

COMMUNITY OWNER ORIENTATION

Effective – January 2024

Executive Summary

Just as the manufactured housing industry continues to change, evolve, and mature with the ongoing introduction of new legislation, so does the role of the manufactured home community owner. To that end, to be compliant with Del Code Title 25 Chapter 70, mobile home community owners must keep abreast of current laws regarding manufactured home communities. Community owners need to know what their duties and responsibilities are with respect to the following:

- (1) Community owners must register with the Delaware Division of Revenue using the MHR Tax Form, payment of quarterly assessments (See Appendix A)**
- (2) Owners must complete annually the Community Owner Registration Form provided by DEMHRA (See Appendix B) (Program Intent, Paragraph 3)**
- (3) Rent Increase Notice Approval Process: (Section 7052) timeline and Certification procedures (See Appendix C)**
- (4) Change in Land Use Procedures (Section 7024) Applying for Relocation Benefits (See Appendix D)**
- (5) Right of First Offer (Section 7026) Sale of manufactured home Community (See Appendix E)**

COMMUNITY OWNER'S ORIENTATION

In order to be compliant with Delaware Code Title 25 Chapter 70, all community owners must be aware of their obligations and responsibilities. DEMHRA is providing the following guidelines to assist the community owners:

For the purpose of clarification, the following definitions can be found in § 7003 of Chapter 70:

Community Owner or Landlord: Owner of two (2) or more lots for rent

CPI-U: Consumer Price Index

Guest or Visitor: A person who is not a tenant or resident of a manufactured home community

Holdover: A tenant who holds ownership of a lot or manufactured home after termination, nonrenewal or expiration of a rental agreement of a rented lot

Homeowner or Tenant: Owner of a manufactured home who is a lessee of a lot in a manufactured home community

Lease or Rental Agreement: A written contract between a landlord and a tenant

Manufactured Home: A factory built single home dwelling

Manufactured Home Community: A parcel of land with two (2) or more lots rented for placement of manufactured homes.

Recreational Vehicle or RV: A camper or motor home used for travel and is temporary living quarters

Resident: A person who resides in a manufactured home community

Seasonal Property: parcel of land with two (2) or more lots offered for rent less than eight (8) months a year

Mixed Use Community: A manufactured home community that offers both year around and seasonal lots for rent

Section 7005: It is the duty and obligation of the Consumer Protection Unit (CPU) of the Department of Justice, **not DEMHRA**, to enforce the provisions outlined in subchapters I through V of Chapter 70.

APPENDIX A



DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY
1979 S. State Street
Dover, DE 19901
302-674-7768 Phone
302-674-7769 Fax

November 8, 2021

RE: ALL COMMUNITIES – MHR-TAX FORM COMPLETION INSTRUCTIONS AND SAMPLE FORMS

Dear Sir or Madam:

It has come to our attention that there have been several errors when MHR-TAX forms are completed resulting in the delay of assessment fees paid into the DEMHRA Trust Fund. The following examples are a list of errors found in previous submissions:

1. Incorrect taxpayer IDs
2. Incorrect tax year
3. Submitting payments with the accompanying MHR Tax Form not being completely filled out
4. Sending in one quarterly payment but not separating (cutting off) it from additional accompanying blank quarterly MHR Tax Forms. **Blank MHR-TAX form(s) will create additional payment(s) in our system even without an actual accompanying payment. This will cause payments to suspend in the system.**
5. The preferred payment method is to send an individual check for each individual MHR-TAX form payment to receive the proper credit in a timely manner. One payment with multiple MHR-TAX forms require additional time to be separated and posted correctly.
6. Not filling in every column of the MHR Tax Form, including both columns under section B (Tenant portion).
The system cannot do the math to determine how much money needs to be transferred into the DOJ Fund.

We are hopeful that the instructions outlined below, and the attached MHR-TAX Forms will be helpful to you so that the forms can be completed correctly.

Sample 1 – Standard coupon.

