

SENATE BILL 1005

N1

7lr1407

By: **Senator Jennings**

Introduced and read first time: February 3, 2017

Assigned to: Judicial Proceedings and Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Mobile Home Parks – Rent Increases**

3 FOR the purpose of requiring a certain owner of a mobile home park to provide written
4 notice of any increase in the annual rent for a site in the park to a certain resident,
5 a certain homeowners association, and the Division of Consumer Protection in the
6 Office of the Attorney General a certain amount of time before the effective date of
7 the increase; requiring the notice to include certain information or the park owner
8 to make certain information available on request to a certain resident, a certain
9 homeowners association, and the Division; authorizing an increase in annual rent to
10 exceed an increase in a certain index only under certain circumstances; prohibiting
11 a rent increase from incorporating or being based on certain costs; requiring a park
12 owner to schedule a certain meeting within a certain time period and provide certain
13 information if a proposed rent increase exceeds the increase in a certain index;
14 authorizing the continuation of a certain meeting under certain conditions;
15 authorizing the Division to require a park owner who increased a certain rent by
16 more than a certain amount without prior approval to reduce the rent by a certain
17 amount and refund any unauthorized collected rent with interest; requiring the
18 Division to maintain certain information on its Web site; defining certain terms;
19 providing for the application of this Act; and generally relating to rent increases in
20 mobile home parks.

21 BY repealing and reenacting, without amendments,
22 Article – Real Property
23 Section 8A–101(f), (g), (h), and (j)
24 Annotated Code of Maryland
25 (2015 Replacement Volume and 2016 Supplement)

26 BY adding to
27 Article – Real Property
28 Section 8A–203
29 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2015 Replacement Volume and 2016 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Real Property

8A–101.

(f) “Park owner” means any person who has interest in the park and includes any person acting as the agent of a park owner as to the managerial or operations acts taken as the agent of the owner.

(g) “Premises” means any:

(1) Lot, plot, site, or parcel in the park; or

(2) Building, structure, or mobile home in the park.

(h) “Rent” means any money or other consideration given for the right of use, possession, and occupancy of the premises.

(j) (1) “Resident” means a mobile home owner who leases or rents a site for residential use and resides in a mobile home park.

(2) “Resident” includes a person who maintains a permanent residence with the mobile home owner, and who obtains title to the mobile home after the death of the owner under the terms of a will or by operation of law.

8A–203.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CPI–U INCREASE” MEANS THE AVERAGE ANNUAL INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, OR ANY SUCCESSOR INDEX, FOR THE PRECEDING 36–MONTH PERIOD FOR THE GEOGRAPHIC REGION IN WHICH THE MOBILE HOME PARK IS LOCATED.

(3) “DIVISION” MEANS THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL.

(B) THIS SECTION DOES NOT APPLY TO A RESIDENT–OWNED PARK.

1 **(C) (1) AT LEAST 90 DAYS BEFORE AN INCREASE IN THE ANNUAL RENT**
2 **FOR A SITE GOES INTO EFFECT, A PARK OWNER SHALL PROVIDE WRITTEN NOTICE**
3 **OF THE INCREASE TO:**

4 **(I) EACH RESIDENT AFFECTED BY THE RENT INCREASE;**

5 **(II) ANY HOMEOWNERS ASSOCIATION THAT HAS A MEMBER**
6 **AFFECTED BY THE RENT INCREASE; AND**

7 **(III) THE DIVISION.**

8 **(2) (I) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**
9 **SUBSECTION SHALL IDENTIFY ALL AFFECTED RESIDENTS BY LOT NUMBER, NAME,**
10 **OR GROUP.**

11 **(II) IF THE NOTICE DOES NOT IDENTIFY AFFECTED RESIDENTS**
12 **BY NAME, THE PARK OWNER SHALL MAKE THE NAMES AND ADDRESSES OF THE**
13 **AFFECTED RESIDENTS AVAILABLE ON REQUEST TO AN AFFECTED RESIDENT, A**
14 **HOMEOWNERS ASSOCIATION THAT HAS AN AFFECTED RESIDENT AS A MEMBER, OR**
15 **THE DIVISION.**

16 **(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE INCREASE IN THE**
17 **ANNUAL RENT FOR A SITE MAY EXCEED THE CPI-U INCREASE ONLY IF:**

18 **(1) WITHIN THE PRECEDING 12-MONTH PERIOD, THE PARK OWNER**
19 **HAS NOT BEEN FOUND TO HAVE VIOLATED ANY PROVISION OF THIS TITLE IN A**
20 **MANNER THAT:**

21 **(I) THREATENED THE HEALTH OR SAFETY OF ANY RESIDENT,**
22 **VISITOR, OR GUEST; AND**

23 **(II) CONTINUED FOR 14 OR MORE DAYS AFTER THE DAY THE**
24 **PARK OWNER RECEIVED NOTICE OF THE VIOLATION; AND**

25 **(2) THE RENT INCREASE DIRECTLY RELATES TO THE COST OF**
26 **OPERATING, MAINTAINING, OR IMPROVING THE PARK AND IS BASED ON AT LEAST**
27 **ONE OF THE FOLLOWING FACTORS:**

