



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5582

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 745/8.7 new	

Amends the Mobile Home Landlord and Tenant Rights Act. Provides that, if the park owner enters into an agreement to sell a mobile home to a prospective tenant or lease it to a prospective tenant with an option to purchase, the prospective tenant may cancel the sale or lease-purchase agreement along with the lease by notifying the park owner in writing within 3 business days after the prospective tenant's execution of the lease. Provides that the park owner shall, within 10 days after receiving the written cancellation, refund all consideration paid by the prospective tenant and cancel any debt relating to the purchase or lease of the mobile 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 if the tenant does not accept the landlord's new lease terms that the park owner and tenant or tenant association shall 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.

LRB095 17199 AJO 46248 b

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 and 8 and by adding Section
6 8.7 as follows:

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

8 Sec. 6. Obligation of Park Owner to Offer Written Lease.

9 Except as provided in this Act, no person shall offer a
10 mobile home or lot for rent or sale in a mobile home park
11 without having first exhibited to the prospective tenant or
12 purchaser a copy of the lease applicable to the respective
13 mobile home park, unless the prospective tenant waives this
14 right in writing.

15 (a) The park owner shall be required, on a date before the
16 date on which the lease is signed, to offer to each present and
17 future tenant a written lease for a term of not less than 24
18 months, unless the prospective tenant waives that right and the
19 parties agree to a different term subject to existing leases
20 which shall be continued pursuant to their terms.

21 (b) Tenants in possession on the effective date of this Act
22 shall have 30 days after receipt of the offer for a written
23 lease within which to accept or reject such offer; during which

1 period, the rent may not be increased or any other terms and
2 conditions changed, except as permitted under this Act;
3 providing that if the tenant has not so elected he shall vacate
4 within the 30 day period.

5 (c) The park owner shall notify his tenants in writing not
6 later than 30 days after the effective date of this Act, that a
7 written lease shall be available to the tenant and that such
8 lease is being offered in compliance with and will conform to
9 the requirements of this Act.

10 (d) The park owner shall give 90 days' notice of any rent
11 increase and no rent increase shall go into effect until 90
12 days after the notice. Upon receipt of the notice of the rent
13 increase, a tenant shall have 30 days in which to accept or
14 reject the rent increase. If the tenant rejects the rent
15 increase, the tenant must notify the park owner of the date on
16 which the tenant will vacate the premises, which shall be a
17 date before the effective date of the rent increase.

18 (e) The park owner may provide for a specified rent
19 increase between the first and second years of the lease.

20 (f) The park owner may offer a month-to-month tenancy
21 agreement option to a tenant not wishing to make a long-term
22 commitment if the tenant signs a written statement
23 acknowledging that the park owner offered the tenant a longer
24 term lease but the tenant chose instead to agree to only a
25 month-to-month tenancy agreement. If the tenant declines to
26 sign either a lease or a statement acknowledging that a lease

1 was offered, the park owner shall sign and deliver to the
2 tenant a statement to that effect. Any month-to-month tenancy
3 agreement must provide a minimum of 90 days' notice to the
4 tenant before any rent increase is effective.

5 (g) A prospective tenant who executes a lease pursuant to
6 this Section may cancel the lease by notifying the park owner
7 in writing within 3 business days after the prospective
8 tenant's execution of the lease, unless the prospective tenant
9 waives in writing this right to cancel the lease or waives this
10 right by taking possession of the mobile home or the lot. The
11 park owner shall return any downpayment, security deposit, or
12 rent paid by the prospective tenant within 10 days after
13 receiving the written cancellation. If the park owner enters
14 into an agreement to sell a mobile home to a prospective tenant
15 or lease it to a prospective tenant with an option to purchase,
16 the prospective tenant may cancel the sale or lease-purchase
17 agreement along with the lease by notifying the park owner in
18 writing within 3 business days after the prospective tenant's
19 execution of the lease. The park owner shall, within 10 days
20 after receiving the written cancellation, refund all
21 consideration paid by the prospective tenant and cancel any
22 debt relating to the purchase or lease of the mobile home.

23 (h) The maximum amount that a park owner may recover as
24 damages for a tenant's early termination of a lease is the
25 amount due under the lease, less any offset or mitigation
26 through a re-lease.

1 (i) A tenant in possession of a mobile home or lot who is
2 not subject to a current lease on the effective date of this
3 amendatory Act of the 95th General Assembly shall be offered a
4 lease by the park owner within 90 days after the effective date
5 of this amendatory Act of the 95th General Assembly. Tenants in
6 possession on the effective date of this amendatory Act of the
7 95th General Assembly shall have 30 days after receipt of the
8 offer for a written lease within which to accept or reject the
9 offer, during which period the rent may not be increased or any
10 other terms and conditions changed, except as permitted under
11 this Act; provided that if the tenant has not so elected he or
12 she shall vacate within the 30-day period.

