

ASSEMBLY, No. 845

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen COTTRELL and MALONE

1 AN ACT concerning relocation of and compensation for mobile  
2 homeowner tenants of mobile home parks upon closure of such  
3 parks, supplementing P.L.1974, c.49 (C.2A:18-61.1 et al.) and  
4 amending P.L.1978, c.139.

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. (New section) This act shall be known and may be cited as the  
10 "Mobile Homeowner Tenants' Protection Act."

11  
12 2. (New section) a. The owner of a mobile home park who seeks  
13 to retire it permanently from use as a mobile home park shall, within  
14 90 days of giving notice to mobile homeowner tenants therein as  
15 required pursuant to subsection d. of section 3 of P.L.1974, c.49  
16 (C.2A:18-61.2), notify each mobile homeowner tenant in that mobile  
17 home park of the park owner's election either to:

18 (1) relocate the tenant's mobile home and its appurtenances to a  
19 comparable site in another mobile home park owned by the park  
20 owner, at the park owner's own expense; or

21 (2) pay the costs of relocation of the tenant's mobile home and its  
22 appurtenances to a comparable site in a mobile home park under other  
23 ownership; or

24 (3) purchase the tenant's mobile home and its appurtenances from  
25 the tenant.

26 b. Nothing contained in subsection a. of this section, or in any  
27 notice given pursuant thereto, shall preclude a mobile home park  
28 owner and mobile homeowner tenant from concluding any mutually  
29 satisfactory agreement for relocation or compensation which does not  
30 conform to the requirements prescribed in this amendatory and  
31 supplementary act for the carrying out of any of the three elections set  
32 out in that subsection.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 c. For the purposes of this amendatory and supplementary act,  
2 "appurtenances" of a mobile home means those items of furnishings or  
3 equipment not integral to the construction of the mobile home or  
4 included in or replacing items of original equipment provided by the  
5 manufacturer, but necessary or desirable for the use and enjoyment  
6 thereof, increasing its habitability and value as a place of residence,  
7 and which are installed in, on or about a mobile home at the time when  
8 notice is served upon the owner thereof pursuant to subsection d. of  
9 section 3 of P.L.1974, c.49 (C.2A:18-61.2). Any device, furnishing  
10 or equipment which is included in the book value of a mobile home as  
11 determined pursuant to section 3 of this act shall not be deemed an  
12 appurtenance. "Comparable," as applied to a mobile home site, has the  
13 same meaning as in subsection a. of section 4 of P.L.1975, c.311  
14 (C.2A:18-61.7). "Mobile homeowner tenant" means a person resident  
15 in a mobile home of which he is the owner, located upon a site in a  
16 mobile home park with respect to which he is a tenant.

17

18 3. (New section) a. If a mobile home park owner elects to pay the  
19 costs of relocation to a comparable site in a mobile home park under  
20 other ownership, he shall pay the actual costs, including set-up fees,  
21 of such relocation within a 50-mile radius of the original site, or other  
22 distance agreed upon by the park owner and the mobile homeowner  
23 being relocated. Since the amount of the damages that a homeowner  
24 will suffer due to retirement of the park property from use as a mobile  
25 home park cannot be easily estimated and would be difficult and  
26 expensive to determine, it is the intent of the Legislature that the  
27 payment prescribed herein be considered in the nature of liquidated  
28 damages and not as a penalty. The liquidated damages apply only to  
29 the harm incurred by the homeowner for having to relocate, and this  
30 provision shall not preclude incidental damages that might occur in  
31 relocating the mobile home.

32 b. If the park owner elects to purchase the mobile home and all  
33 appurtenances, the amount to be paid shall be determined as follows:

34 (1) A mutually agreed upon appraiser shall ascertain the book  
35 value of the mobile home and actual cash value of all appurtenances  
36 thereto and the market value for residential purposes of the mobile  
37 home with all appurtenances as sited, if the site were to remain  
38 available for such purposes, immediately prior to the notice given to  
39 the homeowner pursuant to subsection d. of section 3 of P.L.1974,  
40 c.49 (C.2A:18-61.2). The NADA Mobile Home/Manufactured  
41 Housing Appraisal Guide shall be used as a guide for determining such  
42 value.

43 (2) The homeowner shall be entitled to the book value of the  
44 mobile home and actual cash value of the appurtenances, plus the  
45 following portion of the amount by which the market value for  
46 residential purposes of the mobile home with all appurtenances as

1 sited, if the site had remained available for such purposes, at the time  
2 of appraisal exceeds the sum of the book value of the mobile home and  
3 actual cash value of the appurtenances, according to the length of time  
4 that the homeowner had resided in the mobile home park at the time  
5 when notice was given pursuant to subsection d. of section 3 of  
6 P.L.1974, c.49 (C.2A:18-61.2):

7           Less than five years   40%  
8           At least five, but less than 15 years   60%  
9           At least 15, but less than 20 years   80%  
10          At least 20 years       100%

11       In addition, a mobile homeowner who had been a resident for less  
12 than five years shall be entitled, besides the compensation determined  
13 as set forth above, to 60% of the difference between the book value  
14 and market value of the mobile home.

