

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1340

SPONSOR: Appropriations Committee and Senator Lynn

SUBJECT: Mobile Home Parks

DATE: March 4, 2004 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------|----------------|------------|--------------------------|
| 1. | <u>Oxamendi</u> | <u>Imhof</u> | <u>RI</u> | <u>Favorable</u> |
| 2. | <u>DeLoach</u> | <u>Hayes</u> | <u>AGG</u> | <u>Fav/CS</u> |
| 3. | _____ | _____ | <u>AP</u> | <u>Withdrawn: Fav/CS</u> |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This committee substitute amends s. 723.0612(7), F.S., to delete the provision that requires a park owner to pay the Florida Mobile Home Relocation Corporation (the corporation) an amount equal to one-fourth of the maximum allowable moving expenses if the home owner chooses the option to abandon the mobile home.

The committee substitute also amends this section to clarify that the park owners signed statement must provide that the park owner agrees to make payment to the corporation in the amount provided in this subsection.

This bill would take effect upon becoming law.

This bill substantially amends section 723.0612, Florida Statutes.

II. Present Situation:

Many mobile home parks in Florida are located on property with a land use designation that may change in the future when the mobile home park owner has an opportunity to sell the park. If home owners are required to move due to a change in land use of the mobile home park, there are statutory provisions in place to assist with relocation.

Florida Mobile Home Relocation Corporation

Section 723.0611, F.S., establishes the Florida Mobile Home Relocation Corporation administered by a six-member board of directors. Three members are appointed by the Secretary of the Department of Business and Professional Regulation from a list of nominees submitted by

the largest nonprofit association representing mobile home owners in this state and three members appointed by the Secretary from a list of nominees submitted by the largest nonprofit association representing the manufactured housing industry in this state.

Section 723.0612, F.S., provides for relocation expenses, and payments by a mobile home park owner. If a mobile home owner is required to move due to a change in use, and the mobile home owner submits an application with the required documentation to the corporation, the mobile home owner is entitled to payment from the corporation. The amount of the payment is the actual moving expenses of relocating the mobile home to a new location within a 50-mile radius of the vacated park, or \$3,000 for a single-section mobile home, or \$6,000 for a multi-section home, whichever is less. Moving expenses are defined to include the cost of taking down, moving, and setting up the mobile home in a new location.¹

Section 723.06116(1), F.S., requires a park owner to make payment into the Florida Mobile Home Relocation Trust Fund in the amount of \$2,700 per single-section home and \$3,750 per multi-section home when there is a change in land use that requires relocation of mobile homes. The park owner is exempt from payment into the trust fund when the mobile home owner has an eviction action pending for non-payment of rent.²

A home owner is not entitled to compensation for moving expenses if the park owner moves the home owner to another space in the mobile home park or to another mobile home park at the park owner's expense, the home owner gave notice of vacating the premises prior to receiving the notice of a change in use, or if the home owner abandons the mobile home.³

In order to obtain payment from the corporation, the home owner is required to submit an application for payment to the corporation and to the mobile home park owner. The corporation must approve payment from the fund within 45 days after receipt of the information or payment is deemed approved. A copy of the approval must be forwarded to the mobile home park owner with an invoice for payment. Upon approval, the corporation will issue a voucher in the amount of the contract price for relocating the mobile home, which the moving contractor may redeem upon completion of the move and approval of the relocation by the mobile home owner.⁴

In lieu of collecting moving expenses from the corporation, a home owner may elect to abandon the mobile home and collect from the corporation moving expenses in the amount \$1,375 for a single-section mobile home and \$2,750 for a multiple-section mobile home. Enacted during the 2003 regular session, ch. 2003-263, s. 8, L.O.F., amended s. 723.0612(7), F.S., which provided for moving expenses for abandoned homes in an amount equal to one-fourth of the allowable moving expense, to the current set amounts.

If the home owner chooses the abandonment option, the park owner must make payment to the corporation in an amount equal to one-fourth of the maximum allowable moving expenses.⁵ One-

¹ Section. 723.0612(1), F.S.

² Section 723.06116(2)(d), F.S.

³ Section 723.0612(2), F.S.

⁴ Section 723.0612(4), F.S.