Required fields are:

1. Taxpayer ID – This is the Park's FEIN# or SS#. It is the number they use to file their taxes with IRS. (New format excludes the highlighted 1-XXXXXXXX-001)
2. Tax Year – This is required so it is posted to the correct tax year. (3/31 and 4/20 are just the month and day)

Sample 2 – How to complete the coupon if you have a credit on your account

Required fields are:

3. Taxpayer ID – This is the Park's FEIN# or SS#. It is the number they use to file their taxes with IRS. (New format excludes the highlighted 1-XXXXXXXX-001)
4. Tax Year – This is required so it is posted to the correct tax year. (3/31 and 4/20 are just the month and day)
5. Prior Period Carry Over – This is where the account credit is listed. Subtract the credit amount from the total amount on Line 5 to get the Total Amount Due.

If you have any questions, please feel free to contact our office.

Sincerely,

Gregory Sutton

Gregory Sutton
Executive Director

Enc: Sample MHR-TAX Forms

cc: Jen Allen, Delaware State Housing Authority

DELAWARE MANUFACTURED HOME RELOCATION TRUST FUND - MHR-TAX

Pursuant to Chapter 70 of Title 25 of the Delaware Code, the owner of each manufactured home community must remit a monthly assessment for each rented lot to the Delaware Manufactured Home Relocation Trust Fund. Effective as of January 1, 2020, the monthly assessment will be \$4.50 per lot. The lot's owner will be responsible for \$2.50, less a credit of \$0.50, for a net amount due of \$2.00 for each lot. The lot's tenant will be responsible for a monthly assessment of \$2.50, which is to be collected by the landlord each month as additional rent. An assessment is not due or collectable for a vacant lot. If a lot is rented for any portion of a month, the full monthly assessment must be paid to the Trust Fund by both the tenant and the owner.

The Relocation Trust Fund has been created to financially assist manufactured-home owners forced to relocate due to land-use changes. The Fund will pay for the relocation of movable mobile homes, as well as for the removal and/or disposal of abandoned homes left in a community. The additional \$0.50 to be paid by the tenants each month will be used to fund the Manufactured Home Owner Attorney Fund.

Included with MHR-TAX is a listing for delinquent tenants who have failed to pay their portion of the monthly Trust Fund assessment. Owners are required to report all delinquent tenants each quarter. Please photocopy if you need additional pages. Owners are still responsible for their portion of the assessment (\$2.00) for each month even if a tenant has failed to pay. **If a delinquent tenant pays for a prior quarter, please report it on Line 4, Column B.**

The assessment documents and payments are due the twentieth day after the close of each calendar quarter. Should you have any questions regarding the Assessment Form, please call the Division of Revenue at (302) 577-8681. For questions regarding the Authority, please call the Delaware Manufactured Home Relocation Authority at (302) 674-7768.

Every owner and/or landlord of a manufactured-home community in Delaware must complete the Manufactured Home Relocation Trust Fund Form MHR-TAX on a quarterly basis. Please remit assessment form with payment to the following address: **DELAWARE DIVISION OF REVENUE | P.O. BOX 2340 | WILMINGTON, DE 19899-2340**

Please include the community name and address on each return. The community address should be the street address (no P.O. boxes) of the community in which the Manufactured Home Relocation Trust Fund payments were collected.

LINE-BY-LINE INSTRUCTIONS

FORM MHR-TAX (Formerly LQ9)

Column A	Insert the total number of manufactured-home lots rented each month on Lines 1, 2, and 3.
Column B	Insert the total assessment collected from tenants each month on Lines 1, 2, 3. Report any delinquent tenant payments from prior quarters on Line 4. Add Lines 1 through 4 and report their total in the fifth box under Column B.
Column C	Insert the total assessment collected from owners each month on Lines 1, 2, 3 and 4. Add Lines 1 through 4 and report their total in the fifth box under Column C.
Total Due.	Add together the totals from Column B and Column C and report this amount in the box provided.
Line 5	Add all 3 columns together and enter the Total in the Total column (Column D)
Line 6	Prior Period Carry Over - This line is to be used only if notified by the Authority of a credit on your account

FORM MHR-DTR

Step 1	If blank, enter the name of the Manufactured-Home Community Name (as used on Form MHR-TAX) in the box provided.
Step 2	If blank, enter the "Account Number" from your Form MHR-TAX in the "Account Number" box provided, and the "Tax Period Ending Date" from Form MHR-TAX in the "Report for Quarter Ending" box provided.
Step 3	List on each row separately the Name, Address, Number of Months Delinquent and Total Amount due for each delinquent tenant.
Step 4	When you have finished listing all delinquent tenants, add up the "Total Amount Outstanding" column and report this amount in the TOTAL box located at the bottom.

