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March 13, 2008

Delegate Maggie McIntosh, Chair
Delegate James E. Malone, Jr., Vice-Chair
Environmental Matters Committee
Room 251, House Office Building
Annapolis, MD 21401-1912

Dear Delegates McIntosh and Malone:

Thank you for allowing me to testify yesterday regarding H.B. 1382, which would provide residents of manufactured housing communities the opportunity to purchase their communities. At the hearing, one of the Delegates asked whether there were similar laws in other states.

The answer is yes. A number of states have resident purchase opportunity laws very similar to the bill you are considering. H.B. 1382 would adopt a proven strategy that has enabled thousands of residents to purchase their communities in states across the nation.

New Hampshire requires park owners to give 60 days advance notice to residents whenever the park is sold.¹ In the 20 years since this law was adopted, residents have purchased 88 communities in New Hampshire. At present, over 20% of the parks in the state are resident-owned cooperatives. In 2006 and 2007 alone, 15 parks were converted to resident cooperatives, ranging in size from 15 units to 392 units.

Massachusetts requires a 45-day notice to residents before a park is sold.² This law has enabled residents in about 13 parks to buy their communities. While this is a smaller number in absolute terms than New Hampshire, it represents a substantial percentage of the parks in the state.

¹ N.H. Rev. Stat. Ann. §§ 205-A:21 to 205-A:24.

² Mass. Gen. Laws ch. 140, § 32R

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Delegate James E. Malone, Jr., Vice-Chair
Environmental Matters Committee
March 13, 2008
Page Two

Rhode Island also requires a 45-day advance notice to residents.³ The law has a number of loopholes that impair its effectiveness, but still residents in about 10 parks have purchased their communities – a substantial percentage of the parks in Rhode Island.

Florida requires a 45-day advance notice to residents.⁴ There are approximately 350 resident-owned parks in Florida. As in New Hampshire, these parks range greatly in size; Florida manufactured home owners have purchased large parks containing hundreds of units. Unfortunately, the law has significant loopholes that have resulted in many lost opportunities for residents to purchase their communities.

California requires a 30-day notice to residents.⁵ There are about 100 resident-owned communities in California. California's law would have much greater benefits but for the very short notice period and a number of loopholes.

Vermont requires a 45-day advance notice. Its law is structured to allow non-profit organizations as well as residents to acquire parks. About 40 parks have been converted to either resident ownership or non-profit ownership.

Connecticut, Maine, Minnesota, Nevada, New Jersey, and Oregon also have laws on the books that give residents some opportunity to purchase their community. However, very few parks have been converted to resident ownership in these states. In most of these states, the notice period is either very short or there are enormous exemptions, so it is not surprising that the laws have not been very effective.

Sincerely yours,



Carolyn L. Carter
Attorney

³ R.I. Gen. Laws § 31-44-3.1.

⁴ Fla. Stat. §§ 723.071, 723.075, 723.076.

⁵ Cal. Civ. Code §§ 798.80.