tax release.

§7014. Payment of funds to landlord for removal and/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 of a non-relocatable or abandoned manufactured home pursuant to §7013(c) and (f) of this subchapter.

(b) Payment for removal and/or disposal of a manufactured home pursuant to subsection (a) of this section must be authorized by the Authority and made in the form of a voucher issued to the Consumer Protection Unit of the Attorney General's Office, directing the Unit to issue a check in a designated amount to the landlord.

(c) If the Trust Fund does not have sufficient monies to make a payment to a landlord pursuant to 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 monies come into the Trust Fund.

(d) If a landlord realizes a profit from the removal and/or disposal 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 tenants' share as required by §7012(f)(2) of this subchapter.

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

§7015. Payment of funds to homeowners.

(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 Consumer Protection Unit of the Attorney General's Office, directing the Unit to issue a check in a designated amount to the named tenant.

(b) If the Trust Fund does not have sufficient monies to make a payment to a tenant pursuant to 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 monies 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, or other document required under this section which is false or contains a material misstatement of fact.

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

Following a determination by a court of competent jurisdiction that a landlord is entitled to possession of a rented lot in a manufactured home community, if the tenant continued in and/or continues in possession of the lot after the date of termination, expiration, or non-renewal of the rental agreement without the consent of the landlord, the tenant is liable for, and the landlord is entitled to receive, a payment of double the periodic rent under the terminated, expired, or non-renewed rental agreement, but only if the tenant held over and/or holds over in bad faith. Double-rent is computed and prorated for each day the tenant remained in and/or remains in possession of the lot after the date on which the rental agreement terminated, expired, or was not renewed. 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 remains in possession of the lot after the date on which the rental agreement terminated, expired, or was not renewed.

§7017. Effect of unsigned rental agreement; persons serving in the armed forces

(a) If the landlord does not sign a written rental agreement which has been signed and tendered to him or her 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 him or her 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. A landlord may not include a provision in a rental agreement with a person serving in the armed forces of the United States that the person provide more than 2 weeks advance notice to the landlord of the person's intention to terminate the rental agreement in the event that the person's military orders for reassignment do not provide the person with more than 2 weeks notice of transfer.

(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.

§7018. 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 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, 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 the effective date of this subchapter must be immediately escrowed pursuant to paragraph (1) of this subsection. A security deposit paid as provided for in an existing rental agreement signed prior to the effective date of this subchapter must be escrowed pursuant to paragraph (1) of this subsection on or before June 30, 2005.

(c) The purposes of a security deposit are:

- (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;
- (2) to pay a landlord for all rent, rent arrearage, fees, charges, Trust Fund assessments, and other monies due and owed to the landlord by the 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 §7009 of this subchapter.

(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 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 one 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 non-pet security deposit.
- (2) If a non-pet security deposit is insufficient to cover non-pet damages described in 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), 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 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.
- (j) Notwithstanding any provisions of this title to the contrary, if provided for in the rental agreement, a landlord may collect from a tenant as an additional security deposit an amount not to exceed the amount charged in one normal billing period for any governmental mandated charge which is the responsibility of the tenant, but becomes the responsibility of the landlord if not paid by the tenant. The additional security deposit is subject to subsections (b), (d), (e), (f), and (g) of this section.

§7019. 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, 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;
- (2) promoting the residents' quiet enjoyment;

- (3) preserving the property values of tenants and/or landlords;
- (4) promoting the orderly and efficient operation of the manufactured home community;
- (5) preserving the tenants' and/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 sixty (60) days after the landlord delivers to the tenant written notice of the amended rule, whichever is later.

- (1) Within ten (10) days of the landlord's notice of an amended rule, a committee, not to exceed five 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.

§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, 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 paragraph (1) of this subsection.

(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 his or her 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 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 ten (10) days of a written request from the tenant, re-evaluate the home in a reasonable and fair manner.

(d) A standard promulgated pursuant to subsection (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 pursuant to subsection (a), (b), or (c) of this section, but an established or amended standard promulgated pursuant to subsection (b) or (c) of this section is not effective until the date specified in the established or amended standard or sixty (60) days after the landlord delivers to the tenant written notice of the established or amended standard, whichever is later.

- (1) Within ten (10) days of the landlord's notice of the established or amended standard, a committee, not to exceed five 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. Manufactured home transfer; rented lot transfer.

(a) This section governs the sale or transfer of title of a manufactured home which the buyer or transferee intends to retain in the manufactured home community.

