1 A bill to be entitled 2 An act relating to mobile home park lot tenancies; 3 amending s. 723.003, F.S.; defining the term 4 "amenity"; amending s. 723.012, F.S.; revising the 5 requirements of a prospectus or offering circular to 6 include an additional statement on the front cover or 7 the first page after a specified date; amending s. 8 723.037, F.S.; requiring a park owner to give written 9 notice before reducing amenities; providing that a 10 homeowners' association does not have standing to 11 challenge a reduction in amenities unless agreed to by 12 a majority of the homeowners; expanding the notice to include certain information if amenities are reduced; 13 adding the requirement for a meeting within 30 days 14 15 after receipt of the notice that an amenity is 16 reduced; clarifying that the committee required to be 17 designated under certain circumstances may not exceed five mobile home owners; requiring the disclosure of 18 19 material factors that resulted in the reduction of amenities; amending s. 723.061, F.S.; providing 20 21 circumstances under which a mobile home park owner may 22 evict a mobile home owner, a mobile home tenant, a 23 mobile home occupant, or a mobile home due to a change 24 of use or rezoning; amending s. 723.071, F.S.; 25 increasing the number of days available for mobile home owners to purchase the park; repealing s. 26 Page 1 of 17

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27	723.075(3), F.S., relating to a homeowner of a
28	concrete block home in a mobile home park being a part
29	of the homeowners' association; amending ss. 73.072
30	and 723.031, F.S.; conforming cross-references to
31	changes made by the act; providing an effective date.
32	
33	Be It Enacted by the Legislature of the State of Florida:
34	
35	Section 1. Section 723.003, Florida Statutes, is reordered
36	and amended to read:
37	723.003 Definitions.—As used in this chapter, the term the
38	following words and terms have the following meanings unless
39	clearly indicated otherwise:
40	(1) "Amenity" means a tangible or intangible benefit
41	offered by a park owner to a home owner, including onsite
42	recreational facilities and planned programs, services,
43	activities, and maintenance.
44	(3)(1) The term "Division" means the Division of Florida
45	Condominiums, Timeshares, and Mobile Homes of the Department of
46	Business and Professional Regulation.
47	(4)(2) The term "Lot rental amount" means all financial
48	obligations, except user fees, which are required as a condition
49	of the tenancy.
50	(5)(3) The term "Mobile home" means a residential
51	structure, transportable in one or more sections, which is 8
52	body feet or more in width, over 35 body feet in length with the
I	Page 2 of 17

53 hitch, built on an integral chassis, designed to be used as a 54 dwelling when connected to the required utilities, and not 55 originally sold as a recreational vehicle, and includes the 56 plumbing, heating, air-conditioning, and electrical systems 57 contained therein.

58 <u>(6)(4)</u> The term "Mobile home lot rental agreement" or 59 "rental agreement" means <u>a</u> any mutual understanding or lease, 60 whether oral or written, between a mobile home owner and a 61 mobile home park owner in which the mobile home owner is 62 entitled to place his or her mobile home on a mobile home lot 63 for <del>either</del> direct or indirect remuneration of the mobile home 64 park owner.

(7) (5) The term "Mobile home owner" or "home owner" means
 a person who owns a mobile home and rents or leases a lot within
 a mobile home park for residential use.

68 <u>(8) (6)</u> The term "Mobile home park" or "park" means a use 69 of land in which lots or spaces are offered for rent or lease 70 for the placement of mobile homes and in which the primary use 71 of the park is residential.

72 (9) (7) The term "Mobile home park owner" or "park owner" 73 means an owner or operator of a mobile home park.

74 <u>(10) (8)</u> The term "Mobile home subdivision" means a 75 subdivision of mobile homes where individual lots are owned by 76 owners and where a portion of the subdivision or the amenities 77 exclusively serving the subdivision are retained by the 8 subdivision developer.

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79 <u>(11)(9)</u> The term "Operator of a mobile home park" means 80 either a person who establishes a mobile home park on land which 81 is leased from another person or a person who has been delegated 82 the authority to act as the park owner in matters relating to 83 the administration and management of the mobile home park, 84 including, but not limited to, authority to make decisions 85 relating to the mobile home park.