⁵ Section. 723.0612(7), F.S.

fourth of the maximum allowable moving expense is \$750 for a single section and \$1,500 for a multisection mobile home. This provision causes the park owner's payment to the corporation to be less than the corporation's payment to the mobile home owner.

Upon election of the abandonment moving expense, the home owner must deliver to the park owner an endorsed title with a valid release of all liens on the title to the mobile home. The home owner is required to submit documentation to the corporation in order to collect a moving expense for an abandoned home. Section 723.0612(7), F.S., requires that the homeowner provide a signed statement from the park owner stating that the mobile home has been abandoned and that the park owner agrees to make payment to the corporation in the amount provided under this section.

The corporation is not liable to any person for recovery if the corporation does not have sufficient funds to pay the claims, but must keep a record of the time and date of its approval of payment even if the funds are not available. When funds do become available, the corporation must pay the claimant whose unpaid claim is the earliest by time and date of approval.⁶

A home owner whose application for expenses has been approved by the corporation is prohibited from asserting a claim or cause of action arising out of the change in use of the mobile home park against the corporation, the park owner or successors in interest.⁷

Florida Mobile Home Relocation Trust Fund

Section 723.06115, F.S., establishes the Florida Mobile Home Relocation Trust Fund (trust fund) within the Department of Business and Professional Regulation (department). The Legislature established this trust fund in 2001 to provide funds for the administration costs of the corporation and payments to mobile home owners under the relocation program. This trust fund received a one-time General Revenue Appropriation of \$500,000 in Fiscal Year 2001-02.

Section 723.007, F.S., imposes an annual assessment of \$4.00 per lot on mobile home lots within mobile home parks. The fee is collected by the mobile home park owner and is paid to the division. These revenues are deposited into the Florida Land Sales, Condominiums, and Mobile Homes Trust Fund in order to fund operations of the division. Section 723.007, F.S., also imposes a one dollar surcharge on the annual assessment for deposit in the trust fund. Section 320.08015, F.S., imposes an additional one dollar license tax on mobile homes registrations and renewals for deposit in the trust fund.

III. Effect of Proposed Changes:

The committee substitute amends s. 723.0612(7), F.S., to delete the provision that requires a park owner to pay the corporation an amount equal to one-fourth of the maximum allowable moving expenses if the home owner chooses the option to abandon the mobile home.

⁶ Section 723.0612(8), F. S.

⁷ Section 723.0612(9), F.S.

The bill also amend s. 723.0612(7), F.S., to require that the park owner's signed statement must provide that the park owner agrees to make payment to the corporation in the amount provided in this subsection. Current law references the section not the subsection.

The bill deletes the park owner's express statutory requirement to make payment to the corporation. As amended by this bill, the park owner's legal obligation to make payment to the corporation would be limited to that imposed by the park owner's written statement to the home owner.

As amended by this committee substitute, a park owner's required payment to the corporation in the event a home owner elects the abandonment option would increase to amounts set forth in this subsection section, from \$750 to \$1,375 for a single section and from \$1,500 to \$2,750 for a multisection mobile home.

The representative for the Florida Manufactured Housing Association advises that this bill is meant to correct a technical oversight made in the CS/CS SB 1944 during the 2003 regular session.⁸ This provision established set amounts for the allowable moving expenses to be paid to the home owner in the event the homeowner elects the abandonment option, but maintained the fractional amount paid by the park owner to the corporation. The representative for the association advises that this was an oversight, and that the intent of the act was that the payment by the park owner to the corporation should offset the payment to the homeowner from the corporation. This would contribute to the financial integrity and self-sufficiency of the corporation.

This bill would take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁸ Chapter 2003-263, s. 8, L.O.F.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

The bill increases the payment that must be made by a park owner in the event a home owner elects the abandonment option in s. 723.0612(7), F.S.

B. Private Sector Impact:

A park owner's required payment to the corporation in the event a home owner elects the abandonment option in s. 723.0612(7), F.S., would increase to \$1,375 for a single section and \$2,750 for a multisection mobile home.

C. Government Sector Impact:

The amount received by the corporation from park owners in the event a home owner elects the abandonment option in s. 723.0612(7), F.S., would increase. According to the department, no fiscal impact is anticipated because the Florida Mobile Home Relocation Corporation will continue to invoice the park owners the amount of the payout consistent with current practice.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.