

OFFICE OF FISCAL ANALYSIS

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sSB-988

AN ACT CONCERNING THE PURCHASE OF A MOBILE
MANUFACTURED HOME PARK BY ITS RESIDENTS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
CHFA	Resources of CHFA - Potential Cost	See Below	See Below
Department of Revenue Services	GF - Revenue Loss	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in potential costs to the resources of the Connecticut Housing Finance Authority (CHFA) associated with developing financing for more mobile manufactured home park resident associations (“associations”) to purchase their park, to the extent more associations request such assistance and take advantage of CHFA’s program.¹ The bill also results in a potential General Fund revenue loss beginning in FY 24. For reference, in FY 22 there were 192 applications filed with the Department of Consumer Protection for either a new mobile park license or the annual license renewal.

Under current law, if a park owner plans to discontinue use of a park, an association can receive: (1) technical assistance from the Department

¹ CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority pays its operating expenses using funds derived from the excess of interest income from loans over bond interest expenses.

of Housing (DOH) and (2) assistance financing the purchase through the CHFA's Mobile Manufactured Home Parks Acquisition Program ("program").² The program is new and has yet to be used.

Section 1, among other things, expands the circumstances under which DOH and CHFA are required to assist an association in developing financing for the purchase of their park. The technical assistance provided by DOH staff could be provided to a reasonable number of additional associations at no additional cost. It is anticipated that CHFA's existing program would be expanded under the bill, which could result in increased staff costs for CHFA to the extent the program is utilized.

The program is funded within CHFA's resources, which include a combination of tax-exempt private activity bonds and taxable market-rate bonds. To the extent the expanded program extends the uses of CHFA's resources, there is some possibility of either reduced use of such resources for existing programs or of greater reliance on taxable bonds to increase overall resources available for CHFA's programs. Borrowing through the use of taxable bonds is typically slightly more expensive than the issuance of tax-exempt bonds - it is anticipated that any increase in borrowing costs to CHFA from additional use of taxable bonds would be passed on to residents' associations.

Other mortgage assistance programs administered by CHFA have been supported by General Obligation (GO) bonds. The bill does not authorize new GO bond authorizations for this program, nor expand a GO bond-funded program so no change in General Fund debt service is anticipated from the bill.

Section 2 exempts certain mobile manufactured home park sales from the state real estate conveyance tax, resulting in a potential General Fund revenue loss beginning in FY 24. The magnitude of the revenue loss is dependent on: 1) the existence and number of exempt

² Connecticut Housing Finance Authority, August 2022, [Mobile Manufactured Home Parks Acquisition Program Guideline](#)

conveyances, and 2) the value of the property conveyed.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and value of associations taking advantage of the expanded buy-out provisions under the bill.