86 <u>(12)(10)</u> The term "Pass-through charge" means the mobile 87 home owner's proportionate share of the necessary and actual 88 direct costs and impact or hookup fees for a governmentally 89 mandated capital improvement, which may include the necessary 90 and actual direct costs and impact or hookup fees incurred for 91 capital improvements required for public or private regulated 92 utilities.

93 <u>(13)(11)</u> The term "Proportionate share" as used in 94 subsection (10) means an amount calculated by dividing equally 95 among the affected developed lots in the park the total costs 96 for the necessary and actual direct costs and impact or hookup 97 fees incurred for governmentally mandated capital improvements 98 serving the recreational and common areas and all affected 99 developed lots in the park.

100 <u>(15) (12)</u> The term "Unreasonable" means arbitrary, 101 capricious, or inconsistent with this chapter.

102 <u>(16) (13)</u> The term "User fees" means those amounts charged 103 in addition to the lot rental amount for nonessential optional 104 services provided by or through the park owner to the mobile

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105 home owner under a separate written agreement between the mobile 106 home owner and the person furnishing the optional service or 107 services.

108 <u>(2)(14)</u> The term "Discrimination" or "discriminatory" 109 means that a homeowner is being treated differently as to the 110 rent charged, the services rendered, or an action for possession 111 or other civil action being taken by the park owner, without a 112 reasonable basis for the different treatment.

113 <u>(14)(15)</u> The term "Resale agreement" means a contract in 114 which a mobile home owner authorizes the mobile home park owner, 115 or the park owner's designee, to act as exclusive agent for the 116 sale of the homeowner's mobile home for a commission or fee.

Section 2. Paragraph (b) of subsection (1) of section723.012, Florida Statutes, is amended to read:

119 723.012 Prospectus or offering circular.—The prospectus or 120 offering circular, which is required to be provided by s. 121 723.011, must contain the following information:

122 123 (1) The front cover or the first page must contain only:

(b) The following statements in conspicuous type:

124 1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION 125 REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN 126 LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE 127 DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS 128 REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT.

129 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN 130 NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL Page 5 of 17

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131 EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS. 132 3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS 133 CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR 134 OPERATOR. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS 135 EXHIBITS FOR CORRECT REPRESENTATIONS. 136 4. UPON DELIVERY OF THE PROSPECTUS TO A PROSPECTIVE 137 LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A 138 PERIOD OF 15 DAYS. 5. UPON A CHANGE IN USE OF THE LAND, YOU MAY BE EVICTED 139 140 AND ORDERED TO MOVE YOUR MOBILE HOME WITHIN 6 MONTHS, OR ABANDON 141 YOUR MOBILE HOME IF THE HOME CANNOT BE RELOCATED. YOU MAY BE 142 ELIGIBLE FOR ASSISTANCE TO RELOCATE PURSUANT TO SECTIONS 723.061 143 AND 723.0612, FLORIDA STATUTES. 144 145 Beginning July 1, 2014, the language required in subparagraph 5. 146 must be included in each new prospectus delivered by the park 147 owner to a prospective lessee. 148 Section 3. Section 723.037, Florida Statutes, is amended 149 to read: 150 723.037 Lot rental increases; reduction in services, or 151 utilities, or amenities; change in rules and regulations; 152 mediation.-153 (1) A park owner shall give written notice to each 154 affected mobile home owner and the board of directors of the 155 homeowners' association, if one has been formed, at least 90 156 days before an prior to any increase in lot rental amount; a or Page 6 of 17

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157 reduction in services, or utilities, or amenities provided by 158 the park owner; or a change in rules and regulations. The notice must shall identify all other affected homeowners, which may be 159 160 by lot number, name, group, or phase. If the affected homeowners 161 are not identified by name, the park owner shall make the names 162 and addresses available upon request. Rules adopted as a result 163 of restrictions imposed by governmental entities and required to 164 protect the public health, safety, and welfare may be enforced 165 before prior to the expiration of the 90-day period but are not 166 otherwise exempt from the requirements of this chapter. Pass-167 through charges must be separately listed as to the amount of the charge, the name of the governmental entity mandating the 168 169 capital improvement, and the nature or type of the pass-through 170 charge being levied. A notice Notices of increase in the lot 171 rental amount due to a pass-through charge must shall state the 172 additional payment and starting and ending dates of each pass-173 through charge. The homeowners' association does not shall have 174 no standing to challenge the increase in lot rental amount;  $\tau$ 175 reduction in services, or utilities, or amenities; or change of 176 rules and regulations unless a majority of the affected 177 homeowners agree, in writing, to such representation.