(b) A rental agreement for a lot in a manufactured home community is not transferable from the tenant who owns the manufactured home on the lot to the buyer or transferee to whom the tenant intends to sell or transfer title to the home, unless the home qualifies for retention in the manufactured home community according to written standards promulgated pursuant to §7020 of this title, and unless the landlord accepts the buyer or transferee as a tenant. Acceptance or rejection of a buyer or transferee under this subsection must be on the same basis by which the landlord accepts or rejects any prospective tenant. A landlord who rejects a prospective tenant must give the rejected prospective tenant a written statement that explains the cause for the rejection.

(c) A tenant who owns a manufactured home in a manufactured home community and plans to sell 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 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. Failure on the part of a tenant to so notify the landlord is grounds for termination of the tenant and landlord's rental agreement by the landlord.

(d) If a landlord accepts a prospective tenant, the transfer of an existing rental agreement must be completed using one of the following two methods. The selection of the method is at the exclusive discretion of the tenant/seller of the manufactured home, and the buyer is bound by that selection.

- (1) The tenant/seller agrees to an assignment of the lease to the buyer, 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.

If this option is elected, the existing rental agreement between the tenant/seller and the landlord is simultaneously assigned by the tenant-seller and assumed by the buyer and the buyer becomes the new tenant. Upon the sale, assignment, and assumption, the landlord will amend the existing rental agreement and list the buyer as the new tenant.

- (2) The tenant-seller chooses to terminate the existing rental agreement. The buyer may 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 option is elected, the existing rental agreement is terminated upon the execution of the new rental agreement.

(e) Notwithstanding the provisions of this section and of §7020 of this subchapter, 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 §7020 of this subchapter 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 his or her 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 subsection (e) of this section is subject to a summary possession proceeding pursuant to Chapter 57 of this title.

§7023. 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:

- (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 or a violation of a housing, health, building, sanitation, or other applicable statute or regulation;
- (2) an enforcement authority has instituted an enforcement action based on a complaint by the tenant for a violation of this subchapter or a violation of a housing, health, building, sanitation, or other applicable statute or regulation with respect to the premises;
- (3) the tenant has formed or participated in a manufactured home tenants' organization or association;
or
- (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 paragraphs 1 through 4 of subsection (b) 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:

- (1) the landlord had due cause for termination of the rental agreement pursuant to this subchapter and gave the required notice to the 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;
- (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
- (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.

§7024. Delivery of written notice.

(a) Unless otherwise specified, notice required by this subchapter 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 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, 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 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 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 US 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.

§7025. Enforcement.

A violation of a provision of this subchapter by a landlord is within the scope of the enforcement duties and powers of the Consumer Protection Unit, or its successor, of the Attorney General's Office.

§7026. Sale or rent of manufactured home community.

A manufactured home community owner shall notify the tenants of the manufactured home community within 20 days of the owner's acceptance of any *bona fide* offer to buy or rent the community.

§7027. Change of use; conversion.

This subchapter governs a change in use of a manufactured home community, as described in §7010(b) of this subchapter, 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."

Section 3. Amend §5702(11), Title 25 of the Delaware Code by striking the phrases "mobile home lots" and "Mobile Home Lots and Leases Act" as they appear therein and by substituting in lieu thereof respectively the following: "manufactured home lots" and "Manufactured Home Owners and Community Owners Act".

Section 4. The presence of an unenforceable provision in a manufactured home community lot rental agreement which exists because a statutory provision was changed by this Act and so exists when this Act takes effect does not constitute a punishable offense as long as the landlord makes no attempt to enforce the unenforceable provision.

Section 5. Amend Title 25 of the Delaware Code by striking the descriptive heading of Chapter 71 of Title 25 and substituting in lieu thereof:

"Conversion of Manufactured Home Communities to Manufactured Home Condominium or Cooperative Communities"

Section 6. Amend §7101, Title 25 of the Delaware Code by striking §7101 in its entirety and by substituting in lieu thereof the following:

"This chapter provides a procedure for the orderly transition of a manufactured home community from single-unit rental to multiple-unit usage as a manufactured home condominium or cooperative community."

Section 7. Amend §7102(6), Title 25 of the Delaware Code by striking §7102(6) in its entirety and substituting in lieu thereof the following:

"(6) 'Multiple-unit usage' means use as a manufactured home condominium or cooperative community."

Section 8. Amend Chapter 71, Title 25 of the Delaware Code by striking the word "mobile" wherever it appears and substituting in lieu thereof in each place the word "manufactured"; and by striking the word "park" or "parks" wherever it appears and substituting in lieu thereof in each place the word "community" or "communities" respectively.

Section 9. This Act is effective 90 days after its enactment into law.

Section 10. Severability clause.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and, to that end, the provisions of this Act are declared to be severable.

Section 11. Promissory notes and other financial obligations of the Delaware Manufactured Home Relocation Authority are the sole obligation of the Authority, are not backed by the full faith and credit of the State, and may under no circumstances be transferred to the State.