



# Senate

General Assembly

**File No. 194**

January Session, 2023

Substitute Senate Bill No. 988

*Senate, March 23, 2023*

The Committee on Housing reported through SEN. MOORE of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE PURCHASE OF A MOBILE  
MANUFACTURED HOME PARK BY ITS RESIDENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (f) of section 21-70 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective October*  
3 *1, 2023*):

4 (f) (1) Any person or entity making an application to appear before  
5 any municipal, state or federal agency with respect to any matter  
6 changing the land use of a specific mobile manufactured home park  
7 shall give written notice of the application by certified mail with a return  
8 receipt requested and by first class mail with tracking addressed to the  
9 affected units of the park [or] and by personal delivery to the units not  
10 later than seven days after its filing. Such person or entity shall also send  
11 or deliver a copy of such notice to the Department of Housing, the  
12 Connecticut Housing Finance Authority and the Department of  
13 Consumer Protection and to any association of residents of the mobile  
14 manufactured home park which has made a written request for such

15 notice. The notice shall state the reasons for which the application was  
16 filed and shall be sent by certified mail with a return receipt requested.

17 (2) [Except as otherwise provided in subdivision (5) of this  
18 subsection, any] Any mobile manufactured home park owner who  
19 intends to discontinue the use of the land as a mobile manufactured  
20 home park or to sell, lease, or transfer land used as a mobile  
21 manufactured home park to any person [who intends to discontinue its  
22 use as a mobile manufactured home park] shall give written notice by  
23 certified mail with a return receipt requested, by first class mail with  
24 tracking addressed to each mobile manufactured home unit [or] and by  
25 personal delivery to each unit upon such land. [if such transaction will  
26 entail the discontinuance of the use of the land for mobile manufactured  
27 home park purposes.] If an owner of a mobile manufactured home has  
28 given the park owner written notice that the owner resides in a place  
29 other than the owner's unit, notice shall be sent by first class mail to the  
30 address so provided. A copy of such notice shall also be sent to the  
31 Department of Housing, the Connecticut Housing Finance Authority  
32 and the Department of Consumer Protection. The notice shall include a  
33 statement of the residents' rights under this subsection and the  
34 deadlines for exercising such rights. If the notice is based on a sale of the  
35 park, the notice shall also include the price, terms and conditions of the  
36 offer the park owner has conditionally accepted or plans to accept and  
37 a copy of the signed written contract or offer. The notice shall include a  
38 statement advising the recipient of the intended discontinuance of use  
39 or sale, lease or other transfer and [, except as otherwise provided in  
40 subdivision (5) of this subsection,] shall be mailed [or] and delivered at  
41 least one hundred twenty days prior to the discontinuance of the use of  
42 the land as a mobile manufactured home park or the proposed closing  
43 upon the sale of the park, whichever is earlier. The notice may run  
44 concurrently with the notice required by subdivision (3) of subsection  
45 (a) of section 21-80 or subparagraph (E) of subdivision (1) of subsection  
46 (b) of section 21-80. A copy of such notice from the park owner shall be  
47 sent to any association of residents of the mobile manufactured home  
48 park which has made a written request for such notice. A mobile  
49 manufactured home park owner may accept an offer for the sale, lease

50 or transfer of the land before providing a copy of such notice as long as  
51 the agreement is conditioned upon giving the residents the notice and  
52 the opportunity to purchase required by this subsection.

53 (3) [Except as otherwise provided in subdivision (5) of this  
54 subsection, within one hundred twenty] Not later than ninety days after  
55 the notice provided for in subdivision (2) of this subsection has been  
56 mailed, any association representing twenty-five per cent or more of the  
57 units in the park that are occupied by the owners of such units or one or  
58 more of the owner's family members, including an association formed  
59 after the issuance of the notice, may notify the owner of the park that it  
60 is interested in purchasing the mobile manufactured home park. A copy  
61 of such notice may be filed on the land records of the town in which the  
62 mobile manufactured home park is located. If such notice is given,  
63 [except as otherwise provided in subdivision (5) of this subsection,] the  
64 association shall have three hundred sixty-five days after the notice  
65 required in subdivision (2) of this subsection has been given to purchase  
66 the park through negotiation or the method set forth in subdivision (4)  
67 of this subsection, or, if the association proceeds pursuant to subdivision  
68 (5) of this subsection and reaches an agreement with the park owner for  
69 purchase of the park, to close on the sale. Upon the request of the  
70 association, the Department of Housing and the Connecticut Housing  
71 Finance Authority shall assist the association in developing financing  
72 for the purchase of the park.

