

LAW OFFICE
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April 10, 2013

VIA E-MAIL (Rep.GeneWhisnant@state.or.us)
and FIRST CLASS MAIL

Representative Gene Whisnant
900 Court St NE, H-471
Salem, Oregon 97301

Re: Opposition to HB 3007

Dear Rep. Whisnant:

This firm represents the Oregon Park Owners' Alliance ("OPOA"). I have also represented hundreds of mobile home parks throughout the State of Oregon since approximately 1990. Attached please find a copy of my letter dated March 28, 2013, which further addresses this Bill.

There appears to be significant misinformation and misunderstanding about what this Bill requires. The current law – ORS 90.820 – specifies that upon delivery of the required notice from the tenants' association, and during a 14 day timeframe following delivery of that notice, the tenants' association has a right of first refusal to purchase the facility. On the other hand, HB 3007 imposes an automatic thirty (30) day time period, triggered simply by the tenants' giving written notice of their interest to buy the facility (along with three other minor things). After this first 30 day timeframe, the residents then have another 20 days within which to submit a written purchase offer and reach agreement; should they do so, they then have another 50 days (giving them a total of 100 days) to complete final arrangements.

Despite the best of intentions, many tenant groups seeking to buy their park might easily make the last 50 day stretch but then fail to close. In the meantime the park owner has lost sale opportunities and has been effectively unable to market the property. As time is of the essence in many real estate transactions (including those relating to manufactured dwelling parks), this Bill would work a huge disadvantage to a park owner seeking to effect an expeditious sale.

Representative Gene Whisnant

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Despite its ambiguities, no park owner has complained about ORS 90.820. In its current form, this existing law benefits the tenants over the landlords for the very reasons identified by Mr. Van Landingham. That's a fair trade for park owners who prefer to avoid the problems which would necessarily flow from HB 3007.

For these reasons would ask that you vote against this Bill.

Thank you for your patience and attention in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Charles M. Greeff', with a long horizontal flourish extending to the right.

Charles M. Greeff

CMG:eg

Alliance\Letter Re HB 3007-02

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March 28, 2013

**To: Members of House
Human Services and Housing Committee**

Re: Opposition to HB 3007

Dear Sir/Madam:

I have been practicing law since 1989 and represent hundreds of manufactured dwelling park communities throughout Oregon.

HB 3007 is bad legislation for several reasons.

First, existing law, ORS 90.820, already provides Park residents with a right of first refusal. Subsection (2) specifies that “[d]uring the 14-day period following the delivery of a notice to the facility owner under subsection (1) of this section, the tenants’ association, facility purchase association or tenants’ association supported nonprofit organization **has a right of first refusal for any offer or agreement by the facility owner to sell the facility.**” (Emphasis added).

This right of first refusal was enacted during the 2009 legislative session. There is no evidence that ORS 90.820 does not work, or has even been a hindrance to residents seeking to purchase their communities. We submit that ORS 90.820 – a very new law – should be allowed to operate as intended before making any judgments about its shortcomings. In the lead up to HB 3007, its proponents have failed to offer a single anecdotal example where Park residents have been unable to purchase their community or why ORS 90.820 is inadequate. To the contrary, several communities have been successfully sold to the residents over the past few years with the help of nonprofit groups such as CASA.

HB 3007 offers no incentive for Park owners to sell to cooperatives; instead, it punishes Park owners who fail to comply with the letter of the law. It makes far more sense to try to legislate incentives rather than punishments. More importantly, this bill presupposes that every

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single mobile home park within the state of Oregon is a candidate for resident ownership. To the contrary, some Parks are not; this bill nonetheless purports to apply to every single park in the state regardless of size, location or demographics. Stated differently, it paints with too broad a brush. It penalizes the small “mom and pop” Park owners who might need to sell their investment quickly, many of whom have had a very difficult time with high vacancy and a bad economy.

Finally, HB 3007 is overly complicated, highly regulatory and punitive. It specifies that if a Park owner fails to comply with the detailed notification and other requirements the “tenants, in the aggregate, may recover from the owner the greater of \$10,000 or 10% of the sales price up to a maximum of \$100,000.” This not only would penalize the Park owner for technical noncompliance but would effectively eliminate the Park owner’s ability to effect a quick sale of the property. It would also have a significant effect upon the Park owner’s ability to comply with IRC Section 1031 like kind exchange timelines.

Given the absence of any demonstrable need for change; the existing right of first refusal as set forth in ORS 90.820 should be allowed to remain in effect.

Very truly yours,

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Alliance\Letter Re HB 3007