178 (2) Notice as required by this section shall, In addition
179 to the information required in subsection (1), the notice
180 required under this section is only be required to include the
181 dollar amount of the relevant portions of the present lot rental
182 amount that are being increased and the dollar amount of the
Page 7 of 17

proposed increases in lot rental amount if there is an increase in the lot rental amount; a, the reduction in services, or utilities, or amenities; or a the change in rules and regulations and its the effective date thereof.

The park owner shall file annually with the division a 187 (3) 188 copy of any notice of a lot rental amount increase. The notice 189 shall be filed by on or before January 1 of each year for any 190 notice given during the preceding year. If the actual increase 191 is an amount less than the proposed amount stated in the notice, the park owner shall notify the division of the actual amount of 192 the increase within 30 days after <del>of</del> the effective date of the 193 increase or at the time of filing, whichever is later. 194

195 (4) (a) A committee, not to exceed five mobile home owners 196 in number, designated by a majority of the affected mobile home 197 owners or by the board of directors of the homeowners' 198 association, if applicable, and the park owner shall meet  $\tau$  at a 199 mutually convenient time and place within 30 days after receipt 200 by the homeowners of the notice of change $_{\overline{\tau}}$  to discuss the 201 reasons for the increase in lot rental amount;  $\tau$  reduction in 202 services, or utilities, or amenities; or change in rules and 203 regulations.

(b)1. 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 amenities; or change rules and regulations, including how those factors justify the Page 8 of 17

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209 specific change proposed. The park owner or subdivision 210 developer may not limit the discussion of the reasons for the change to generalities only, such as, but not limited to, 211 212 increases in operational costs, changes in economic conditions, 213 or rents charged by comparable mobile home parks. For example, 214 if the reason for an increase in lot rental amount is an 215 increase in operational costs, the park owner must disclose the 216 item or items which have increased, the amount of the increase, 217 any similar item or items which have decreased, and the amount 218 of the decrease. If an increase is based upon the lot rental 219 amount charged by comparable mobile home parks, the park owner shall disclose, and provide in writing to the committee at or 220 before the meeting, the name, address, lot rental amount, and 221 222 any other relevant factors relied upon by the park owner, such 223 as facilities, services, and amenities, concerning the 224 comparable mobile home parks. The information concerning 225 comparable mobile home parks to be exchanged by the parties is 226 to encourage a dialogue concerning the reasons used by the park 227 owner for the increase in lot rental amount and to encourage the home owners to evaluate and discuss the reasons for those 228 229 changes with the park owner. The park owner shall prepare a 230 written summary of the material factors and retain a copy for 3 231 years. The park owner shall provide the committee a copy of the 232 summary at or before the meeting.

233 2. The park owner <u>may</u> shall not limit the comparable 234 mobile home park disclosure to those mobile home parks that are Page 9 of 17

owned or operated by the same owner or operator as the subject park, except in certain circumstances, which include, but are not limited to:

a. That the market area for comparable mobile home parks
includes mobile home parks owned or operated by the same entity
that have similar facilities, services, and amenities;

b. That the subject mobile home park has unique attributesthat are shared with similar mobile home parks;

c. That the mobile home park is located in a geographic or market area that contains few comparable mobile home parks; or

245 d. That there are similar considerations or factors that 246 would be considered in such a market analysis by a competent 247 professional and would be considered in determining the 248 valuation of the market rent.

