

HOUSE BILL NO. 1397

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Krizek)

A BILL to amend and reenact §§ 55.1-1308.1 and 55.1-1308.2 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 55.1-1308.3, 55.1-1308.4, and 55.1-1308.5, relating to Manufactured Home Lot Rental Act; manufactured home park; notice of sale; relocation expenses; right of first refusal for locality.

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 55.1-1308.1 and 55.1-1308.2 of the Code of Virginia are amended and reenacted and the Code of Virginia is amended by adding sections numbered 55.1-1308.3, 55.1-1308.4, and 55.1-1308.5 as follows:**

**§ 55.1-1308.1. Sale of manufactured home park to developer; relocation expenses.**

~~If the termination of a rental agreement is due to the sale of the manufactured home park to a buyer that is going to redevelop the park and change its use, the landlord shall provide to each manufactured home owner in the park \$2,500 \$5,000 in relocation expenses within the 180-day notice period provided for in subsection B of § 55.1-1308 for the purpose of removing the manufactured home from the park. For manufactured home parks located in Planning District 8, the landlord shall provide to each manufactured home owner in the park \$3,500 in relocation expenses within the 180-day notice period provided for in subsection B of § 55.1-1308 for the purpose of removing the manufactured home from the park. Such relocation expenses shall be subject to a written agreement between the landlord and the manufactured home owner to remove the manufactured home from the park. Notwithstanding any other provision of law, a landlord shall not be subject to any other requirement under a zoning ordinance or conditional use or other permit under Title 15.2 to pay additional funds or provide additional financial assistance to a~~

26 ~~manufactured home owner if a rental agreement is terminated due to the sale of the manufactured home~~  
27 ~~park to a buyer that is going to redevelop the park and change its use.~~

28 **§ 55.1-1308.2. Right of first refusal for locality.**

29 A. This section does not apply to the sale of a manufactured home park to the manufactured home  
30 park owner's family by blood or marriage or to a person or entity that owns a portion of the manufactured  
31 home park at the time of the offer or listing of such manufactured home park for sale.

32 B. A manufactured home park owner who offers or lists the park for sale to a third party shall  
33 provide written notice containing the date on which the notice is sent and the price for which the park is  
34 to be offered or listed for sale. Such notice shall be sent to the Department of Housing and Community  
35 Development, which shall make the information available on its website within five business days of  
36 receipt. Such written notice shall also be given to each tenant of the manufactured home park, in  
37 accordance with § 55.1-1202, at least 90 days prior to accepting an offer. A manufactured home park  
38 owner shall consider any offers to purchase received during such 90-day notice period. For purposes of  
39 this section, "third party" does not include a member of the manufactured park owner's family by blood  
40 or marriage or a person or entity that owns a portion of the park at the time of the offer or listing of such  
41 manufactured home park. Nothing shall be construed to require any subsequent notice by the  
42 manufactured home park owner after the written notice provided in this section accepts an offer made in  
43 writing to purchase the manufactured home park from a third party other than an entity described in §§  
44 55.1-1308.3 and 55.1-1308.4 shall accept such offer contingent upon providing the notice and opportunity  
45 to purchase required by this section. Within five business days of entering into a sales contract to sell a  
46 manufactured home park, the manufactured home park owner shall provide notice to the locality in which  
47 such manufactured home park is located of such sales contract and of the locality's right to purchase the  
48 manufactured home park. Such notice shall describe the terms of the sales contract, including the price  
49 and all material terms and conditions of the contract and shall be delivered to the city, town, or county  
50 attorney, if such position exists, otherwise to the mayor, manager, or trustee of, if the locality is a county,  
51 or to its attorney for the Commonwealth. The manufactured home park owner shall also deliver the notice

52 required by this section to the Department of Housing and Community Development, which shall place  
53 the information on its website within five business days of receipt.

54 ~~B. If a manufactured home park owner receives an offer to purchase the park, acceptance of that~~  
55 ~~offer shall be contingent upon the park owner sending written notice of the proposed sale and the purchase~~  
56 ~~price in the real estate purchase contract at least 60 days before the closing date on such purchase contract~~  
57 ~~to the Department of Housing and Community Development, which shall place the information on its~~  
58 ~~website within five business days of receipt. Such written notice shall also be given to each tenant of the~~  
59 ~~manufactured home park. During the 60-day notice period, the park owner shall consider additional offers~~  
60 ~~to purchase the park made by an entity that provides documentation that it represents at least 25 percent~~  
61 ~~of the tenants with a valid lease in the manufactured home park at the time any such offer is made, but~~  
62 ~~shall not be obligated to consider additional offers after the expiration of the 60-day notice period. Nothing~~  
63 ~~shall be construed to require any subsequent notice by the manufactured home park owner after provision~~  
64 ~~of the written notice required by this section.~~

65 C. If, no later than the 90th day following receipt of the notice required by this section, the locality  
66 in which the manufactured home park is located delivers to the manufactured home park owner a proposed  
67 purchase agreement containing the same price and substantially similar terms and conditions as the  
68 purchase agreement of which the manufactured home park owner provided notice pursuant to subsection  
69 B, the locality shall have the right to purchase the manufactured home park at the price, terms, and  
70 conditions stated in its proposed purchase agreement, provided that the purchase agreement contains a  
71 commitment from the locality to preserve the property as a manufactured home park for at least 15 years  
72 following the sale unless a majority of the tenants with a valid lease in the manufactured home park assert  
73 in writing that they consent to the conversion of the manufactured home park to an alternative form of  
74 affordable housing. Such commitment shall also be required of any assignee to which a locality assigns  
75 its rights under subsection F.

