

SUMMARY OF <u>HB22-1287</u>: PROTECTIONS FOR MOBILE HOME PARK RESIDENTS

SPONSORED BY REP. ANDREW BOESENECKER, REP. EDIE HOOTON, AND SEN. WINTER

Effective October 1st, 2022:

A MORE MEANINGFUL OPPORTUNITY FOR MOBILE HOMEOWNERS TO PURCHASE THEIR PARK:

- Expands the time allotted to homeowners to make an offer to purchase their park from 90 days to 120 days.
- Establishes tolling events that pause the 120 day "opportunity to purchase" timeframe if:

 there is a delay in obtaining financing or an inspection that is outside the homeowners' control;
 homeowners file a complaint about the sales process; or
 homeowners attempt to assign their option to purchase to a nonprofit or public entity.
- Upon assignment from homeowners, provides public entities with a "right of first refusal" to match the best offer a park seller receives to purchase the park.
- Clarifies what is required by park owners to engage in good faith negotiations with homeowners who make an offer to purchase, including requiring that the time period for closing and method for financing the purchase not be considered.

ASSISTANCE FOR DISPLACED PARK RESIDENTS FOLLOWING A PARK CLOSURE:

- Allows a homeowner to receive compensation for being displaced due to a park change in use/closure.
- Homeowners may request one of the following, at the homeowner's discretion: (1) reimbursement for relocation costs (i.e., moving expenses) within 100 miles; or (2 purchase of the mobile home for the greater of its in-place fair market value or the fixed amount of \$7,500 (single wide home) or \$10,000 (double wide home), which will increase with inflation.

EXPANDED AND MORE EQUITABLE OPTIONS FOR ENFORCING COLORADO'S MOBILE HOME PARK ACT:

- Prohibits park owners from increasing rents if they have not registered with the state, owe penalties, or have failed to comply with an order from Division of Housing.
- Allows the Office of the Attorney General to enforce the CO Mobile Home Park Act.
- Authorizes the Division of Housing to order minimum penalties, pursue injunctive or other relief in court, and issue cease and desist orders in response to legal violations committed by a park owner. The Division may investigate potential violations on its own initiative.

- Expands access to justice for homeowners by allowing them to pursue nonfrivolous claims without the risk of incurring liability for a park owner's legal fees, and without being required to pay bond to the court as a condition for bringing a lawsuit.
- Beginning by July 1, 2024, allows non-homeowner residents (i.e. renters), nonprofits, and local governments to file complaints with the Division of Housing.

PROTECTIONS TO STRENGTHEN THE FINANCIAL SECURITY AND QUALITY OF LIFE FOR PARK RESIDENTS:

- Clarifies prohibitions against, and penalties in the event of, a park owner threatening baseless evictions, misleading a homeowner into signing a new lease agreement, or retaliating against residents for organizing activities.
- Strengthens protections to prevents park owners from unreasonably interfering with a homeowner's right to sell their house.
- Prevents a park owner from enforcing expensive or onerous park rules related to the mobile home itself unless the rules are agreed upon by a homeowner or homeowner's association, the rule is strictly necessary to comply with a law, or strictly necessary to protect the health and safety of park residents. If necessary for health/safety, the rule must also provide the protection at the lowest expense to homeowners as reasonably possible.
- Requires park owners to provide potable water and toilet alternatives within 12 hours of a disruption in water services.

IMPROVED PARK ADMINISTRATION:

- Requires park owners to retain the lease and other crucial documents and records related to a resident's tenancy for the duration of that tenancy and for 12 months after the tenancy.
- Grants residents the right to request and participate in a meeting with park management up to twice a year, to facilitate better communication.
- Allows the public to obtain important information about the ownership structure of mobile parks and recent rent increases through updates to the park registration form.