

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0108-01  
Bill No.: HB 925  
Subject: Manufactured Housing; Landlords and Tenants; Utilities; Property, Real and Personal  
Type: Original  
Date: February 21, 2017

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Bill Summary: This proposal would establish the Manufactured Home and Mobile Home Residency Law.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of State Courts Administrator**, the **Office of the Attorney General**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

**Oversight** assumes this proposal would have no direct fiscal impact on the state or on local governments.

ASSUMPTION (continued)

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to a small business which operates manufactured or mobile home parks.

FISCAL DESCRIPTION

The proposed legislation would make changes to laws regarding manufactured and mobile homes.

The proposal would require a property owner claiming a lien on an abandoned manufactured or mobile home to post a written notice on the manufactured or mobile home for at least 30 days, in addition to the current certified mail requirement.

Additional fees not listed in the rental agreement could only be imposed after giving the owner of a manufactured or mobile home 90 days notice. The proposal would require such fees to be listed separately from rent and, if applicable, utility fees in the billing statement.

A landlord would be required to provide all owners in the park at least 90 days notice before amending a manufactured or mobile home park's rules and regulations. A landlord could not charge a fee for the enforcement of any of the manufactured or mobile home park's rules, except fees for maintenance or cleanup if the homeowner has failed to comply with the rule 14 days after being notified of the violation.

FISCAL DESCRIPTION (continued)

A manufactured or mobile home park that purchases utilities from a utility company and then sells the utilities to individual homeowners in the park through sub-meters would be required to charge the homeowners the same rate as the utility company. In such circumstances, the park would be responsible for the maintenance and repair of the all pipes, lines, and sub-meters beyond the master-meter. The park would be required to provide itemized billing charges to each homeowner, in a manner similar to a utility company. The utility company would be required to provide the owners with every public safety customer service it would provide a direct customer.

When a manufactured or mobile home park purchases utilities from a utility company and then sells the utilities to individual manufactured or mobile home owners within the park, the utility company would be required to notify the home owners if the park's account was in arrears and service was going to be terminated; and the proposal would specify the recourse for home owners under such circumstances.

A landlord would be required to give 72 hours notice of an interruption in utility service, except in the case of emergencies. Management would be required to post a notice on each affected home.

A landlord and manufactured or mobile home owner would be allowed to enter into a rental or lease agreement that provides for a prearranged monthly flat fee for utilities.

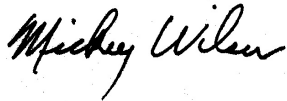
A landlord would be required to provide at least 90 days written notice before increasing the rent of any manufactured or mobile home owner. Any rent increase would also be required to comply with the terms of the lease, if one exists, or it would not apply until after the lease has ended.

The proposal would provide the landlord authority to remove a car from a manufactured or mobile home park after posting a notice on the car's windshield at least 24 hours prior to the removal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Office of the Secretary of State  
Office of the Attorney General  
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 21, 2017

Ross Strobe  
Assistant Director  
February 21, 2017