76 D. If a manufactured home park owner fails to comply with any requirement set forth in this  
77 section, a locality may bring an action in the circuit court for the locality in which the manufactured home  
78 park is located to enforce the manufactured home park owner's obligations under this section, provided

79 that the manufactured home park is located within the jurisdictional boundaries of the locality and the  
80 locality has notified the manufactured home park owner of its intent to enforce the manufactured home  
81 park owner's obligations under this section. Such enforcement action may include seeking an injunction,  
82 damages, or both.

83 E. If a locality that purchased a manufactured home park pursuant to subsection C gives notice of  
84 its intent to change the use of all or part of the manufactured home park pursuant to subsection B of §  
85 55.1-1308 in violation of the commitment made in the purchase agreement provided to the manufactured  
86 home park owner under subsection C, any person with a valid lease for a lot in the manufactured home  
87 park may file an action in the circuit court for the locality in which the manufactured home park is located  
88 seeking injunctive relief, damages, or both. The prevailing party shall also be entitled to an award of  
89 attorney fees.

90 F. A locality may assign its rights and responsibilities under this section to a corporation designated  
91 as a § 501(c)(3) by the Internal Revenue Service that provides housing or related services to low-income  
92 residents of Virginia.

93 G. If a locality does not exercise or assign the rights provided to it through this section, the locality  
94 shall record with the circuit court of the locality in which the manufactured home park is located an  
95 affidavit submitted to the locality by the seller in which the seller has certified that he has complied with  
96 the requirements of this section. The recordation of such affidavit shall be presumptive evidence of  
97 compliance for purposes of good title in the hands of a bona fide purchaser and failure to record such  
98 affidavit shall be presumptive evidence of noncompliance with this section.

99 H. For purposes of this section, "locality" means the same as that term is defined in § 15.2-102.

100 **§ 55.1-1308.3. Notice of sale to residents.**

101 A. This section does not apply to the sale of a manufactured home park to the manufactured home  
102 park owner's family by blood or marriage or to a person or entity that owns a portion of the manufactured  
103 home park at the time of the offer or listing of such manufactured home park for sale.

104 B. A manufactured home park owner who accepts an offer to purchase the manufactured home  
105 park from a third party shall accept such offer contingent upon providing the notice required by this

106 section. Such notice shall describe the terms of the sales contract, including the price and all material terms  
107 and conditions of the contract and state that the locality has a right of first refusal, and the manufactured  
108 home park owner shall give such notice to each manufactured home park tenant by certified mail and to  
109 each manufactured home in the manufactured home park by personal delivery.

110 C. If the sales contract contains any provision penalizing the manufactured home park owner for  
111 accepting an alternative offer from any entity, formal or informal, including one formed after the issuance  
112 of the notice required by subsection B, that provides documentation that its members include at least 25  
113 percent of the tenants with a valid lease in the manufactured home park, such penalty provision shall be  
114 void and unenforceable.

115 D. If a manufactured home park owner fails to comply with the provisions of this section, any  
116 person with a valid lease for a lot in the manufactured home park may file an action in the circuit court  
117 for the locality in which the manufactured home park is located seeking injunctive relief, damages, or  
118 both. The prevailing party shall also be entitled to an award of attorney fees.

119 **§ 55.1-1308.4. Opportunity to purchase for residents.**

120 A. Notwithstanding any other provision of law, if at any time an entity, formal or informal,  
121 including one formed after the issuance of notices of sale pursuant to §§ 55.1-1308.2 and 55.1-1308.3,  
122 that provides documentation that its members include at least 25 percent of the tenants with a valid lease  
123 in a manufactured home park makes an offer to purchase such manufactured home park, the manufactured  
124 home park owner shall consider such offer and negotiate with such entity in good faith. If the manufactured  
125 home park owner declines to accept such offer, the manufactured home park owner shall do so in writing  
126 and shall state the good faith reasons for such rejection. The written denial shall be provided to one or  
127 more officers of the entity.

128 B. If a manufactured home park owner fails to comply with the provisions of this section, any  
129 person with a valid lease for a lot in the manufactured home park may file an action in the circuit court  
130 for the locality in which the manufactured home park is located seeking injunctive relief, damages, or  
131 both. The prevailing party shall also be entitled to an award of attorney fees.

132 C. All manufactured home park owners shall provide written notice of the rights provided by this  
133 section by mail to each manufactured home park tenant and by personal delivery to each manufactured  
134 home in the manufactured home park at least once each year and shall post written notice of the rights  
135 provided by this section in prominent places around the manufactured home park.

136 **§ 55.1-1308.5. Affidavit of compliance with notice requirements.**

137 A. A seller of a manufactured home park shall record with the circuit court of the locality in which  
138 the manufactured home park is located an affidavit submitted by the seller in which the seller has certified  
139 that he has complied with the requirements of §§ 55.1-1308.3 and 55.1-1308.4. Such affidavit shall include  
140 a copy of the notice sent pursuant to such sections.

141 B. Such affidavit shall be presumptive evidence of compliance for purposes of good title in the  
142 hands of a bona fide purchaser. Failure of a seller of a manufactured home park to record such affidavit  
143 shall be presumptive evidence of noncompliance with this section.

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