

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1700
Committee Substitute Favorable 6/23/08
Committee Substitute #2 Favorable 6/26/08

Short Title: Notice of Conversion of Manufact. Home Comm. (Public)

Sponsors:

Referred to:

April 19, 2007

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE NOTICE TO THE NORTH CAROLINA HOUSING
2 FINANCE AGENCY OF A CONVERSION OF A MANUFACTURED HOME
3 COMMUNITY AND TO PROVIDE A TAX DEDUCTION FOR THE SALE OF A
4 MANUFACTURED HOME COMMUNITY TO MANUFACTURED
5 HOMEOWNERS.
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 42-14.3 reads as rewritten:

9 "**§ 42-14.3. Notice of conversion of manufactured home communities.**

10 (a) In the event that an owner of a manufactured home community (defined as a
11 parcel of land, whether undivided or subdivided, that has been designed to
12 accommodate at least five manufactured homes) intends to convert the manufactured
13 home community, or any part thereof, to another use that will require movement of the
14 manufactured homes, the owner of the manufactured home community shall give each
15 owner of a manufactured home and the North Carolina Housing Finance Agency notice
16 of the intended conversion at least 180 days before the owner of a manufactured home
17 is required to vacate and move the manufactured home, regardless of the term of the
18 tenancy. Failure to give notice as required by this section is a defense in an action for
19 possession. The respective rights and obligations of the community owner and the
20 owner of the manufactured home under their lease shall continue in effect during the
21 notice period.

22 (b) Notwithstanding subsection (a) of this section, if a manufactured home
23 community is being closed pursuant to a valid order of any unit of State or local
24 government, the owner of the community shall be required to give notice of the closure
25 of the community to each resident of the community and the North Carolina Housing
26 Finance Agency within three business days of the date on which the order is issued."

27 **SECTION 2.** G.S. 105-130.5(b) is amended by adding a new subdivision to
28 read:

1 "(b) The following deductions from federal taxable income shall be made in
2 determining State net income:

3 ...

4 (24) The taxable gain reported by a taxpayer from the qualified sale of a
5 manufactured home community. A qualified sale is a transfer of land
6 comprising a manufactured home community in a single purchase to a
7 group composed of a majority of the manufactured home community
8 leaseholders or to a nonprofit organization that represents such a
9 group. To be eligible for this deduction, a taxpayer must give notice of
10 the sale to the North Carolina Housing Finance Agency under
11 G.S. 42-14.3."

12 **SECTION 3.** G.S. 105-134.6(b) is amended by adding a new subdivision to
13 read:

14 "(b) Deductions. – The following deductions from taxable income shall be made
15 in calculating North Carolina taxable income, to the extent each item is included in
16 taxable income:

17 ...

18 (19) The taxable gain reported by a taxpayer from the qualified sale of a
19 manufactured home community. A qualified sale is a transfer of land
20 comprising a manufactured home community in a single purchase to a
21 group composed of a majority of the manufactured home community
22 leaseholders or to a nonprofit organization that represents such a
23 group. To be eligible for this deduction, a taxpayer must give notice of
24 the sale to the North Carolina Housing Finance Agency under
25 G.S. 42-14.3."

26 **SECTION 4.** Sections 2 and 3 of this act are effective for taxable years
27 beginning on or after January 1, 2008, and expire for taxable years beginning on or after
28 January 1, 2015. The remainder of this act is effective when it becomes law.