249 If the committee disagrees with a park owner's lot (C) 250 rental amount increase based upon comparable mobile home parks, 251 the committee shall disclose to the park owner the name, 252 address, lot rental amount, and any other relevant factors 253 relied upon by the committee, such as facilities, services, and 254 amenities, concerning the comparable mobile home parks. The 255 committee shall provide to the park owner the disclosure, in 256 writing, within 15 days after the meeting with the park owner, 257 together with a request for a second meeting. The park owner 258 shall meet with the committee at a mutually convenient time and 259 place within 30 days after receipt by the park owner of the 260 request from the committee to discuss the disclosure provided by Page 10 of 17

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the committee. At the second meeting, the park owner may take into account the information on comparable parks provided by the committee, may supplement the information provided to the committee at the first meeting, and may modify his or her position, but the park owner may not change the information provided to the committee at the first 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.

This subsection is not intended to be enforced by civil or administrative action. Rather, the meetings and discussions are intended to be in the nature of settlement discussions <u>before</u> <del>prior to</del> the parties <u>proceed</u> <del>proceeding</del> to mediation of any dispute.

(5) (a) Within 30 days after the date of the last scheduled meeting 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:

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1. The rental increase is unreasonable;

285 2. The rental increase has made the lot rental amount286 unreasonable;

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3. The decrease in services or utilities is not accompanied by a corresponding decrease in rent or is otherwise unreasonable; or

290 4. The change in the rules and regulations is291 unreasonable.

(b) A park owner, within the same time period, may alsopetition the division to initiate mediation of the dispute.

(c) When a dispute involves a rental increase for different home owners and there are different rates or different rental terms for those home owners, all such rent increases in a calendar year for one mobile home park may be considered in one mediation proceeding.

(d) At mediation, the park owner and the homeowners committee may supplement the information provided to each other at the meetings described in subsection (4) and may modify their position, but they may not change the information provided to each other at the first and second meetings.

305 The purpose of this subsection is to encourage discussion and 306 evaluation by the parties of the comparable mobile home parks in 307 the competitive market area. The requirements of this subsection are not intended to be enforced by civil or administrative 308 309 action. Rather, the meetings and discussions are intended to be 310 in the nature of settlement discussions before prior to the 311 parties proceed proceeding to litigation of any dispute. 312 (6) If a party requests mediation and the opposing party

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313 refuses to agree to mediate upon proper request, the party 314 refusing to mediate <u>is shall</u> not <del>be</del> entitled to <u>attorney</u> 315 attorney's fees in any action relating to a dispute described in 316 this section.

317 Section 4. Paragraph (d) of subsection (1) of section 318 723.061, Florida Statutes, is amended to read:

319

723.061 Eviction; grounds, proceedings.-

(1) A mobile home park owner may evict a mobile home
owner, a mobile home tenant, a mobile home occupant, or a mobile
home only on one or more of the following grounds:

(d) Change in use of the land comprising the mobile home park, or the portion thereof from which mobile homes are to be evicted, from mobile home lot rentals to some other use, if:

1. The park owner gives written notice to the homeowners' association formed and operating under ss. 723.075-723.079 of its right to purchase the mobile home park, if the land comprising the mobile home park is changing use from mobile home lot rentals to a different use, at the price and under the terms and conditions set forth in the written notice.

a. The notice shall be delivered to the officers of the homeowners' association by United States mail. Within <u>90</u> 45 days after the date of mailing of the notice, the homeowners' association may execute and deliver a contract to the park owner to purchase the mobile home park at the price and under the terms and conditions <del>set forth</del> in the notice. If the contract between the park owner and the homeowners' association is not

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executed and delivered to the park owner within the <u>90-day</u> 45day period, the park owner is under no further obligation to the homeowners' association except as provided in sub-subparagraph b.

b. If the park owner elects to offer or sell the mobile
home park at a price lower than the price specified in her or
his initial notice to the officers of the homeowners'
association, the homeowners' association has an additional 10
days to meet the revised price, terms, and conditions of the
park owner by executing and delivering a revised contract to the
park owner.

350 c. The park owner is not obligated under this subparagraph 351 or s. 723.071 to give any other notice to, or to further 352 negotiate with, the homeowners' association for the sale of the 353 mobile home park to the homeowners' association after 6 months 354 after the date of the mailing of the initial notice under sub-355 subparagraph a.