PLEASE NOTE: Form MHR-TAX and its accompanying MHR-DTR **must be signed and dated** by an authorized representative of the remitting taxpayer or manufactured-home community. Photocopies or substitute documents will not be accepted.

**TO REPORT ANY CHANGES TO YOUR PERSONAL INFORMATION PRINTED ON FORM MHR-TAX,
PLEASE COMPLETE THE REQUEST FOR CHANGE FORM AT THE END OF THIS PACKET**



DELAWARE FORM DIVISION OF REVENUE MHR-TAX MANUFACTURED HOME RELOCATION TRUST FUND



TAXPAYER ID	TAX YEAR	PERIOD ENDING	DUE	A	B	C	D
BUSINESS NAME & ADDRESS		03/31	04/20				
	ASSESSMENT BASIS			Total Number of Lots Rented	Total Amount Collected From Tenant	Due From Owner	TOTAL
	1. JANUARY				\$2.00	\$0.50	\$2.00
	2. FEBRUARY						
	3. MARCH						
	4. DELINQUENT PAYMENTS						
COMMUNITY NAME & LOCATION ADDRESS	5. TOTAL (ADD LINES 1 THROUGH 4)				0.00	0.00	0.00
	6. PRIOR PERIOD CARRY OVER						
	TOTAL AMOUNT DUE (SUBTRACT LINE 6 FROM LINE 5)						0.00

AUTHORIZED SIGNATURE
 DATE
 EMAIL
 PHONE NUMBER

DF44026019993V1

Revision 2021/6/25

Page 1

**MAIL COMPLETED FORM WITH
REMITTANCE PAYABLE TO:**
 Delaware Division of Revenue
 PO Box 2340
 Wilmington, DE 19899-2340

APPENDIX B



2024

Delaware Manufactured Home Relocation Authority

Community Name: _____

Community **Physical** Address: _____

Community **Mailing** Address: _____

Telephone #: _____

Fax #: _____

Email Address: _____

TOTAL # of LOTS IN COMMUNITY: _____

Minus VACANT LOTS (if applicable): _____

Minus # of HOMES OWNED BY THE PARK (if applicable): _____

Minus # of ABANDONED HOMES (if applicable): _____

Minus # of SEASONAL HOMES (if applicable): _____

EQUALS TOTAL # OF LOTS SUBJECT TO \$4.50 MONTHLY FEE:

Note: Home Owner pays \$2.50 (\$0.50 is transferred to the DOJ Legal Fund)

Community Owner pays \$2.00

Business Name: _____

Contact: _____

Business Telephone # _____

Business Fax: _____

Business Email Address: _____

Comments

1979 S. State Street, Dover, DE 19901
Phone (302) 674-7768 Fax (302) 674-7769
gregory.sutton@delaware.gov
www.demhra.delaware.gov

APPENDIX C

CHECKLIST FOR CERTIFYING CPI-U RENT INCREASES

SB317 was adopted 7/1/22. It states that a community owner may raise a homeowner's lot rent for any and all 12-month periods governed by the rental agreement based on the current CPI-U for the preceding 24 months. Provided the community has met the following conditions:

1. The community has not had any violations in the previous 12 months that persisted for more than 15 consecutive days
2. DEMHRA will send a violation letter to the community owner who in turn signs a statement acknowledging that there have been no violations in the preceding 12 months that persisted for more than 15 consecutive days
3. The proposed rent increase related to the operating, maintaining, or improving the manufactured home community
4. The rent increase letter to affected tenants cannot be sent earlier than 20 days from the date of your original request to DEMHRA in accordance with §7052 (3) a 1.