15       c. Between the date of the appraisals made pursuant to subsection  
16 b. of this section and the delivery to the park owner of the mobile  
17 home and all appurtenances thereto the mobile home and the  
18 appurtenances shall be maintained by the homeowner in the condition  
19 existing on the date of the appraisals, ordinary wear and tear excepted.  
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21       4. (New section) a. Either a mobile homeowner or a park owner  
22 may apply to the Superior Court in the county where the mobile home  
23 site is located for purposes of selecting an appraiser pursuant to  
24 subsection b. of section 2 of this amendatory and supplementary act,  
25 or for the resolution of any other dispute or disagreement arising in  
26 carrying out the provisions of that section.

27       b. In any dispute in Superior Court regarding the value of a mobile  
28 home as appraised pursuant to subsection b. of section 3 of this  
29 amendatory and supplementary act, the court shall determine the  
30 amount to be deposited by the park owner with the clerk of the court  
31 to secure full compensation of the homeowner as may ultimately be  
32 determined by the final judgment of the court. The court shall fix the  
33 time within which, and the terms upon which, the homeowner shall be  
34 required to surrender possession and title to the park owner. The  
35 order of the court shall not become effective unless the required  
36 deposit shall have been made with the clerk of the court pursuant to  
37 this subsection.  
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39       5. (New section) The Commissioner of the Department of  
40 Community Affairs, in accordance with the provisions of the  
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
42 seq.), shall adopt such rules and regulations as may be necessary or  
43 expedient to carry out the provisions of this amendatory and  
44 supplementary act.  
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46       6. Section 2 of P.L.1978, c.139 (C.2A:18-61.14) is amended to

1 read as follows:

2 2. Notwithstanding the provisions of section 3 of P.L.1974, c.49  
3 (C.2A:18-61.2) to the contrary, in any municipality in which casino  
4 gaming is authorized, [1] one year's notice shall be required prior to  
5 the institution of an action alleging permanent retirement under  
6 subsection h. of section 2 of P.L.1974, c.49 (C.2A:18-61.1) with  
7 respect to a tenant who is a permanent domiciliary in such  
8 municipality; provided, that where there is a written lease in effect no  
9 action shall be instituted until the lease expires. The notice shall  
10 provide the tenant with the information required by section 6 of this  
11 act; and provided further, that nothing in this section or any other  
12 provisions of P.L.1978, c.139 (C.2A:18-61.1 et al.) shall apply to any  
13 mobile homeowner tenant who is entitled to the protection of the  
14 provisions of P.L....., c.... (C.....) (now pending before the  
15 Legislature as this amendatory and supplementary bill). In the event  
16 that a landlord chooses one of the relocation alternatives authorized  
17 by section 4 of this act, he shall send a second notice in accordance  
18 with the requirements of section 4 of this act at least [6] six months  
19 prior to the institution of an action for possession.

20 (cf: P.L.1978, c.139, s.2)

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22 7. This act shall take effect on the ninetieth day next following the  
23 date of enactment, except that section 5 shall take effect immediately.

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#### STATEMENT

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28 This bill increases the protections available to residents of mobile  
29 home parks in those cases where the owner of the park elects to close  
30 it and retire the land permanently from use as a mobile home park.  
31 Such closures present owners of mobile homes with relocation  
32 problems that are distinct from those faced by apartment tenants.

33 At present, mobile homeowners whose parks are being permanently  
34 retired are entitled to receive an 18 month notice before eviction  
35 proceedings may be commenced, except in the special case of Atlantic  
36 City (P.L.1978, c.139, C.2A:18-61.13 et seq.) where they are also  
37 entitled to the landlord's assistance in relocation or, in lieu thereof,  
38 compensation in the form of five months free rent or its cash  
39 equivalent. Such assistance, however, does not directly address the  
40 mobile homeowner's unique and difficult problem, which is to find a  
41 new and satisfactory site for their mobile home.

42 This bill would require that the owner of the closing mobile home  
43 park choose either (1) to relocate the mobile home to another  
44 comparable park owned by him, (2) to pay the cost of relocating the  
45 mobile home to a comparable park owned by another (within 50 miles,  
46 unless otherwise agreed to by the homeowner and the park owner), or

1 (3) to purchase the mobile home and its appurtenances at a valuation  
2 made by an assessor agreed upon between the park owner and the  
3 homeowner.

4 In the case of a purchase, the compensation would consist of the  
5 book value of the mobile home and the cash value of its  
6 appurtenances, plus a percentage of the difference between those  
7 values and the actual market value of the home, as sited. The  
8 percentage would vary from 40% for the owners who had resided in  
9 the park for less than five years to up to 100% for those who had  
10 resided in the park for 20 or more years. In addition, owners who had  
11 resided in the park for less than five years would be entitled to 60% of  
12 the difference between the book value and the market value of the  
13 home.

14 Arrangements which do not conform to any of those three options  
15 are not, however, precluded, so long as they are mutually agreeable to  
16 the homeowner and the park owner.

17 The bill also affords the park owner and the homeowner with  
18 recourse to the Superior Court for resolution of any conflicts resulting  
19 from the relocation or compensation agreements, or for the  
20 appointment of an appraiser if they are unable to agree on one.

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25 Requires owner of closing mobile home park to provide relocation or  
26 compensation to mobile homeowners.