28 **(I) THE COSTS OF COMPLETING CAPITAL IMPROVEMENTS OR**
29 **REHABILITATION WORK IN THE PARK OTHER THAN ORDINARY REPAIRS,**
30 **REPLACEMENT, OR MAINTENANCE;**

31 **(II) CHANGES IN PROPERTY OR OTHER TAXES;**

1 (III) CHANGES IN CHARGES FOR UTILITY SERVICES;

2 (IV) CHANGES IN INSURANCE COSTS OR FINANCING;

3 (V) CHANGES IN OPERATING AND MAINTENANCE EXPENSES,
4 INCLUDING EXPENSES RELATING TO EMPLOYEES, WATER SERVICE, WASTE
5 TREATMENT OR DISPOSAL, AND TRASH COLLECTION;

6 (VI) REPAIRS MADE NECESSARY BY CIRCUMSTANCES OTHER
7 THAN ORDINARY WEAR AND TEAR; OR

8 (VII) CHANGES IN MARKET RENT.

9 (E) AN INCREASE IN ANNUAL RENT MAY NOT:

10 (1) INCORPORATE ANY COSTS ASSOCIATED WITH A CIVIL PENALTY,
11 CRIMINAL FINE, OR RENT-RELATED LITIGATION; OR

12 (2) BE BASED ON ANY COST OF CAPITAL IMPROVEMENTS OR
13 REHABILITATION WORK THAT HAS BEEN FULLY RECOVERED THROUGH A PREVIOUS
14 RENT INCREASE.

15 (F) (1) IF A PROPOSED INCREASE IN ANNUAL RENT EXCEEDS THE CPI-U
16 INCREASE, THE PARK OWNER SHALL SCHEDULE AT LEAST ONE MEETING WITH THE
17 AFFECTED RESIDENTS AND ANY HOMEOWNERS ASSOCIATION THAT HAS AN
18 AFFECTED RESIDENT ON THE REASONS FOR THE INCREASE:

19 (I) ON A DAY AND AT A TIME AND PLACE DETERMINED BY THE
20 PARK OWNER, CONVENIENT TO ALL PARTIES, AND APPROVED BY THE DIVISION; AND

21 (II) WITHIN 30 DAYS AFTER THE MAILING OF THE NOTICE
22 REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

23 (2) AT OR BEFORE THE MEETING, THE PARK OWNER SHALL:

24 (I) PROVIDE A WRITTEN DESCRIPTION OF ALL MATERIAL
25 FACTORS USED TO DETERMINE THE INCREASE IN THE RENT AMOUNT;

26 (II) IF MARKET RENT IS A MATERIAL FACTOR, PROVIDE THE
27 RANGE, MEAN, AND MEDIAN OF RENTAL RATES USED AND SPECIFY:

1 1. **WHETHER COMPARABLE RENTS WERE DETERMINED**
2 **AT ARM'S LENGTH; AND**

3 2. **THE TIME RELEVANCE OF THE DATA; AND**

4 (III) **MAKE AVAILABLE FINANCIAL AND OTHER RELEVANT**
5 **DOCUMENTS AND INFORMATION SUPPORTING THE DECISION TO INCREASE THE**
6 **RENT AMOUNT.**

7 (3) **(I) THE PARK OWNER AND AT LEAST ONE AFFECTED RESIDENT**
8 **OR APPLICABLE HOMEOWNERS ASSOCIATION MAY AGREE IN WRITING TO CONTINUE**
9 **A MEETING ON A SPECIFIED FUTURE DATE IF APPROVED BY THE DIVISION.**

10 (II) **WITHIN 2 BUSINESS DAYS AFTER SIGNING A WRITTEN**
11 **AGREEMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE PARK OWNER**
12 **SHALL PROVIDE A COPY OF THE SIGNED AGREEMENT TO THE DIVISION.**

13 (G) **THE DIVISION MAY REQUIRE A PARK OWNER WHO INCREASED A**
14 **RESIDENT'S ANNUAL RENT BY AN AMOUNT THAT EXCEEDS THE CPI-U INCREASE**
15 **WITHOUT PRIOR APPROVAL OF THE DIVISION IMMEDIATELY TO:**

16 (1) **REDUCE THE RENT TO THE RENT AMOUNT IN EFFECT BEFORE THE**
17 **UNAUTHORIZED INCREASE; AND**

18 (2) **REFUND TO THE AFFECTED RESIDENT ANY UNAUTHORIZED**
19 **COLLECTED RENT WITH INTEREST.**

20 (H) **THE DIVISION SHALL MAINTAIN ON ITS WEB SITE INFORMATION ON ANY**
21 **CPI-U INCREASE.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2017.