By the Committee on Regulated Industries and Senators Latvala, Brown-Waite, Pruitt, Cowin, Posey, Carlton, Saunders, Campbell, Lee, Wasserman Schultz, Sullivan, Dyer, Burt, Geller, Sebesta, Miller, Mitchell, Constantine, Bronson, Crist, Dawson, King and Sanderson

315-1484-01

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1 A bill to be entitled An act relating to the Florida Mobile Home Act; 2 amending s. 723.003, F.S.; defining the term 3 4 "proportionate share"; amending s. 723.007, F.S.; providing for imposition of a surcharge 5 on annual fees; amending s. 723.011, F.S.; 6 7 requiring the division to maintain specified 8 records; requiring that copies be provided 9 within a specified time after written request; amending s. 723.012, F.S.; revising provisions 10 relating to statements in a prospectus; 11 amending s. 723.037, F.S.; revising procedures 12 for committee meetings that determine the 13 status of changes in lot rentals; amending s. 14 15 723.061, F.S.; revising timeframes for giving notice of changes in lot rental amounts and use 16 17 of mobile home parks; creating s. 723.0610, F.S.; providing for the payment of relocation 18 19 expenses; providing a penalty; providing an 20 effective date. 21 22 Be It Enacted by the Legislature of the State of Florida: 23 24 Section 1. Present subsections (11), (12), (13), and 25 (14) of section 723.003, Florida Statutes, are redesignated as 26 subsections (12), (13), (14), and (15), respectively, and a new subsection (11) is added to that section to read: 27 28 723.003 Definitions.--As used in this chapter, the 29 following words and terms have the following meanings unless 30 clearly indicated otherwise:

(11) The term "proportionate share" as used in subsection (10) means an amount calculated by dividing equally among the affected developed lots in the park the total costs for the necessary and actual direct costs and impact or hookup fees incurred for governmentally mandated capital improvements serving the recreational and common areas and all affected developed lots in the park.

Section 2. Section 723.007, Florida Statutes, is amended to read:

723.007 Annual fees; surcharge.--

- (1) Each mobile home park owner shall pay to the division, on or before October 1 of each year, an annual fee of \$4 for each mobile home lot within a mobile home park which he or she owns. The division may, after December 31, 1993, by rule, increase the amount of the annual fee to an amount not to exceed \$5 for each mobile home lot to fund operation of the division. If the fee is not paid by December 31, the mobile home park owner shall be assessed a penalty of 10 percent of the amount due, and he or she shall not have standing to maintain or defend any action in the courts of this state until the amount due, plus any penalty, is paid.
- subsection (1) a surcharge in the amount of \$1 upon each mobile home lot that is offered for lease within a mobile home park owned by a mobile home park owner. The surcharge shall be collected in the same manner as the annual fee and shall be deposited into the Mobile Home Relocation Trust Fund if created by law. The surcharge shall begin to be collected during the first year after this subsection takes effect. This surcharge may not be imposed during the next year if the balance in the Mobile Home Relocation Trust Fund exceeds \$10

million. The surcharge shall be reinstated in the next year after the balance in the Mobile Home Relocation Trust Fund falls below \$6 million. The surcharge imposed by this subsection may not be imposed as a separate charge regardless of any disclosure in the prospectus.

Section 3. Subsection (1) of section 723.011, Florida Statutes, is amended to read:

723.011 Disclosure prior to rental of a mobile home lot; prospectus, filing, approval.--

- (1)(a) In a mobile home park containing 26 or more lots, the park owner shall file a prospectus with the division. Prior to entering into an enforceable rental agreement for a mobile home lot, the park owner shall deliver to the homeowner a prospectus approved by the division. This subsection does shall not be construed to invalidate those lot rental agreements for which an approved prospectus was required to be delivered and which was delivered on or before July 1, 1986, if the mobile home park owner had:
- Filed a prospectus with the division prior to entering into the lot rental agreement;
- 2. Made a good faith effort to correct deficiencies cited by the division by responding within the time limit set by the division, if one was set; and
- 3. Delivered the approved prospectus to the mobile home owner within 45 days of approval by the division.