13 (Source: P.A. 95-383, eff. 1-1-08.)

14 (765 ILCS 745/8) (from Ch. 80, par. 208)

15 Sec. 8. Renewal of Lease.

16 (a) Every lease of a mobile home or lot in a mobile home
17 park shall contain an option which automatically renews the
18 lease; unless:

19 (1) the tenant shall notify the owners 30 days prior to
20 the expiration of the lease that he does not intend to
21 renew the lease;

22 (2) the park owner shall notify the tenant 30 days
23 prior to the expiration of the lease that the lease will
24 not be renewed and specify in writing the reasons, such as
25 violations of park rules, health and safety codes or

1 irregular or non-payment of rent;

2 (3) the park owner elects to cease the operation of
3 either all or a portion of the mobile home park; or

4 (4) the park owner seeks to change the terms of the
5 agreement pursuant to subsection (b) in which case the
6 procedures set forth in subsection (b) shall apply, unless
7 the only change is in the amount of rent, in which case it
8 is sufficient if the park owner provides a letter notice to
9 the tenant stating the changed rent amount; any notice of a
10 change in the amount of rent shall advise the tenant that
11 the tenant will be given a copy of the lease, upon request,
12 at no charge and that no other changes in the lease are
13 allowed.

14 (b) If there is no change in the lease, the park owner must
15 provide the tenant with a letter notice stating there will be
16 no change in the lease terms unless a new lease is signed. If
17 there is a change in the rent, the park owner must offer to
18 provide the tenant a copy of the lease without charge upon
19 request.

20 (c) All notices required under this Section shall be by
21 first class mail or personal service.

22 (d) At the expiration of a lease, including one that is a
23 renewal of a previous lease, the lease shall be renewed
24 automatically for a term of 2 years with the same terms as the
25 previous lease, unless the park owner seeks to change the terms
26 of the agreement pursuant to subsections (f), and (g), in which

1 case the procedures set forth in those subsections shall apply.

2 (e) If the tenant does not accept the new terms, the tenant
3 may initiate a binding appraisal process whereby a
4 State-certified general real estate appraiser, licensed
5 pursuant to the Real Estate Appraiser Licensing Act of 2002,
6 agreed to by the tenant and park owner shall determine the fair
7 market value of the rent and other fees over the next 2 years,
8 based on the existing leases of other tenants in the same
9 mobile home park and any discount that is necessary to reflect
10 any future change in land use that the park owner has
11 announced. The amount determined by the appraiser, including
12 any built-in increases, shall be binding for the next 2 year
13 period.

14 (f) A tenant whose existing lease does not comply with this
15 Act shall, as soon as practical, be offered a 2 year lease that
16 complies with this Act, effective on the termination of the
17 existing lease. If the tenant does not accept the terms of the
18 lease, the tenant may initiate a binding appraisal process,
19 whereby a State-certified general real estate appraiser,
20 licensed pursuant to the Real Estate Appraiser Licensing Act of
21 2002, agreed to by the tenant and park owner shall determine
22 the fair market value of the rent and other fees over the next
23 2 years, based on new leases of other tenants in the same
24 mobile home park and, if necessary, leases in comparable mobile
25 home parks.

26 (g) A tenant has 60 days from receipt of the renewal notice

1 to initiate the binding appraisal process. If the appraisal
2 process extends beyond the termination of the original lease
3 term, the tenant shall be a hold-over on a month-to-month lease
4 under the terms of the original lease and the park owner shall
5 be prohibited from taking any action inconsistent with that
6 original lease.

7 (Source: P.A. 95-383, eff. 1-1-08.)

8 (765 ILCS 745/8.7 new)

9 Sec. 8.7. Appraisals.

10 (a) If the tenant or tenant association and the park owner
11 fail to select an appraiser pursuant to subsection (e) or (f)
12 of Section 8, the circuit court in the county where the park is
13 located, upon application of the park owner or tenant, shall
14 appoint the appraiser.

15 (b) The appraiser's decision shall be a signed written
16 document, with copies provided to both the park owner and the
17 tenant. The appraiser's decision shall equitably apportion
18 expenses and fees incurred in the preparation of the appraisal
19 between the park owner and the tenant.

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

23 (d) The park owner or tenant may seek court review of an
24 appraisal that was conducted pursuant to this Section. The
25 court may vacate or modify the appraiser's decision, establish

1 the fair market value of the land, or grant any other relief as
2 the court deems just or appropriate.