73 (4) If the association and the park owner cannot agree upon a  
74 purchase price, the association shall have the right to purchase the  
75 property: (A) If the association matches the essential provisions of any  
76 existing bona fide offer to purchase the park made by another potential  
77 purchaser which offer by such other purchaser the owner is prepared to  
78 accept, provided an owner may require such association to pay one  
79 hundred two per cent of the purchase price contained in such bona fide  
80 offer; or (B) if there is no such offer, at a purchase price to be established  
81 by an appraiser chosen by the association and the park owner, and the  
82 park owner shall offer to sell the park to the association at such purchase  
83 price in accordance with this subsection. If the two parties cannot agree

84 upon one appraiser, either party may notify the other, in writing, of such  
85 disagreement, and the association shall choose an appraiser, the park  
86 owner shall choose an appraiser, and the two appraisers shall choose a  
87 third appraiser, which three appraisers shall establish a value of the  
88 park. If the park owner refuses to select an appraiser within fifteen days  
89 of such notice, the Commissioner of Consumer Protection shall choose  
90 an appraiser for the park owner. The costs of all appraisers shall be paid  
91 equally by the association and the park owner. [Except as otherwise  
92 provided in subdivision (5) of this subsection, if,] No park owner shall  
93 unreasonably refuse to enter into, or unreasonably delay the execution  
94 or closing on, a purchase and sale agreement with an association that  
95 has made a bona fide offer to meet the price and substantially equivalent  
96 terms and conditions of an offer for which notice is required to be given  
97 pursuant to this subsection. If, within three hundred sixty-five days  
98 from the mailing of the notice required in subdivision (2) of this  
99 subsection, no agreement for [such sale] the sale of the mobile  
100 manufactured home park signed by the association and the park owner  
101 has been filed upon the land records, or if the association has not filed a  
102 certified statement to purchase the park at the appraised value which  
103 value shall also be certified on the land records by the appraiser or  
104 appraisers, the right provided in this subsection to purchase the park  
105 shall be void and any recorded notice filed pursuant to subdivision (3)  
106 of this subsection shall be void.

107 [(5) In any case in which a mobile manufactured home park with two  
108 hundred or more units in which a majority of residents have been given  
109 written notice, prior to June 10, 1999, of the intended discontinuance of  
110 the use of the land as a mobile manufactured home park, regardless of  
111 whether one or more of such notices or the service of such notices is  
112 subsequently deemed invalid or ineffective, (A) any subsequent notice  
113 of such intended discontinuance that is given or required to be given  
114 after June 23, 1999, by the owner pursuant to this subsection, and (B)  
115 any notice given or action taken pursuant to this subsection after June  
116 23, 1999, by any association representing twenty-five per cent or more  
117 of the units in the park shall be subject to the time limitations contained  
118 in this subsection that were in effect immediately prior to June 23, 1999.]

119 (5) Within the ninety-day time period prescribed by subdivision (3)  
120 of this subsection, an association that meets the requirements of said  
121 subdivision shall have the right to make an offer to purchase the park  
122 without following the method or invoking the rights set forth in  
123 subdivision (4) of this subsection, in which case the association shall so  
124 state when presenting its offer to the park owner. In such case, the park  
125 owner shall have the duty to consider the association's offer and  
126 negotiate with such association in good faith.

127 (6) An association of residents that has the right to purchase under  
128 this subsection may, at its election, assign its purchase rights to the  
129 municipality where such association is located, the housing authority  
130 for its area, an agency of the state or a nonprofit organization for the  
131 purpose of continuing the use of the property as a mobile manufactured  
132 home park.

133 (7) The requirements of subdivisions (2) to (6), inclusive, of this  
134 subsection shall apply separately to each substantially different offer to  
135 sell or purchase a mobile manufactured home park.

136 (8) Subdivisions (2) to (7), inclusive, of this subsection shall not apply  
137 if:

138 (A) The sale, lease or transfer is to a family member of the owner or  
139 to a trust, the beneficiaries of which are family members of the owner;

140 (B) The transfer is by gift, devise or required by operation of law;

141 (C) The sale, lease or transfer is by a partnership to one or more of its  
142 partners;

143 (D) The conveyance of an interest in the park is incidental to the  
144 financing of such park;

145 (E) The lease is the lease of a lot within the mobile manufactured  
146 home park to a person who will live in a mobile manufactured home on  
147 such lot;

148 (F) The sale, lease or transfer is between joint tenants or tenants in  
149 common; or

150 (G) The sale is made by eminent domain.