2. The park owner <u>has applied to the local government for</u> <u>change of use or rezoning and</u> gives the affected mobile home owners and tenants at least 6 months' notice of the eviction due to the projected change in use and of their need to secure other accommodations.

a. The notice of eviction due to a change in use of the
land must include in a font no smaller than the body of the
notice the following statement:

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371

365 YOU MAY BE ENTITLED TO COMPENSATION FROM THE FLORIDA
366 MOBILE HOME RELOCATION TRUST FUND, ADMINISTERED BY THE
367 FLORIDA MOBILE HOME RELOCATION CORPORATION (FMHRC).
368 FMHRC CONTACT INFORMATION IS AVAILABLE FROM THE
369 FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL
370 REGULATION.

b. The park owner may not give a notice of increase in lot
rental amount within 90 days before giving notice of a change in
use or within 6 months after the eviction notice.

375 <u>c. The park owner shall attach a relocation plan to the</u>
376 <u>application to the local government for change of use or</u>
377 <u>rezoning. Such plan must indicate monetarily comparable,</u>
378 <u>suitable, and available facilities for displaced residents. The</u>
379 <u>application and the attached plan must be provided to the park's</u>
380 <u>homeowners' association with the eviction notice.</u>

381 Section 5. Paragraph (b) of subsection (1) of section
382 723.071, Florida Statutes, is amended to read:

723.071 Sale of mobile home parks.-

384

(1)

383

(b) The mobile home owners, by and through the association defined in s. 723.075, shall have the right to purchase the park <u>if</u>, provided the home owners meet the price and terms and conditions of the mobile home park owner by executing a contract with the park owner within <u>90</u> 45 days <u>after</u>, <u>unless agreed to</u> otherwise, from the date of mailing of the notice, <u>unless</u> Page 15 of 17

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391 another timeframe is agreed upon, and if provided they have 392 complied with ss. 723.075-723.079. If a contract between the 393 park owner and the association is not executed within such 90-394 day 45-day period, then, unless the park owner thereafter elects 395 to offer the park at a price lower than the price specified in 396 her or his notice to the officers of the homeowners' 397 association, the park owner has no further obligations under 398 this subsection, and her or his only obligation is shall be as 399 described set forth in subsection (2). Section 6. Subsection (3) of section 723.075, Florida 400 401 Statutes, is repealed. 402 Subsection (1) of section 73.072, Florida Section 7. 403 Statutes, is amended to read: 404 73.072 Mobile home parks; compensation for permanent 405 improvements by mobile home owners.-406 If When all or a portion of a mobile home park as (1)407 defined in s. 723.003 (6) is appropriated under this chapter, the 408 condemning authority shall separately determine the compensation 409 for any permanent improvements made to each site. This 410 compensation shall be awarded to the mobile home owner leasing 411 the site if: 412 (a) The effect of the taking includes a requirement that 413 the mobile home owner remove or relocate his or her mobile home 414 from the site; 415 (b) The mobile home owner currently leasing the site has 416 paid for the permanent improvements to the site; and Page 16 of 17

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417	(c) The value of the permanent improvements on the site
418	exceeds \$1,000 as of the date of taking.
419	Section 8. Paragraph (b) of subsection (5) of section
420	723.031, Florida Statutes, is amended to read:
421	723.031 Mobile home lot rental agreements
422	(5) The rental agreement shall contain the lot rental
423	amount and services included. An increase in lot rental amount
424	upon expiration of the term of the lot rental agreement shall be
425	in accordance with ss. 723.033 and 723.037 or s. 723.059(4),
426	whichever is applicable, provided that, pursuant to s.
427	723.059(4), the amount of the lot rental increase is disclosed
428	and agreed to by the purchaser, in writing. An increase in lot
429	rental amount shall not be arbitrary or discriminatory between
430	similarly situated tenants in the park. No lot rental amount may
431	be increased during the term of the lot rental agreement,
432	except:
433	(b) For pass-through charges as defined in s. 723.003(10).
434	Section 9. This act shall take effect July 1, 2014.

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