

# 2008 Legislative Report

## Association Helps Secure \$1 million Annually for Abandoned Manufactured Housing Clean-up

On July 18, 2008 the North Carolina General Assembly officially adjourned the 2008 "short session."

On the NCMHA front, we are very pleased to report that this session has been a very good one for our industry.

As you will read in the following highlights, two of the bills that we have been working on for many long hours, HB 1700 and HB 1134, have passed with very positive results for our industry.

### House Bill 1700 An Act to Prevent Displacement of Manufactured Homes

Originally, this bill would have required all community owners who wish to sell their community/park to offer it to the residents first. Some called this bill the "First Right of Refusal" legislation. The only positive portion of the bill was the tax credit if community owners ultimately sold their community to the residents. After many hours of tough negotiation with the bill's sponsor and non-profit housing advocates, we were able to get the bill amended and removed all the mandatory requirements (first right of refusal piece) and left the tax credit as the only part of the bill. So now, if a community owner chooses to sell their community to the residents, then they are eligible to get a 5% tax deduction on the total sales price of the community. This could be a real windfall for community owners if they want to take advantage of the tax deduction. We came a long way with this bill from how it was originally written. It would have really restricted property rights and affected community owner's marketability. A special thanks to Chris Parrish, Vito Montaperto, Rep. Susan

Fisher and Rep. Jennifer Weiss, House Finance Co-Chair for their work in negotiating the compromise.

### House Bill 1134 An Act to Clean Up Abandoned Mobile Homes

We have been fighting a bill that would have required a new tax of \$300 per floor to help with the removal of abandoned homes. Last year, we were able to stop the bill from being passed and got a special provision added into the Solid Waste Bill, which would allow for local governments to use some of the newly created tipping fees for clean up of these abandoned homes. The sponsor of the original bill, Rep. Haire, once again pushed to get the bill heard during this year's session. We stood fast on our position and vowed to help find an alternative solution. Through many hours of hard work, we are now happy to report that we have a bill that has all of our objections removed and appropriates up to \$1,000,000.00 annually (yes, that's 1 million dollars per year) through the newly created Solid Waste Trust Fund to clean up abandoned homes! This is a very big win for our industry. We would like to thank Rep. Haire for working with us to get this bill suitable for all parties involved.

### Senate Bill 1309 Back Taxes on Repossessed Manufactured Homes

This bill would have required lien holders to pay all back taxes at the time of repossession. Current law already requires that all property taxes due on a home be paid when a moving permit is issued (whether issued to a lender on repossession or to an individual homeowner who wants to move to another location). What made this bill differ-

ent, was that it created a lien on the home effective on January 1 every year for that year's property taxes (so the lien would follow the home until the taxes were paid, even if the home was sold to a new owner) and it required that the taxes be paid even if the home was not moved (sold in place). Once again, we were successfully able to keep that provision out of the bill.

### Lending Bills

A lot of legislative attention was focused on protecting homeowners during the current wave of mortgage foreclosures. HB 2463 requires mortgage loan service companies to be licensed and bonded by the Commissioner of Banks (just like mortgage banks and mortgage brokers). HB 2623 requires that, for sub prime mortgage loans only, a notice must be sent to the homeowner 45 days before foreclosure proceedings begin, and the lender must notify the Administrative Office of the Courts of the borrower's name and contact information to a database housed within the Administrative Office of the Courts. This bill is effective on November 1, 2008 and sunsets on October 31, 2010.

Overall, we had a very good session for our industry. We look forward to another successful session when the General Assembly reconvenes on January 28, 2009.



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