



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5377

Introduced 1/26/2006, by Rep. Ruth Munson

SYNOPSIS AS INTRODUCED:

765 ILCS 745/6	from Ch. 80, par. 206
765 ILCS 745/8	from Ch. 80, par. 208
765 ILCS 745/8.5 new	
765 ILCS 745/9	from Ch. 80, par. 209

Amends the Mobile Home Landlord and Tenant Rights Act. Provides a refund procedure for a lease or purchase agreement that a prospective tenant cancels within 5 or 10 days after signing the lease or purchase agreement. Provides that a landlord is limited to 2 months rent for a tenant's early termination of the lease. Provides that if a tenant leaves the park because of temporary illness or disability, the park owner shall allow relatives designated by the tenant or the tenant's guardian to live in the home. Provides for automatic lease renewal for 2 years unless certain requirements are met, such as a 30-day notice and a notice of reasons for the non-renewal of the lease. Provides that the park owner is to give 12 months notice of closing all or part of the park. Provides for the park owner and tenant or tenant association to use a State certified general real estate appraiser, selected by the parties or the court, to prepare an appraisal to determine the appropriate amount for rent and fees. Provides that the appraisal is subject to court review. Makes other changes.

LRB094 18951 AJO 54408 b

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning property.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Mobile Home Landlord and Tenant Rights Act
5 is amended by changing Sections 6, 8, and 9 and by adding
6 Section 8.5 as follows:

7 (765 ILCS 745/6) (from Ch. 80, par. 206)

8 Sec. 6. Minimum lease terms of required written lease
9 ~~Obligation of Park Owner to Offer Written Lease.~~

10 (a) No person shall offer a mobile home or lot for rent or
11 sale in a mobile home park without having first exhibited to
12 the prospective tenant or purchaser a copy of the lease
13 applicable to the respective mobile home park.

14 (b) ~~(a)~~ The park owner shall be required to offer to each
15 present and future tenant a written lease for a term of not
16 less than 2 years ~~12 months~~, unless the parties agree to a
17 different term subject to existing leases which shall be
18 continued pursuant to their terms.

19 (c) A prospective tenant who executes a lease pursuant to
20 this Section may cancel the lease by notifying the park owner
21 in writing within 5 business days after the prospective
22 tenant's execution of the lease. The park owner shall return
23 any downpayment, security deposit, or rent paid by the
24 prospective tenant within 10 days after receiving the written
25 cancellation. If the park owner enters into an agreement to
26 sell a mobile home to a prospective tenant or lease it to a
27 prospective tenant with an option to purchase, the prospective
28 tenant may cancel the sale or lease-purchase agreement along
29 with the lease by notifying the park owner in writing within 5
30 business days after the prospective tenant's execution of the
31 lease. The park owner shall, within 10 days after receiving the
32 written cancellation, refund all consideration paid by the

1 prospective tenant and cancel any debt relating to the purchase
2 or lease of the mobile home.

3 (d) The maximum amount that a park owner may recover as
4 damages for a tenant's early termination of a lease is 2 months
5 rent. However, if the lot is leased to another tenant within 20
6 days of vacating, the damages shall be a maximum of rent for
7 one month.

8 (e) In the lease, the park owner shall fully and clearly
9 set forth the amounts or methods of determining any rental
10 increases for any and all renewals of the lease.

11 (f) The park owner shall not charge or impose upon a tenant
12 any fee or increase in rent which reflects the cost to the park
13 owner of any fine, forfeiture, penalty, money damages, or fee
14 assessed or awarded by a court of law against the park owner,
15 including any attorney's fees and costs incurred by the park
16 owner in connection therewith.

17 (g) ~~(b)~~ Tenants in possession on the effective date of this
18 Act shall have 30 days after receipt of the offer for a written
19 lease within which to accept or reject such offer; during which
20 period, the rent may not be increased or any other terms and
21 conditions changed, except as permitted under this Act;
22 providing that if the tenant has not so elected he shall vacate
23 within the 30 day period.

24 (h) ~~(e)~~ The park owner shall notify his tenants in writing
25 not later than 30 days after the effective date of this Act,
26 that a written lease shall be available to the tenant and that
27 such lease is being offered in compliance with and will conform
28 to the requirements of this Act.

29 (i) If a tenant leaves a mobile home park temporarily
30 because of illness or disability, the park owner shall allow a
31 relative or relatives, designated by the tenant or the tenant's
32 guardian or representative, to live in the home until such time
33 as the tenant is able to return, so long as the terms of the
34 lease continue to be met.

35 (Source: P.A. 81-1509.)

1 (765 ILCS 745/8) (from Ch. 80, par. 208)

2 Sec. 8. Renewal of Lease.

3 (a) At the expiration of a lease, including one that is a
4 renewal of a previous lease, the lease shall be renewed
5 automatically for a term of 2 years with the same terms as the
6 previous lease, unless:

7 (1) the tenant notifies the park owner 30 days prior to
8 the expiration of the lease that he or she does not intend
9 to renew the lease;

10 (2) the park owner notifies the tenant 30 days prior to
11 the expiration of the lease that the lease will not be
12 renewed and specifies in writing one or more of the
13 following reasons: violation of park rules; violation of
14 health and safety codes; or irregular or non-payment of
15 rent;

16 (3) the park owner seeks to change the terms of the
17 agreement pursuant to subsections (b), (c), and (d), in
18 which case the procedures set forth in those subsections
19 shall apply; or

20 (4) the park owner elects to cease the operation of
21 either all or a portion of the mobile home park. The
22 tenants shall be entitled to at least 12 months notice of
23 the cessation of operations. If 12 months or more remain on
24 the existing lease at the time of notice, the tenant is
25 entitled to the balance of the term of his or her lease. If
26 there are less than 12 months remaining in the term of his
27 or her lease, the tenant is entitled to the balance of his
28 or her lease plus a written month-to-month tenancy, at the
29 expiring lease rate to provide him or her with a full 12
30 months notice.