When the new CPI-U has been received, checked, and posted on the DEMHRA website, any rent increase requests received should be based on the new CPI-U. The community owner is responsible for sending the rent increase notices to DEMHRA and the Department of Justice. DEMHRA must certify all rent increase requests.

Prior to certifying rent increase requests, the following procedures are followed by DEMHRA:

- _____ Review the rent increase request for accuracy
- _____ Scan and email the violation letter to the owner to certify that there are no violations
- _____ Once violation letter is received, DEMHRA can proceed with certification of the rent increase.
- _____ that apply to how the owner arrived at the
- _____ After the CPI-U letter is approved, it will be emailed back to the community owner

Revised: 12/6/23

SAMPLE LETTER A

**RENT INCREASE REQUEST NOTICE TO DEMHRA AND CONSUMER PROTECTION DIVISION,
DELAWARE DIVISION OF JUSTICE**

Date:

VIA EMAIL

Gregory Sutton
Delaware Manufactured Home Relocation Authority
1979 S. State Street
Dover, DE 19901

VIA U.S. MAIL WITH COM:

Consumer Protection Division
Delaware Department of Justice
Carvel State Building
820 N. French Street
Wilmington, DE 19801

RE: CPI-U Rate Certification Request

Dear Mr. Sutton:

Pursuant to 25 Del. C. § 7052A(c)(3), I am writing on behalf to request the certification from DEMHRA as to the CPI-U increase in (Community Name). The published CPI-U Rate on DEMHRA's website is now (_ %) based on the 24-mnth period, and ½ of that plus 3.5% equals (____) I have enclosed a template rent increase letter at this CPI-U rate. This notice will be sent to all homeowners whose lease expires (date). I have not enclosed the attachments, such as Code Amendments, as we are simply asking for CPI-U rate increase certification.

We ask that you promptly provide the certification of the CPI-U rate so that my client can mail out the rent increase letter this month. Thank you for your time and attention to this time-sensitive matter.

Very truly yours,

(Name and Signature)

Enclosure

SAMPLE LETTER B

NOTICE OF RENT INCREASE TO TENANTS

Date:

(Addressee)

RE: Notice of Rate Increase

The current term of your rental agreement for our rental lot expires as of (Date). (Name of Community) is renewing your lease effective (Date), and the increased rent amount of (\$__) Will be due on (Date). Your new monthly lot rent of (\$__) is the statutorily permitted CP-U increase. The amount does not include the homeowner's share of the Relocation Trust Fund payment of \$2.50 per month. All tenants with lot rental agreements with rental terms expiring (Date) will be receiving a lot rental increase in an amount which does not exceed the CPI-U Rate of (. . %) as calculated pursuant to Del.(C). §7052(c)(1) a.

Notwithstanding any summary possession action pending against you, we are sending your terms for your potential lease renewal as required by Delaware Code. However, if you have received rent demand letter, or rule violation letter, that led to a pending summary possession action, this renewal letter is not valid and will be void in the event your lease is legally terminated by the Court. You may disregard this paragraph if you have not received a rent demand letter, rule violation letter, or termination letter, or if there is no pending eviction case in JP Court pending against you.

Please be advised that, pursuant to the Manufactured Homeowners and Community Owners Act (the "Act"), the Rent Justification amendment thereto and Regulations promulgated by the Delaware Manufactured Home Relocation Authority, we are providing you with the following information:

Prior Three-Year Lot Rental History (not including the Authority Fee):

(2023):

(2022):

(2021):

Our promise is to provide quality service to all our residents, and we look forward to continuing to serve you.

(Name and Signature)

Enclosures: Rental Agreement Summary
Tenant Rental Assistance Code
RTA Certification



Delaware Manufactured Home Relocation Authority

1979 S. State Street, Dover, DE 19901
Phone (302) 674-7768 • Fax (302) 674-7769
www.demhra.delaware.gov

SAMPLE LETTER C

Date: February 1, 2023

To:

From: Gregory Sutton
Executive Director

RE:

We received your rent increase notice for the above community. Before we can certify your rent increase request, you will have to comply with the Delaware Landlord -Tenant Code, Subchapter VI, Rent Increase Justification, §7051(A)(3)(b)(1). This section states that a community owner may only increase the rent, if during the 12 months preceding the date of their notice of the rent increase, there has not been a safety violation in the manufactured home community that continued for 15 or more consecutive days.