This paragraph $\underline{\text{does}}$ $\underline{\text{shall}}$ not preclude the finding that a lot rental agreement is invalid on other grounds and $\underline{\text{does}}$ $\underline{\text{shall}}$ not $\underline{\text{be construed to}}$ limit any rights of a mobile home owner or $\underline{\text{to}}$ preclude a mobile home owner from seeking any remedies

allowed by this chapter, including a determination that the lot rental agreement or any part thereof is unreasonable.

- prospectus or offering circular is adequate to meet the requirements of this chapter and shall notify the park owner by mail, within 45 days after of receipt of the document, that the division has found that either approved the prospectus or offering circular is adequate or has found specified deficiencies. If In the event the division does not make either finding approve the prospectus or advise the park owner of deficiencies within 45 days, the prospectus shall be deemed to have been found adequate be approved.
- (c)1. Filings for mobile home parks in which lots have not been offered for lease prior to June 4, 1984, shall be accompanied by a filing fee of \$10 per lot offered for lease by the park owner; however, the fee shall not be less than \$100.
- 2. Filings for mobile home parks in which lots have been offered for lease prior to the effective date of this chapter shall be accompanied by a filing fee as follows:
 - a. For a park in which there are 26-50 lots: \$100.
 - b. For a park in which there are 51-100 lots: \$150.
 - c. For a park in which there are 101-150 lots: \$200.
 - d. For a park in which there are 151-200 lots: \$250.
- e. For a park in which there are 201 or more lots: \$300.
- (d) The division shall maintain copies of each prospectus and all amendments to each prospectus which are considered adequate by the division. The division shall provide copies of documents requested in writing under this

subsection within 10 days after the written request is received.

Section 4. Subsection (1) of section 723.012, Florida Statutes, is amended to read:

723.012 Prospectus or offering circular.--The prospectus or offering circular, which is required to be provided by s. 723.011, must contain the following information:

- (1) The front cover or the first page must contain only:
 - (a) The name of the mobile home park.
 - (b) The following statements in conspicuous type:
- 1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN LEASING A MOBILE HOME LOT.
- 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
- 3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR OPERATOR. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
- 4. UPON DELIVERY OF THE PROSPECTUS TO A PROSPECTIVE LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A PERIOD OF 15 DAYS.

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30 31 Section 5. Subsection (4) and paragraph (a) of subsection (5) of section 723.037, Florida Statutes, are amended to read:

723.037 Lot rental increases; reduction in services or utilities; change in rules and regulations; mediation.--

- (4)(a) A committee, not to exceed five in number, designated by a majority of the affected mobile home owners or by the board of directors of the homeowners' association, if applicable, and the park owner shall meet, at a mutually convenient time and place within 30 days after receipt by the homeowners of the notice of change, to discuss the reasons for the increase in lot rental amount, reduction in services or utilities, or change in rules and regulations.
- (b) At the meeting, the park owner or subdivision developer shall in good faith disclose and explain all material factors resulting in the decision to increase the lot rental amount, reduce services or utilities, or change rules and regulations, including how those factors justify the specific change proposed. The park owner or subdivision developer may not limit the discussion of the reasons for the change to generalities only, such as, but not limited to, increases in operational costs, changes in economic conditions, or rents charged by comparable mobile home parks. For example, if the reason for an increase in lot rental amount is an increase in operational costs, the park owner must disclose the item or items which have increased, the amount of the increase, any similar item or items which have decreased, and the amount of the decrease. If an increase is based upon the lot rental amount charged by comparable mobile home parks, the park owner shall disclose, and provide in writing to the committee at or before the meeting, the name,

address, lot rental amount, and any other relevant factors relied upon by the park owner such as, facilities, services, and amenities concerning the comparable mobile home parks relied upon by the park owner. The park owner shall prepare a written summary of the material factors and retain a copy for 3 years. The park owner shall provide the committee a copy of the summary at or before the meeting.