31 (b) Six months prior to the expiration of the lease, the
32 park owner shall offer the tenant a renewal lease with a term
33 of at least 2 years with the proposed rental amount and any fee
34 or other lease changes for that term.

35 (c) If the tenant does not accept the new terms, the tenant
36 may initiate a binding appraisal process whereby a State

1 certified general real estate appraiser, licensed pursuant to
2 the Real Estate Licensing Act of 2002, agreed to by the tenant
3 and park owner shall determine the fair market value of the
4 rent and other fees over the next 2 years, based on the
5 existing leases of other tenants in the same mobile home park
6 and any discount that is necessary to reflect any future change
7 in land use that the park owner has announced. The amount
8 determined by the appraiser, including any built-in increases,
9 shall be binding for the next 2 year period.

10 (d) A tenant whose existing lease does not comply with this
11 Act shall, as soon as practical, be offered a 2 year lease that
12 complies with this Act, effective on the termination of the
13 existing lease. If the tenant does not accept the terms of the
14 lease, the tenant may initiate a binding appraisal process,
15 whereby a State certified general real estate appraiser,
16 licensed pursuant to the Real Estate Licensing Act of 2002,
17 agreed to by the tenant and park owner shall determine the fair
18 market value of the rent and other fees over the next 2 years,
19 based on new leases of other tenant in the same mobile home
20 park and, if necessary, leases in comparable mobile home parks.

21 (e) All notices required under this Section shall be by
22 certified mail or personal service. Certified mail shall be
23 deemed to be effective upon the date of mailing.

24 (f) A tenant has 60 days from receipt of the renewal notice
25 to initiate the binding appraisal process. If the appraisal
26 process extends beyond the term of the original lease term, the
27 tenant shall be a hold-over on a month-to-month lease under the
28 terms of the original lease and the park owner shall be
29 prohibited from taking any action inconsistent with that
30 original lease. ~~Every lease of a mobile home or lot in a mobile~~
31 ~~home park shall contain an option which automatically renews~~
32 ~~the lease; unless: (a) the tenant shall notify the owners 30~~
33 ~~days prior to the expiration of the lease that he does not~~
34 ~~intend to renew the lease; or (b) the park owner shall notify~~
35 ~~the tenant 30 days prior to the expiration of the lease that~~
36 ~~the lease will not be renewed and specify in writing the~~

~~1 reasons, such as violations of park rules, health and safety
2 codes or irregular or non-payment of rent; or (c) the park
3 owner elects to cease the operation of either all or a portion
4 of the mobile home park. The tenants shall be entitled to at
5 least 12 months notice of such ceasing of operations. If 12
6 months or more remain on the existing lease at the time of
7 notice, the tenant is entitled to the balance of the term of
8 his lease. If there is less than 12 months remaining in the
9 term of his lease, the tenant is entitled to the balance of his
10 lease plus a written month to month tenancy, at the expiring
11 lease rate to provide him with a full 12 months notice.~~

~~12 All notices required under this Section shall be by
13 certified mail or personal service. Certified mail shall be
14 deemed to be effective upon the date of mailing.~~

15 (Source: P.A. 87-1078.)

16 (765 ILCS 745/8.5 new)

17 Sec. 8.5. Appraisals.

18 (a) If the tenant or tenant association and the park owner
19 fail to select an appraiser, pursuant to subsections (c) or (d)
20 of Section 8, the circuit court in the county where the park is
21 located, upon application of the park owner or tenant, shall
22 appoint the appraiser.

23 (b) The appraiser's decision shall be a signed written
24 document, with copies provided to both the park owner and
25 tenant. The appraiser's decision shall equitably apportion
26 expenses and fees incurred in the preparation of the appraisal
27 between the park owner and tenant.

28 (c) The park owner and tenant have the right in the
29 appraisal procedure to be represented by attorneys, or in the
30 case of the tenant, by the tenant association.

31 (d) The park owner or tenant may seek court review of an
32 appraisal that was conducted pursuant to this Section. The
33 court may vacate or modify the appraiser's decision, establish
34 the fair market value of the land, or grant any such other
35 relief as the court deems just or appropriate.

1 (765 ILCS 745/9) (from Ch. 80, par. 209)

2 Sec. 9. The Terms of Fees and Rents. The terms for payment
3 of rent shall be clearly set forth and all charges for
4 services, ground or lot rent, unit rent, or any other charges
5 shall be specifically itemized in the lease and in all billings
6 of the tenant by the park owner.

7 The owner shall not change the rental terms nor increase
8 the cost of fees, except as provided herein.

9 The park owner shall not charge a transfer or selling fee
10 as a condition of sale of a mobile home that is going to remain
11 within the park unless a service is rendered.

12 ~~Rents charged to a tenant by a park owner may be increased~~
13 ~~upon the renewal of a lease. Notification of an increase shall~~
14 ~~be delivered 60 days prior to expiration of the lease.~~

15 (Source: P.A. 86-851.)