151 Sec. 2. (NEW) (*Effective October 1, 2023*) An owner of a mobile  
152 manufactured home park who sells such park to residents of the park in  
153 compliance with the requirements of subsection (f) of section 21-70 of  
154 the general statutes, as amended by this act, shall be exempt from the  
155 payment of any state conveyance tax otherwise due based on the sale  
156 price of the park, provided (1) the entity purchasing the mobile  
157 manufactured home park is owned by at least twenty-five per cent of  
158 the residents of the park or an organization exempt from taxation under  
159 Section 501(c)(3) of the Internal Revenue Code of 1986, or any  
160 subsequent corresponding internal revenue code of the United States,  
161 as amended from time to time, and (2) the sale terms require the  
162 guaranteed maintenance of the property as a mobile manufactured  
163 home park.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	21-70(f)
Sec. 2	October 1, 2023	New section

**Statement of Legislative Commissioners:**

In Section 1(f)(1) and (2), "with a" was added before "return receipt requested" for accuracy; in Section 1(f)(3), "it" was changed to "the association" for clarity; in Section 1(f)(4), "except" was changed to "provided" for accuracy, and "offer to" was added before "sell" for accuracy; and in Section 1(f)(4)(B), the sentence beginning "No park owner" was moved for consistency.

**HSG**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
CHFA	Resources of CHFA - Potential Cost	See Below	See Below
Department of Revenue Services	GF - Revenue Loss	Potential	Potential

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in potential costs to the resources of the Connecticut Housing Finance Authority (CHFA) associated with developing financing for more mobile manufactured home park resident associations (“associations”) to purchase their park, to the extent more associations request such assistance and take advantage of CHFA’s program.<sup>1</sup> The bill also results in a potential General Fund revenue loss beginning in FY 24. For reference, in FY 22 there were 192 applications filed with the Department of Consumer Protection for either a new mobile park license or the annual license renewal.

Under current law, if a park owner plans to discontinue use of a park, an association can receive: (1) technical assistance from the Department of Housing (DOH) and (2) assistance financing the purchase through the CHFA’s Mobile Manufactured Home Parks Acquisition Program

<sup>1</sup> CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority pays its operating expenses using funds derived from the excess of interest income from loans over bond interest expenses.

("program").<sup>2</sup> The program is new and has yet to be used.

**Section 1**, among other things, expands the circumstances under which DOH and CHFA are required to assist an association in developing financing for the purchase of their park. The technical assistance provided by DOH staff could be provided to a reasonable number of additional associations at no additional cost. It is anticipated that CHFA's existing program would be expanded under the bill, which could result in increased staff costs for CHFA to the extent the program is utilized.

The program is funded within CHFA's resources, which include a combination of tax-exempt private activity bonds and taxable market-rate bonds. To the extent the expanded program extends the uses of CHFA's resources, there is some possibility of either reduced use of such resources for existing programs or of greater reliance on taxable bonds to increase overall resources available for CHFA's programs. Borrowing through the use of taxable bonds is typically slightly more expensive than the issuance of tax-exempt bonds - it is anticipated that any increase in borrowing costs to CHFA from additional use of taxable bonds would be passed on to residents' associations.

Other mortgage assistance programs administered by CHFA have been supported by General Obligation (GO) bonds. The bill does not authorize new GO bond authorizations for this program, nor expand a GO bond-funded program so no change in General Fund debt service is anticipated from the bill.

**Section 2** exempts certain mobile manufactured home park sales from the state real estate conveyance tax, resulting in a potential General Fund revenue loss beginning in FY 24. The magnitude of the revenue loss is dependent on: 1) the existence and number of exempt conveyances, and 2) the value of the property conveyed.

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<sup>2</sup> Connecticut Housing Finance Authority, August 2022, [Mobile Manufactured Home Parks Acquisition Program Guideline](#)



***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and value of associations taking advantage of the expanded buy-out provisions under the bill.

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**OLR Bill Analysis****sSB 988*****AN ACT CONCERNING THE PURCHASE OF A MOBILE MANUFACTURED HOME PARK BY ITS RESIDENTS.*****SUMMARY**

This bill expands the types of transactions for which a mobile manufactured home park owner must give the park's residents notice and an opportunity to purchase the park before completing the transaction. With certain exceptions, the bill expands this requirement to include all sales, leases, or transfers to another person. Current law's requirement applies only when the owner intends to discontinue its use as a mobile home park or sell it to a person who intends to do so. The bill excepts specified types of transactions from these requirements, including those where the other party is a family member of the owner.

The bill also expands the park owner's notice requirements for a proposed transaction to include three separate notices to the park's residents as well as notice to certain state entities. It moves up the deadline for a resident association to notify the park's owner that it is interested in purchasing the park.

