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Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1016 - An Act to Establish the Manufactured Housing Community and Mobile Home Park Preservation and Assistance Fund

March 25, 2025

Sen. Curry, Rep. Gere and esteemed members of the Housing and Economic Development Committee, my name is Rebecca Graham, and I am submitting testimony neither for nor against LD 1016, *An Act to Establish the Manufactured Housing Community and Mobile Home Park Preservation and Assistance Fund*, at the direction of MMA's Legislative Policy Committee (LPC).

As you are aware, our LPC is composed of municipal officials from across Maine, elected by their peers to represent communities with vastly different enforcement staff, resources and capacities. Officials welcome the policy initiative proposed by this bill as too often they must wrestle with the fall out from absentee landlords of mobile home parks. Normal tools to address delinquent rate payers face only unjust application in this current model leaving municipalities with only bad options for taking action, and only a judicial mechanism for residents to protect their interest against corporate well lawyered owners in some cases.

It is vital that more protective processes for residents be reviewed in the park model of renter/ownership but also that more funding is available to shift them to a common interest model or at least provide a realistic path to maintaining resident occupancy when parks shift ownership. As drafted, this bill does pose some concern for municipal officials.

The required payment of \$50,000 per lot for a purchaser of a mobile home park may make it unattractive for a park to be purchased by real estate investment trusts but will only be passed on to park residents resulting in unsustainable rents in much quicker fashion. Additionally, the exemptions listed in Sec. 2, while seemingly robust to prohibit corporate ownership, will likely only result into the creation of a new LLC under a joint umbrella with no assets allowing an entity with more than \$10 million in new worth to meet the exemption threshold.

Officials support the provisions of an ongoing fund to preserve parks for their residents and address the investment threats that are placing already vulnerable residents in untenable situations. It may be beneficial for the committee to know other areas that pose problems for municipalities in all ownership models that are not public or communal. One complicated situation facing municipalities is how to adequately enforce against an absentee park owner who fails to maintain essentially a small neighborhood public water and wastewater system or pay for the water and wastewater utilities connected to the park. The only recourse is for municipalities to shut off utilities to the park residents who have been paying their rent for the service or require a municipality to take on at great public expense all the associated

property and repair the system on local property tax revenue. These types of properties become very attractive for corporate investors who can purchase the park cheaply and quickly pass on the costs for remediation to the residents who have already paid for services never received.

For all of these reasons, officials respectfully ask the committee to support the general idea of a permanent funding mechanism that places park residents in the driving seat to protect their futures and ask the committee to consider other structural ways to help park residents and municipalities solve the complex issues bad landlords place their local residents and communities into with few paths to proportional recourse. Additionally, officials respectfully ask the committee to carefully construct the fund in a way that will capture appropriate revenue for ongoing survival, with little way to escape the net worth threshold.