- (c) If the committee disagrees with a park owner's lot rental amount increase based upon comparable mobile home parks, the committee shall disclose to the park owner the name, address, lot rental amount, and any other relevant factors relied upon by the committee such as, facilities, services, and amenities concerning the comparable mobile home parks. The committee shall provide to the park owner the disclosure, in writing, within 15 days after the meeting with the park owner, together with a request for a second meeting.
- (d) The committee and the park owner may mutually agree, in writing, to extend or continue any meetings required by this section.
- (e) Either party may prepare and use additional information to support its position during or subsequent to the meetings required by this section.
- (5)(a) Within 30 days after the date of the <u>last</u> scheduled meeting <u>date</u> described in subsection (4), the homeowners may petition the division to initiate mediation of the dispute pursuant to s. 723.038 if a majority of the affected homeowners have designated, in writing, that:
 - 1. The rental increase is unreasonable;
- 2. The rental increase has made the lot rental amount unreasonable;

- 3. The decrease in services or utilities is not accompanied by a corresponding decrease in rent or is otherwise unreasonable; or
- 4. The change in the rules and regulations is unreasonable.

Section 6. Section 723.061, Florida Statutes, is amended to read:

723.061 Eviction; grounds, proceedings.--

- (1) A mobile home park owner may evict a mobile home owner or a mobile home only on one or more of the grounds provided in this section.
- (a) Nonpayment of lot rental amount. If a mobile home owner fails to pay the lot rental amount when due and if the default continues for 5 days after delivery of a written demand by the mobile home park owner for payment of the lot rental amount, the park owner may terminate the tenancy. However, if the mobile home owner pays the lot rental amount due, including any late charges, court costs, and attorney's fees, the court may, for good cause, deny the order of eviction, provided such nonpayment has not occurred more than twice.
- (b) Conviction of a violation of a federal or state law or local ordinance, which violation may be deemed detrimental to the health, safety, or welfare of other residents of the mobile home park.
- (c) Violation of a park rule or regulation, the rental agreement, or this chapter.
- 1. For the first violation of any properly promulgated rule or regulation, rental agreement provision, or this chapter which is found by any court having jurisdiction thereof to have been an act which endangered the life, health,

safety, or property of the park residents or the peaceful enjoyment of the mobile home park by its residents, the mobile home park owner may terminate the rental agreement, and the mobile home owner will have 7 days from the date that the notice is delivered to vacate the premises.

2. For a second violation of the same properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months, the mobile home park owner may terminate the tenancy if she or he has given the mobile home owner written notice within 30 days of the first violation, which notice specified the actions of the mobile home owner which caused the violation and gave the mobile home owner 7 days to correct the noncompliance. The mobile home owner must have received written notice of the ground upon which she or he is to be evicted at least 30 days prior to the date on which she or he is required to vacate. A second violation of a properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months of the first violation is unequivocally a ground for eviction, and it is not a defense to any eviction proceeding that a violation has been cured after the second violation. Violation of a rule or regulation, rental agreement provision, or this chapter after the passage of 1 year from the first violation of the same rule or regulation, rental agreement provision, or this chapter does not constitute a ground for eviction under this section.

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No properly promulgated rule or regulation may be arbitrarily applied and used as a ground for eviction.

(d) Change in use of the land comprising the mobile 31 | home park, or the portion thereof from which mobile homes are

 to be evicted, from mobile home lot rentals to some other use, provided all tenants affected are given at least <u>6 month's</u> 1 year's notice of the projected change of use and of their need to secure other accommodations. The park owner may not give a notice of increase in lot rental amount 90 days before giving notice of a change in land use.

- (e) Failure of the purchaser of a mobile home situated in the mobile home park to be qualified as, and to obtain approval to become, a tenant, if such approval is required by a properly promulgated rule.
- (2) In the event of eviction for change of land use, homeowners must object to the change in land use by petitioning for administrative or judicial remedies within 90 days of the date of the notice or they will be barred from taking any subsequent action to contest the change in land use. This provision shall not be construed to prevent any homeowner from objecting to a zoning change at any time.
- (a) Within 90 days from the time the park owner gives the 1-year notice, she or he shall notify the homeowner of her or his election to either buy the mobile home, relocate the mobile home to another park owned by the park owner, or pay to relocate the mobile home to another mobile home park, as follows:
- 1. Pay as damages the actual cost, including setup fees, to move an evicted mobile home, with comparable and any required appurtenances, to a comparable mobile home park within a 50-mile radius of the mobile home park or other distance agreed upon by the park owner and mobile home owner. Since the amount of damages that a homeowner will suffer due to the change in land use by the park owner cannot be easily estimated and would be difficult and expensive to determine,

