

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  
Fourth Edition Engrossed 7/1/08

Short Title: Notice of Conversion of Manufact. Home Comm.

(Public)

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Sponsors:

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Referred to:

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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 to each manufactured home owner as required by this  
19 section is a defense in an action for possession. The respective rights and obligations of  
20 the community owner and the owner of the manufactured home under their lease shall  
21 continue in effect during the 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."

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

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

5           ...

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

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

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

19           ...

20           (19) Five percent (5%) of the gross purchase price of a qualified sale of a  
21           manufactured home community. A qualified sale is a transfer of land  
22           comprising a manufactured home community in a single purchase to a  
23           group composed of a majority of the manufactured home community  
24           leaseholders or to a nonprofit organization that represents such a  
25           group. To be eligible for this deduction, a taxpayer must give notice of  
26           the sale to the North Carolina Housing Finance Agency under  
27           G.S. 42-14.3."

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