The bill also allows associations to assign purchase rights to the municipality where the park is located, the area housing authority, a state agency, or a nonprofit organization to continue using the property as a mobile home park. It exempts park owners from state conveyance tax if they sell the park to its residents, as long as the (1) entity buying the park is owned by at least 25% of the park's residents or by an 501(c)(3) nonprofit organization and (2) sale terms require the guaranteed maintenance of the property as a mobile manufactured home park.

The bill specifies that its requirements apply separately to each

substantially different purchase or sale offer. Lastly, it repeals obsolete language.

EFFECTIVE DATE: October 1, 2023

**NOTICE**

The bill expands the types of transactions for which a park owner must give notice to generally include all sales, leases, and transfers of the land used as the park. Current law requires notice only when (1) an owner intends to discontinue its use as a mobile home park or sell it to a person who intends do the same and (2) a person applies to appear before a municipal, state, or federal agency to change a mobile home park's land use.

Current law requires applicants for a land use change and park owners to give the required notice by first-class mail or personal delivery. The bill instead requires the applicant or owner to provide notice by both methods and specifies that the first-class mail must have tracking. It also requires the applicant or owner to provide notice by certified mail, return receipt requested.

Current law requires that the notice be provided at least 120 days before discontinuing the park's use as a mobile home park. Under the bill, it must be provided at least 120 days before this occurs or 120 days before the proposed closing upon its sale, whichever is earlier. By law, unchanged by the bill, applicants for a land use change must provide notices within seven days after the filing.

Under current law, the required notice must be given to (1) affected residents, in the case of applications for a land use change, and (2) residents and any residents' association that has made a written request for notice, in the case of discontinuance of use as a park. Under the bill, notice for all covered transactions and applications must be given to affected residents and any residents' associations that request it. The bill also requires an applicant or owner to send or deliver a copy of the notice to the departments of Consumer Protection and Housing (DOH) and the Connecticut Housing Finance Authority (CHFA).

The bill also requires that the notice of any sale, lease, or transfer include a statement of the residents' rights to purchase the park and the deadlines for doing so (see below). If the notice is based on a sale, it must include the price, terms, and conditions and a copy of the signed written contract or offer.

The bill allows park owners to accept a sale, lease, or transfer offer before providing the notice as long as it is conditioned on giving the residents the required notice and opportunity to purchase.

## **PURCHASE**

### ***Notice of Intent***

Existing law gives residents associations 365 days to purchase the park starting when notice is given of a covered transaction. The bill moves up, from 120 days after providing the required notice to 90 days after the notice, the deadline by which an association must notify the owner that it is interested in purchasing the park.

The bill also potentially reduces the number of members needed to form an eligible association. Under current law, an association must represent at least 25% of the park's units in order to be eligible to purchase the park. Under the bill, it must represent at least 25% of the units that are owner-occupied or occupied by one or more of the unit owner's family members.

Existing law requires DOH to assist the association with developing financing. The bill also requires CHFA to do this.

### ***Negotiation***

Under existing law, the residents' association may purchase the park (1) through negotiation or (2) at a price that matches an existing offer or is set by an appraiser (see below). The bill explicitly allows the association, within the 90-day timeframe by which it must notify the owner of its intent to purchase the park, to instead make a purchase offer. It requires the owner to consider the association's offer and negotiate in good faith. Under the bill, an association that makes an offer in the 90-day timeframe has 365 days from the date of the initial notice by the owner to close on the sale.

### **No Price Agreement**

Under current law, if the association and owner cannot agree on a price the association may purchase the property by matching the essential provisions of any existing bona fide offer. The bill allows the owner to require that the association pay 102% of the purchase price in the existing offer.

Existing law also allows the association, if there is no offer, to purchase the park at a price established by an appraiser chosen by the association and owner. The bill explicitly requires the owner to offer to sell the park at the appraiser-determined price. It also prohibits owners from unreasonably refusing to enter, or unreasonably delaying, a purchase and sale agreement with an association that makes a bona fide offer to meet the price and substantially equivalent terms of an offer for which notice must be given.

### **Exceptions**

Under the bill, the mobile home park sales law does not apply to the following:

1. a sale, lease, or transfer (a) to a family member of the owner or a trust whose beneficiaries are the owner's family members, (b) by a partnership to one or more of its partners, or (c) between joint tenants or tenants in common;
2. a transfer by gift, devise, or as required by operation of law;
3. conveying an interest in the park that is incidental to financing the park;
4. the lease of a lot to a person who will live in a mobile home on the lot; or
5. sale by eminent domain.

### **COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 10 Nay 5 (03/02/2023)