By signing below, you are certifying that the above community is in compliance.

Name (Print)

(Signature)

Date

Title

Important Note: In the event of any conflict between the information contained in the communication and Delaware law, the provisions of Delaware law shall govern. Neither the Authority nor any employee or representative of the Authority is providing or authorized to provide legal advice to any person. Persons in need of legal advice should seek the services of legal counsel of the party's choosing. HOA Contact information is for ROFO and Rent Justification purposes only. HOAs desiring to publish or share additional information should do so independent of the Authority.



Delaware Manufactured Home Relocation Authority

1979 S. State Street, Dover, DE 19901
Phone (302) 674-7768 • Fax (302) 674-7769
www.demhra.delaware.gov

Date: February 1, 2023

SAMPLE LETTER D

SENT VIA EMAIL

RE: Rent Increase Certification Request (Camelot Meadows)

Dear Community Owner:

DEMHRA has reviewed your proposed rent increase certification request and has determined it complies with the statutory definition of:

_____ Consistent with the published 24-month CPI-U (Effective September 14, 2023)

Or

_____ One -half of the published 24-month CPI-rate plus 3.5%

Thus, your rent increase request is hereby certified by DEMHRA.

***Note:** Please provide a copy of this certification with your rent increase notice(s) to the affected homeowner(s).

***In addition, the rent increase letter to your tenant must be at least 20 days from the date of your original request to DEMHRA.**

***You must provide proof of mailing indicating the date the notices were sent to the affected homeowner(s).**

Sincerely,

Gregory Sutton
Executive Director

Important Note: In the event of any conflict between the information contained in the communication and Delaware law, the provisions of Delaware law shall govern. Neither the Authority nor any employee or representative of the Authority is providing or authorized to provide legal advice to any person. Persons in need of legal advice should seek the services of legal counsel of the party's choosing. HOA Contact Information is for ROFO and Rent Justification purposes only. HOAs desiring to publish or share additional information should do so independent of the Authority.

APPENDIX D

LANDOWNER CHECKLIST FOR DEMOLITION BENEFITS WHEN GOING THROUGH CHANGE IN USE

(THERE MUST BE TWO OR MORE TENANTS PAYING LOT RENT)

SUBCHAPTER III §7024 (5) UPDATE THE PLAN AND DISTRIBUTE THE PLAN EVERY 3 MONTHS (IF THE LANDLORD FAILS TO PROVIDE A QUARTERLY UPDATE TO EACH AFFECTED TENANT AND TO THE AUTHORITY, THE DATE OF TERMINATION OF THE TENANT'S RENTAL AGREEMENT WILL BE EXTENDED BY 1 MONTH AND FOR EACH OMITTED QUARTERLY UPDATE

PLEASE NOTE: ASSESSMENT FEES MUST BE PAID TO BE ELIGIBLE FOR DEMOLITION BENEFITS

COMMUNITY: _____

LOT NUMBER: _____

1. Landowner application signed and dated, to include Home Description Form? _____
2. Confirmation of payment assessments by landowner? _____
3. Mover proposal for demolition received and complete in all respects (date, amount, etc.)? _____
4. Letter received from DEMHRA that demolition benefits have been approved? _____
5. Once home is demolished, submit mover invoice and documentation to DEMHRA _____
6. Notify DEMHRA when home is demolished _____
7. Landowner must send original title to DMV and the County Tax Office. The Landowner retains this documentation (tenant will be responsible to pay taxes until the above is taken care of _____

Individual County Tax/Assessment Procedures with Regard to Demolition of a Mobile Home

When a mobile home is to be demolished, the community owner must complete the following procedures so that the tenant who vacated will not be held accountable for further taxes:

The following Procedures Must be Accomplished Prior to Reimbursement for Demolition Benefits:

Kent County – Finance Department – 302-744-2386 – When a mobile home is to be demolished a permit must be obtained, and when the permit is obtained the tax office and assessment offices are notified that the mobile home is no longer there.