it is the intent of the Legislature that the payment contained 2. herein be considered in the nature of liquidated damages and 3 not a penalty. It is the intent of the Legislature that the liquidated damages to which the mobile home owner is entitled 4 5 be limited to the damages defined in this subparagraph only 6 for so long as this subsection remains in effect. The 7 liquidated damages apply only to the harm incurred by the homeowner for having to relocate, and this provision shall not 9 preclude incidental damages that might occur in relocating the mobile home; 10 11 2. Purchase the mobile home and all appurtenances 12 thereto at a value to be determined as follows: 13 a. A mutually agreed upon appraiser will assess the book value of the mobile home and cash value of all 14 appurtenances thereto and the market value of the mobile home 15 as situated immediately prior to the notice of change in land 16 17 use. Any nationally recognized publication for valuation of mobile and manufactured homes shall be used as a guide for 18 19 determining such value. 20 b. The homeowner will be entitled to the book value of 21 the mobile home and cash value of the appurtenances. c. The homeowner will also be entitled to the 22 23 following portion of the difference between the book value and 24 cash value of the appurtenances and the market value of the 25 mobile home. If the homeowner has resided in the mobile home 26 at the time of notice of land use change by the park owner: 2.7 0 years up to 5 years.....40 percent 28 29 15 years up to 20 years...........80 percent 30 20 years or more......100 percent

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d. The homeowner who has become a resident of the park within 0-5 years of the notice of change in land use shall be entitled, in addition to the compensation set forth above, to 60 percent of the difference between the book value and the market value of the mobile home.

- e. Between the date of the appraisals referred to in this subsection and the delivery of title and possession of the mobile home and all appurtenances thereto to the park owner, the mobile home and the appurtenances shall be maintained by the homeowner in the condition existing on the date of the appraisals, ordinary wear and tear excepted; or
- 3. Reach a mutually agreed to settlement between the park owner and the homeowner.
- (b) Either the mobile home owner or the park owner may apply to the circuit court in the county where the mobile home lot is located for purposes of selecting an appraiser to determine the value of the mobile home and appurtenances or for resolution of any other dispute arising under this subsection.
- (c) In any dispute in a circuit court regarding the value of the mobile home as appraised pursuant to this subsection, the court shall determine the amount to be deposited into the registry of the court as will fully secure and fully compensate the homeowner as ultimately determined by the final judgment. The court shall fix the time within which and the terms upon which the homeowner shall be required to surrender possession and title to the park owner. The order of the court shall not become effective unless the deposit of the required sum is made in the registry of the court.

1 (3)(d) The provisions of s. 723.083 shall not be
2 applicable to any park where the provisions of this subsection
3 apply.
4 (4)(3) A mobile home park owner applying for the

(4)(3) A mobile home park owner applying for the removal of a mobile home owner or a mobile home, or both, shall file, in the county court in the county where the mobile home lot is situated, a complaint describing the lot and stating the facts that authorize the removal of the mobile home owner and the mobile home. The park owner is entitled to the summary procedure provided in s. 51.011, and the court shall advance the cause on the calendar.

(5)(4) Any notice required by this section must be in writing, and must be posted on the premises and sent to the mobile home owner by certified or registered mail, return receipt requested, addressed to the mobile home owner at her or his last known address. Delivery of the mailed notice shall be deemed given 5 days after the date of postmark.

