

H.92

An act relating to rent-to-own agreements

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. STUDY; SPECIAL COMMITTEE ON MOBILE HOME

OWNERSHIP

(a) There is created a special committee on mobile home ownership, the organization of which shall be as follows:

(1) The committee shall hold its first meeting no later than June 30, 2009 at a place and time agreed to by a majority of the members. The commissioner of the department of housing and community affairs, or his or her designee, shall chair the first meeting, at which the committee shall elect a chair and vice chair and shall establish a schedule for accomplishing its duties under this act.

(2) Following its first meeting, the committee shall provide bi-monthly progress reports to the chairs of the house committee on general, housing and military affairs and the senate committee on economic development, housing and general affairs, and shall submit its final report to those committees on or before January 15, 2010.

(3) The staff of the department of housing and community affairs shall provide technical and clerical support to the committee.

(b) The committee shall consist of the following individuals:

(1) The commissioner of the department of housing and community affairs or designee.

(2) The commissioner of the department of banking, insurance, securities, and health care administration or designee.

(3) A representative of the banking industry with experience in real estate transactions recommended by the Vermont Bankers Association, Inc.

(4) A member representing the interests of Vermont town clerks who shall be appointed collaboratively by the Vermont League of Cities and Towns, Inc. and the Vermont Municipal Clerks' & Treasurers' Association.

(5) Two members representing the interests of mobile home tenants, one of whom shall be appointed by Vermont Legal Aid, and one of whom shall be appointed by the Champlain Valley Office of Economic Opportunity.

(6) A member representing the interests of mobile home park owners who shall be appointed by the Vermont Apartment Owners Association, LLC.

(c) The committee shall take such testimony and review such reports or other information to examine and develop proposals to address the following issues, and any additional issues it deems necessary, to accomplish its duties under this act:

(1) The historical and current practice of mobile home purchases on a "rent-to-own" basis, including:

(A) The prevalence of purchases on a rent-to-own basis.

(B) Whether rent-to-own purchases occur pursuant to written agreement, the form and content of those agreements, whether those agreements comply with current law, and whether a standard agreement unique to rent-to-own purchases of mobile homes should be adopted.

(C) The extent to which rent-to-own sellers and purchasers are aware of, and follow, notice and documentation requirements, including bills of sale, UCC filings, tax filings, and related recording requirements, and whether these requirements are sufficient to create an adequate public record of ownership.

(D) The extent to which rent-to-own purchasers utilize counsel or other resources when entering into agreements to purchase a mobile home.

(2) The current framework regulating foreclosure of interests in mobile homes and whether and how that framework sufficiently addresses rent-to-own purchases.

(3) The treatment of mobile homes as personal property, with emphasis on whether such treatment causes legal, financial, or other uncertainty with respect to ownership, and any potential resolution of these issues.

### Sec. 3 EFFECTIVE DATE

This act shall take effect upon passage.