

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1397

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Krizek

3. Committee: General Laws and Technology

4. Title: Manufactured Home Lot Rental Act; manufactured home park; notice of sale and relocation expenses.

5. Summary: Requires a manufactured home park owner to provide notice to the Department of Housing and Community Development (DHCD) and each manufactured home park tenant 90 days prior to accepting an offer to purchase a manufactured home park and requires that acceptance of the offer is contingent on such notice and opportunity to purchase. Requires DHCD to publish the information on its website. The bill provides that if the locality in which the manufactured home park is located delivers to the owner a proposed purchase agreement containing the same price and substantially similar terms and conditions as the purchase agreement of which the owner provided notice, the locality has the right to purchase, provided a commitment from the locality to preserve the property as a manufactured home park for at least 30 years following the sale is in place. If such locality changes the use of all or part of the property in violation of the terms of purchase, the bill allows any person with a valid lease for a lot in the manufactured home park to file an action in the circuit court for the locality in which the manufactured home park is located seeking injunctive relief, damages, or both. The prevailing party is entitled to an award of attorney fees. The provisions of this bill are not effective unless reenacted by the 2025 Session of the General Assembly.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: The Department of Housing and Community Development has no oversight or administrative obligations regarding the Manufactured Home Lot Rental Act. The department does update and publish on its website the Landlord Tenant Handbook. Any legislative changes made to the Act will be updated, but the department can do so, along with other requirements in this bill, using current resources.

Budget amendments approved by the House include \$5 million from unobligated balances of the Regional Greenhouse Gas Initiative for the Department of Housing and Community Development to launch a new program to assist nonprofits and associations of tenants residing in manufactured home parks acquire land on which homes reside, of which \$1.25 million is to distributed to organizations exempt from taxation under 501(c)3 of the Internal

Revenue Code that provide, construct, or renovate affordable housing in Virginia that have been assigned a right of first refusal to purchase a manufactured home park by a locality, pursuant to the provisions of this bill.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; Courts.

10. Technical Amendment Necessary: No.

11. Other Comments: None.