An Act to Protect Residents Living in Mobile Home Parks

Add an emergency preamble

<u>Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective</u> until 90 days after adjournment unless enacted as emergencies; and

Whereas, current law requires a mobile home park owner who intends to accept an offer to purchase the mobile home park to notify the mobile home owners in the park and gives the mobile home owners time to make an offer to purchase the mobile home park;

Whereas, current law allows the mobile home park owner to reject an offer from at least 51% of the mobile home owners to purchase the park even if the offer is at same price and substantially similar conditions as the offer the mobile home park owner intends to accept;

Whereas, the sale of mobile home parks as part of an investment portfolio is increasing in the State and often results in an increase in lot rent and fees to the mobile home owners who live in the park;

Whereas, this increase in rent and fees is reducing the affordability of mobile home ownership further exacerbating the housing crisis in the State;

Whereas, currently mobile home park owners are considering competing offers fo the sale of the park as part of an investment portfolio and from a group of mobile home owners;

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health, and safety; now therefore,

Amend Sec. 1 of indicated below

- **Sec. 1. 10 MRSA §9094-A, sub-§1,** as repealed and replaced by PL 2023, c. 378, §1, is amended to read:
- 1. Notice required. The owner of a mobile home park shall give <u>written</u> notice of the intent to sell the mobile home park to each owner of a mobile home in the mobile home park and to the Maine State Housing Authority. The owner of the mobile home park may not make a final unconditional acceptance of an offer for the sale of the mobile home park earlier than the 60th 90th day after the date the notice-was mailed as required by this subsection containing the information required by paragraph B, subparagraph 2 is mailed as required by this subsection and received by the Maine State Housing Authority. The notice must include:
 - A. A statement that a group of mobile home owners or a mobile home owners' association of the mobile home park <u>has a right of first refusal to purchase the mobile home park and</u> may make an offer to purchase the mobile home park within 60 90 days of the <u>mailing date of the notice date the notice containing the information required by paragraph B, subparagraph 2 is mailed as required by this section and received by the Maine State Housing Authority owner receives an offer to purchase the mobile home park that the owner intends to accept; and</u>

B. Either:

(1) The price, terms and conditions for which the owner of the mobile home park intends to sell the mobile home park; or

(2) The price, terms and conditions of any acceptable offer the owner of the mobile home park has received for the mobile home park, including a signed copy of the written offer that contains a description of the property. The owner may redact the name, address, contact information or other identifying information of the party making the offer. If the owner of the mobile home park intends to accept an offer to purchase the park as part of a portfolio transaction, the price, terms and conditions specific to the mobile home park must be specified in the notice required by this section.

The notice must be mailed by certified mail, return receipt requested, to each mobile home owner at the mobile home owner's home address and to the Maine State Housing Authority.

Amend Sec. 2 as indicated below

Sec. 2. 10 MRSA §9094-A, sub-§3-A, as enacted by PL 2023, c. 378, §4, is amended to read:

3-A. Group of mobile home owners or a mobile home owners' association purchase. The owner of a mobile home park shall consider any offer received before the 60th 90th day after the date the notice was mailed as required by subsection 1 from a group of mobile home owners or a mobile home owners' association, received by the 90th day after the date the notice containing the information required by subsection 1, paragraph B, subparagraph 2 is mailed as required by subsection 1 and received by the Maine State Housing Authority as long as the mobile home owners of at least 51% of the mobile homes in the mobile home park that are occupied by the mobile home owner or a family member of the mobile home owner sign a petition or otherwise indicate in writing that they support making the offer. The owner of the mobile home park shall negotiate in good faith with the group of mobile home owners or the mobile home owners' association concerning a purchase pursuant to an offer made under this subsection. For the purposes of this subsection, negotiating in good faith does not require the owner of a mobile home owners' association. An offer made by the group of mobile home owners or the mobile home owners' association. An offer made by the group of mobile home owners or the mobile home owners' association must include a purchase and sale agreement.

A. If the proposed purchase and sale agreement from the group or association of mobile home owners matches the price and substantially the same terms and conditions of the offer the mobile home park owner has conditionally accepted or plans to accept, the group or association of mobile home owners shall have the right to purchase the mobile home park at the price, terms and conditions stated in its purchase and sale agreement.

- B. A mobile home park owner may not unreasonably refuse to enter into or unreasonably delay the execution or closing on a purchase agreement with the group or association of mobile home owners which has proposed a bona fide purchase and sale agreement to meet the price and substantially equivalent terms and conditions of an offer for which notice is required to be given under this section.
- C. A mobile home park owner shall not reject a proposed purchase and sale agreement solely on the basis of its inclusion of a financing contingency.
- <u>D.</u> A group or association of mobile home owners may not be required to pay a non-refundable deposit at the time of execution of a purchase and sale agreement.
- E. If the owner of the mobile home park accepts the offer of the group of mobile home owners or the mobile home owners' association, the group of mobile home owners or the mobile home owners' association must obtain appropriate financing and a commercially reasonable time to close on the sale before the 90th day after the execution date of the purchase and sale agreement.

F. If the group of mobile home owners or a mobile home owners' association fails to arrange all necessary financing during this 90-day period, or such longer period as the parties may agree to, or fails to close on the sale in compliance with the purchase and sale agreement executed by the parties, the mobile home park owner has no further duties under this section with respect to the proposed sale, lease or transfer of the mobile home park.

G. If a mobile home park owner provides notice and purchase opportunity required by this section but it does not result in a purchase and sale agreement between the mobile home park owner and the mobile home owner group or association, and the mobile home park owner then offers the mobile home park for sale at a different price or with different terms and conditions, or receives an offer at a different price or with different terms and conditions that the mobile home park owner intends to accept, the requirements of this section shall apply separately to that subsequent offer.

Delete Sec. 3 of the bill

Sec. 3. 10 MRSA §9094-B is enacted to read:

§9094-B. Restrictions on mobile home park change of use; notice; tenant relocation

If the mobile home park owner intends to change the use of the mobile home park in a manner that would terminate the tenancy of an owner of a mobile home within the mobile home park, the mobile home park owner shall comply with the provisions of this section.

- 1. Notice. The mobile home park owner shall give written notice to each owner of a mobile home in the mobile home park and to the Maine State Housing Authority, by certified mail, return receipt requested, of the mobile home park owner's intent to change the use of the mobile home park at least 90 days prior to the change in use.
- 2. Tenant relocation. The mobile home park owner shall facilitate the relocation of the mobile homes in the mobile home park within a 25-mile radius at the mobile home park owner's expense.

The mobile home park owner may not change the use of the mobile home park in a manner that will terminate the tenancy of an owner of a mobile home in the park until all tenants have been relocated.

Add new Sec. 3 as indicated below

Sec. 3. 10 MRSA §9094-A, sub-§6 is enacted to read:

- 6. Assignment of rights. A group or association of mobile home owners that has rights under this section may, upon a majority vote, assign its rights to the following entities provided the entity agrees to continue operating the property as a mobile home park:
 - 1. The municipality in which the mobile home park is located;
 - 2. The Maine State Housing Authority or a municipal housing authority established under Title 30-A, section 4721 whose area of operation, as defined in Title 30-A, section 4702, subsection 1, includes the municipality in which the mobile home park is located; or
 - 3. A nonprofit organization.

Add an emergency clause

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.