Section 7. Section 723.0610, Florida Statutes, is created to read:

723.0610 Change in land use; relocation expenses; payments by park owner.--

- (1) If a mobile home owner is required to move due to a change in use of the park as set forth in 723.061(1)(d) and the mobile home owner complies with the requirements of this section, the mobile home owner is entitled to payment from the Mobile Home Relocation Trust Fund, if created by law, as follows:
- (a) The amount of actual moving expenses of relocating the mobile home to a new location within a 50-mile radius of the vacated park, or the amount of \$5,000 for a single-section

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mobile home, or \$10,000 for a multisection home, whichever is less.

- (b) Moving expenses include the cost of taking down, moving, and setting up the mobile home in a new location.
- (2) Except as provided in subsection (3), upon the occurrence of a change in use, the park owner shall pay to the Mobile Home Relocation Trust Fund, if created by law, \$2,000 for each single-section home and \$2,500 for each multisection home for which a homeowner has made application for payment of moving expenses.
- (3) A park owner is not required to make the payment prescribed in subsection (2) nor is the homeowner entitled to compensation under subsection (1) when:
- (a) The park owner moves a home owner to another space in the mobile home park or to another mobile home park at the park owner's expense;
- (b) A homeowner is vacating the premises and has informed the park owner or manager before the change in use notice has been given; or
- $\underline{\text{(c)}}$ A homeowner abandons the mobile home as set forth in subsection (8).
- (4) Except as provided in subsection (8), in order to obtain payment from the trust fund, the home owner shall submit to the Florida Mobile Home Relocation Corporation, if created by law, with a copy to the mobile home park owner, an application for payment which includes:
- (a) A copy of the notice of eviction due to change in land use; and
- (b) A contract with a moving or towing contractor for the moving expenses for the mobile home.

- (5) The corporation must approve payment from the fund within 15 days after receipt of the information set forth in subsection (4) or payment is deemed approved. A copy of the approval must be forwarded to the mobile home park owner with an invoice for payment under subsection (2). Upon approval, the corporation shall make payment immediately, but in any event before the time of relocation.
- (6) Actions by the corporation under this section are not subject to the provisions of chapter 120, but are reviewable only by writ or certiorari in the circuit court in the county in which the claimant resides in the manner and within the time provided by the Florida Rules of Appellate Procedure.
- (7) This section does not apply to any proceeding in eminent domain under chapter 73 or chapter 74.
- (8) In lieu of collecting payment from the trust fund as set forth in subsection (1), a mobile home owner may abandon the mobile home in the mobile home park and collect an amount equal to one-fourth of the maximum allowable moving expenses from the trust fund as long as the home owner delivers to the park owner the current title to the mobile home duly endorsed by the owner of record and valid releases of all liens shown on the title. If a homeowner chooses this option, the park owner shall make payment to the relocation trust fund in an amount equal to one-fourth of the maximum allowable moving expenses.
- (9) Neither the corporation nor the trust fund is liable to any person for recovery if the trust fund does not have the money necessary to pay the amounts claimed. If the trust fund does not have sufficient assets to pay the claimant, it shall keep a record of the time and date of its

determination for payment to a claimant. If money becomes 2 available, the corporation shall pay the claimant whose unpaid 3 claim is the earliest by time and date of determination. 4 (10) It is unlawful for any person or his or her agent 5 to file any notice, statement, or other document required 6 under this section which is false or contains any material 7 misstatement of fact. Any person who violates this subsection commits a misdemeanor of the second degree, punishable as 8 9 provided in s. 775.082 or s. 775.083. 10 Section 8. This act shall take effect July 1, 2001. 11 12 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR 13 SB 442 14 The CS/SB 442: 15 16 -Removes from existing statutes the requirement to relocate or purchase the mobile home of a tenant evicted for a change in 17 land use; -Creates a new system of compensation for mobile home owners evicted from a park due to a change in land use, a system that is dependent upon the creation in another bill of the Mobile Home Relocation Trust Fund and the Florida Mobile Home 18 19 20 Relocation Corporation; and -Deletes from the bill provisions on the mobile home owners' bill of rights, division of enforcement of unreasonable rental agreements, division involvement in remedies for violation of good faith and fair dealing, injunctive relief for violation of rules and regulations, sale of parks, records retention by park owners, and sample calculations of maximum rents in the 21 22 23 24 prospectus. 25 26 27 28 29 30 31