

Senate Commerce Committee

Aaron Jones 271-2609

SB 166, relative to notice required prior to sale of a manufactured housing unit located in a resident-owned community.

Hearing Date: February 20, 2025

Time Opened: 11:08 a.m.

Time Closed: 11:17 a.m.

Members of the Committee Present: Senators Ricciardi, Murphy, McGough, Fenton and Reardon

Members of the Committee Absent : Senator Innis

Bill Analysis: This bill requires the seller of a manufactured housing unit in a resident-owned community to provide notice to the prospective buyer of their right to obtain a copy of the community's bylaws, fee schedule, and financial statements.

Sponsors:

Sen. Reardon

Sen. Pearl

Rep. Alexander Jr.

Who supports the bill: Senator Tara Reardon, Senator Howard Pearl, Sara Holland (NH Realtors), Lynne Merrill, Sarah McCarthy, Cheryl Spagnuolo, Dawn McKinney (NH Legal Assistance)

Who opposes the bill: No one

Who is neutral on the bill: No one

Summary of testimony presented in support:

Senator Tara Reardon

- This bill was filed at the request of the New Hampshire Association of Realtors.
- Cooperatives are volunteer run, and they have board meetings once a month.
- It can be difficult for realtors to get background information from cooperatives on their budget, the balance of their reserve accounts, and planned projects.
- While a majority of cooperatives are helpful, Senator Reardon said some do not put together a package of this information or promptly respond.
- **Senator Ricciardi** asked why this applied to just resident owned communities.
 - **Senator Reardon** said there are two choices in the state, investor owned communities or resident owned communities. Investor owned communities are run by a single entity or person. Generally, an owner of

these parks can get information on the lot rents or the history of lot rents; however, they are unlikely to share information on the reserves or planned projects. In a resident owned community, a buyer becomes a member of the cooperative, so they take part in running it.

Sara Holland, 2025 Public Policy Chair, New Hampshire Association of Realtors

- This bill contained similar language to the Condominium Act, which has existed since 2005.
- This bill would ensure a prospective owner in a resident owned community would have access to relevant financial information prior to their purchase.
- In conducting their due diligence, it is critical for a buyer to understand the financial situation of the community and they should have a reasonable opportunity to assess its strength and viability.
- Potential owners would have to be provided with a statement of capital expenditures, major maintenance costs anticipated within the next 2 years, the status and number of reserves, a copy of the income and balance statement from the previous fiscal year, any pending suits or judgments, a statement on insurance coverage, a copy of the declaration, bylaws and rules, the monthly fees, and any special assessments within the past 3 years. This information is already provided to prospective condominium buyers.
- Many resident owned communities provide this information voluntarily, but there are some who do not provide it or make it challenging to receive financial data.
- Ms. Holland said this bill would provide important and valuable consumer protections by providing critical information to buyers.

Lynne Merrill

- Given the shortage of housing and increased home prices, resident owned communities have become an affordable choice for low-income buyers, particularly those who are living on a fixed income.
- Last spring, Ms. Merrill had an experienced agent representing a buyer in a resident owned community.
 - After the property went under agreement, the agent asked for a copy of the financial statements as well as minutes from the last board meeting and annual meeting because the streets and roads were in disrepair.
 - The resident owned community refused to provide the information to the buyer because only current members of the community could access this information.
 - The information could not be provided by the seller because she was residing in an assisted living community.

- Ms. Merrill said resident owned communities and condominium associations have some similarities. For both, buyers need documents to determine the resources needed to purchase a property and live in a community.
- Many mortgages require these documents, so they can be reviewed to ensure a buyer does not default.
- Ms. Merrill said this bill would treat all buyers equally and fairly.

Summary of testimony presented in opposition: None

Neutral Information Presented: None

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Date Hearing Report completed: February 25, 2025