# STATE OF NEW YORK

6836

2017-2018 Regular Sessions

# IN ASSEMBLY

March 21, 2017

Introduced by M. of A. JENNE -- read once and referred to the Committee on Housing

AN ACT to amend the real property law, in relation to the resale of manufactured and mobile homes through a lease with the option to purchase

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. The real property law is amended by adding a new section 233-b to read as follows:

**§ 233-b. Resale of manufactured and mobile homes through a lease with the option to purchase contract. 1. Definitions. For the purposes of this section:**

**(a) "Lease with the option to purchase contract" shall mean a legally binding agreement, entered into this state, for the resale of a manufactured or mobile home, pursuant to which the transfer of title or proof of ownership, whichever the case may be, from the seller to the buyer is subject to the completion of all contingencies included and agreed upon by all parties to the agreement.**

**(b) "Manufactured home" shall mean a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is build on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.**

**(c) "Mobile home" shall mean a moveable or portable unit, manufactured prior to January first, nineteen hundred seventy-six, designed and constructed to be towed on its own chassis, comprised of frame and wheels, connected to utilities, and designed and constructed without a permanent foundation for year-round living. A unit may contain parts**

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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that may be folded, collapsed or telescoped when being towed and expanded later to provide additional cubic capacity as well as two or more separately towable components designed to be joined into one integral unit capable of being again separated into the components for repeated towing. "Mobile home" shall also mean units designed to be used exclusively for residential purposes, excluding travel trailers.

(d) "Buyer" shall mean any person who purchases a manufactured or mobile home subject to a lease with an option to purchase contract from a seller.

(e) "Seller" shall mean any person, corporation, association, or any other legal entity who sells a manufactured or mobile home subject to a lease with an option to purchase contract.

2. Notwithstanding any other provision of law, a lease with the option to purchase contract must be in writing and shall apply to the resale of manufactured or mobile homes. The lease with the option to purchase contract must be signed by all parties to the transaction and contain all the terms to which they have agreed, including a designation as to whether the buyer or the seller shall be responsible for the payment of any utilities, manufactured home park rent, fees, dues, or any other anticipated cost applicable to the manufactured or mobile home.

3. (a) At least five business days prior to the execution of the lease with the option to purchase contract, the seller shall, at his or her expense:

(1) perform a certified search through the uniform commercial code/lien search from the New York state department of state;

(2) perform a records search from the county clerk of the county where the manufactured or mobile home is located;

(3) perform a records search from the county clerk of the county where the seller resides, if different from the county where the manufactured or mobile home is located; and

(4) receive copies of the results of the searches required under paragraphs one, two, and three of this subdivision;

(b) provide a copy to the buyer, either by certified mail or in person, of each of the searches required under subparagraph one of paragraph (a) of this subdivision; and

(c) discharge any lien or any security interest encumbering the manufactured or mobile home, if any exist.

4. In the event that the manufactured or mobile home is located in a manufactured home park, as defined in paragraph three of subdivision a of section two hundred thirty-three of this article, the execution of the lease with the option to purchase contract is contingent on the manufactured home park owner's or operator's approval of the buyer as a manufactured home park tenant upon execution of the lease and throughout the buyer's tenancy in such manufactured home park; provided, however, that nothing in this subdivision shall limit the rights of the manufactured home park owner or operator to evict a manufactured home park tenant pursuant to subdivision b of section two hundred thirty-three of this article.

5. Upon signing of the lease with the option to purchase contract by all parties involved, the seller shall provide the buyer with a copy of the signed lease with the option to purchase contract.

6. Within thirty days of the execution of the lease with the option to purchase contract, the seller shall:

(a) record such lease with the option to purchase contract with the county where the manufactured or mobile home is located and the county where the buyer resides; and

(b) deliver to the buyer a receipt of the recorded transaction or transactions via certified mail, return receipt requested.

7. The requirements of subdivision three of this section shall be written or printed clearly and conspicuously in the lease with the option to purchase contract.

8. Upon fulfillment of all contingencies included in the lease with the option to purchase contract, the seller shall give the buyer the certificate of title or proof of ownership of the manufactured or mobile home, whichever the case may be. For the purposes of this subdivision, "proof of ownership" can be any written document, signed and dated by the seller and the buyer, indicating the transfer of possession of the mobile or manufactured home from the seller to the buyer. "Proof of ownership" can also include the lease with the option to purchase contract, provided that the buyer has successfully completed all contingencies required in the lease with the option to purchase contract.

9. The following provisions shall apply to and be included in every lease with the option to purchase contract:

(a) The full name, the place of residence, and post office address of all parties to the lease with the option to purchase contract;

(b) The date when signed by the buyer;

(c) A description of the manufactured or mobile home covered by the lease with the option to purchase contract, which shall include the size, year, and serial number of the mobile or manufactured home or the mobile or manufactured home's certification label issued by the United States department of housing and urban development. The description shall also include a list of all fixtures, such as those for heating, plumbing, and lighting, as well as any appliances that are currently installed in the mobile or manufactured home;

(d) Information on whether any fees or public charges are delinquent or have been levied against the manufactured or mobile home, including any that may have been imposed by or owed to the manufactured home park owner;

(e) A provision that the buyer has the right to accelerate any payments;

(f) Whether the seller has received written notice from any state or local government entity requiring any repairs or improvements to be made to the manufactured or mobile home subject to the lease with the option to purchase contract;

(g) The following notice: "NOTICE TO THE BUYER: (1) Do not sign this lease with the option to purchase contract before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled in copy of this lease with the option to purchase contract when you sign it. (3) Under the law, you have the right to pay off in advance the full amount due."

10. The lease with the option to purchase contract shall also contain in simple tabular form, the following separate paragraphs in the following order:

(a) The cash price of the manufactured or mobile home subject to the lease with the option to purchase contract;

(b) Any charge or fee that is included in the lease with the option to purchase contract separate from the cash price;

(c) The sum of paragraphs (a) and (b);

(d) The amount of any down payment made by or on behalf of the buyer;

(e) The principal balance owed, which is the sum of paragraph (c) less paragraph (d); and

(f) The amount and schedule of each payment and the total number of all periodic payments.

11. No seller shall:

(a) place or hold any mortgage on any manufactured or mobile home sold under a lease with the option to purchase contract; or

(b) cause any insurance coverage on the manufactured or mobile home to lapse or end for the duration of the lease with the option to purchase contract.

12. Failure of the seller to comply with this section shall give the buyer the unconditional right to cancel the lease with the option to purchase contract and receive immediate refund of all payments and deposits made on account of or in contemplation of the lease with the option to purchase contract.

§ 2. This act shall take effect immediately.