



HOME REMOVAL TAX PERMIT - Legislation - 2010 Internal Study
SB1087/HB1827

A. Transportation

- a. Less than 3% of *homes in transit* at any given time are home movements from a community or park.
- b. Requirement of a home removal permit for communities would inadvertently capture the entire industry and all home movements, both new and old homes, communities, retailers and private citizens... Law enforcement is not going to be able to tell the difference.
 - i. This could subject every home to being stopped through each jurisdiction they travel through.
- c. According to the Department of Commerce and Insurance there are 700 - 1000 individuals/companies that would have the license to move a home; all would have to be notified.
- d. Transporters sign moving contracts in good faith, and should not be held responsible for the actions of a deceptive consumer or other party.
- e. Transportation divisional members do not support this remedy.

B. Finance

- a. The current notification process between community owners and financial institutions [67-5-802(a)(1)] has remedied home removals, without prior notification, from this perspective.
- b. Finance companies currently do not have the manpower or economics to travel to each county and ask for a tax removal permit prior to repossession of a home, which stands as collateral for a good faith loan.
- c. Finance divisional members do not support this remedy.

C. Consumer

- a. Facilities which employ no onsite manager, but rather an individual which collects monthly rents on a specified day, would not be able to assist the homeowner in a timely manner. For every day a signoff is not received, the homeowner continues to accrue land rental costs.
- b. Facilities which collect home tax through a prorated monthly amount do not forward those taxes until the annual due date. It is possible that a consumer has paid taxes, but in this instance, would not be able to obtain a tax assessors signature, until the owner forwarded funds to the assessor. Again, for each day a consumer is in this process, land rental costs continue to accrue.
- c. Under the current tax collection process for communities and parks, Tax Assessors will not accept tax payments per home, *from consumers*. The tax bill is prepared in the landowner's name and partial payments [as they are referred to] are not accepted from individuals. The community owner is responsible to pay the amount in full. An individual consumer would not be allowed to have a tax clearance signature for their respective home, if the land owner had outstanding taxes due.

D. Communities/Parks

- a. TMHA randomly called representatives from 20 communities/parks, representing 15 cities across Tennessee. [Clarksville, Gallatin, Knoxville, LaVergne, Lebanon, Louisville, Maryville, Memphis, Millington, Morristown, Ooltewah, Powell, Sevierville, Smyrna, Tullahoma]
 - i. All representatives were in agreement that home removal, without paying taxes due, was not a community division issue. Proper rental agreements and notifications to new residents have long since remedied this issue.
 - ii. All stated that home removals and the processes surrounding those removals are clearly defined in today's rental agreements.
 - iii. All noted that finance companies made pre-arrangements.
 - iv. All noted that local private movers were made aware of the community rules and regulations, and currently had no issues with their respective local transportation providers.
 - v. No trespassing signs and contact or transporter instructional signs are posted at each entrance and exit of communities ... and to this point have been fully utilized by their respective local transporters. Also, local authorities are helpful in enforcement of 'no trespassing' violations.
 - vi. As an end result, of the 20 communities, only three could recall a consumer over the past 4 years, which attempted to leave with unpaid taxes. As a result in those instances, owners and managers withheld the tax amount due from the homeowner's deposit on file.
- b. Communities/Parks divisional members, as well as surveyed communities, do not support this remedy.

Indiana Program - t/c: Dennis Harney [317/247-6258], Indiana Manufactured Housing Assoc [IMHA]

In Indiana, all homes must purchase a moving permit. Included in the moving permit is a requirement of a clearance from the tax assessor's office. This affects all manufactured homes, which includes private property homes.

In Indiana, the community and park owner is not responsible for the collection of taxes on individual homes, and individuals are allowed to make payments directly to the tax assessor's office. Again, this is not an option for Tennessee community residents under the current tax collection process.

While consumers and transporters complain about the cumbersome process, it has more adversely affected community and park owners, due to unintended consequences. Indiana communities continue to search for a full legislative remedy to this requirement, as homeowners continue not to pay their taxes for prolonged periods of times. An abandoned home, new or old, can accrue as much as \$2,000 in back taxes owed, and community owners are responsible for those taxes, if they wish to have a home removed from their park, or even moved from one location in the facility to another location within that same facility.

Indiana member community owners currently do not support the process that is currently in place within their state.

On behalf of Indiana communities, the IMHA most recently lobbied for and legislators passed, 'tax forgiveness' legislation on the portion of homes that have been abandoned in communities, with back taxes pending. This is only affective in jurisdictions where assessors will grant the forgiveness clause, and then only on homes which are slated for disassembly and scrap.

For More Information Contact: Marla Y. Jackson, MHV
Executive Director
Tennessee Manufactured Housing Association
604 4th Avenue North
Nashville, Tennessee 37219
615/256-4733