New Castle County – Assessment Office – 302-395-5520

1. Demolition Permit is obtained.
2. Demolition takes place.
3. inspector goes to property to verify/assess the mobile home is gone.
4. Then it is processed to the Assessment Department and the Assessment Department makes one more verification that the assessment is changed.

Sussex County – Assessment Manager – 302-855-7824

1. Community owner notifies the Sussex Assessment Office and asks for a field check that a mobile home has been removed.
2. A field check is made, then the mobile home is removed from the Assessment Office records.

DEMHRA CHECKLIST FOR DEMOLITION BENEFITS

COMMUNITY: _____ LOT NUMBER: _____

1. Application signed and dated, to include Home Description Form? _____
2. Confirm Trust Fund assessments paid up to date? _____
3. Mover proposal for demolition received and complete in all respects (date, amount, etc.)? _____
4. Date landlord application Ratified by Board _____?
5. After ratified, letter sent to landlord that demolition benefits have been approved? _____
6. Landlord sent proof that the home was demolished? _____
7. Compliance Investigator verified that home has been demolished? _____
8. Verify that the landlord has surrendered original title to DMV and the County Tax Office.
The Landlord retains this documentation (tenant will be responsible to pay taxes until the above is taken care of). _____
9. Letter sent to C. Hambleton to issue benefit check to landlord _____.
10. Call landowner to pick up check once received from Christine Hambleton. Sign off on receipt _____
10. Individual County Tax/Assessment Procedures with regard to demolition of a mobile home. _____

When a mobile home is to be demolished, the community owner is responsible to complete the following procedures so a mobile homeowner will not be held accountable for further taxes.

The following procedures must be accomplished prior to being reimbursed for demolition expenses.

Kent County – Finance Department – 302-744-2386 – When a mobile home is to be demolished a permit must be obtained, and when the permit is obtained the tax office and assessment offices are notified that the mobile home is no longer there.

New Castle County – Assessment Office – 302-395-5520

1. Demolition Permit is obtained.
2. Demolition takes place.
3. Inspector goes to property to verify/assess the mobile home is gone.
4. Then it is processed to the Assessment Department and the Assessment Department makes one more verification and the assessment is changed.

Sussex County – Assessment Manager – 302-855-7824

1. Community owner notifies the Sussex Assessment Office and asks for a field check that a mobile home has been removed.
2. A field check is made, then the mobile home is removed from the Assessment Office records.

APPENDIX E



DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

**1979 S. State Street
Dover, DE 19901
302-674-7768 Phone
302-674-7769 Fax**

(Date)

First Class Mail with Proof of Mailing

Resident Name
Street Address
(City, State, Zip)

Re: RIGHT OF FIRST OFFER NOTICE BEFORE SALE OF MANUFACTURED HOME COMMUNITY

Dear Sir or Madam:

The owner of ("Community"), has submitted the enclosed notice and "right of first offer" pursuant to 25 Delaware Code, Section 7026. As of the date hereof, no Homeowners Association for the Community has registered with the Delaware Manufactured Home Relocation Authority ("Authority"). Since there is no Homeowners Association in the Community meeting the requirements of 25 Del. Code Section 7026(b), if you and/or other tenants in the Community are interested in purchasing the Community, you will need to organize a Homeowners Association meeting the requirements of 25 Delaware Code Section 7026(b). You should consult with legal counsel so that your rights are protected. You may also wish to contact the Delaware Manufactured Homeowners Association at 302-945-2122.

Under Delaware Code Title 25, Section 7026, there are strict deadlines for acting upon any right of first offer. For example, a Homeowners Association must respond in writing to the notice of right of first offer within thirty (30) calendar days from the date of the mailing of the notice sent by the community owner.

If you are not interested in forming an HOA to be eligible to purchase this community, please disregard this notice. You will not be required to take any further actions.

Sincerely yours,

Gregory Sutton
Executive Director