Modern Manufactured Housing in Ohio: Opportunities, Updates & Myths Busted

Breaking the Stereotypes

FACTORY-BUILT MANUFACTURED AND MODULAR HOMES IN OHIO

- Manufactured homes are **not** the "trailer parks" of the past
- Today's homes: high-quality, factory-built, HUD-compliant, energy-efficient
- Communities range from affordable to upscale—many include professional management and amenities

Modular vs. Manufactured



WHAT IS THE DIFFERENCE?

Generally **Modular** means it is built to the Ohio building codes the same as site built homes. These homes are regulated by the Ohio Department of Commerce in the 'Industrialized Unit' Section.

Manufactured Homes are HUD code homes built to the Manufactured Home Construction and Safety Standards (HUD Code). The HUD Code is a set of federal standards that regulate the construction of manufactured homes. These have steel frame on bottom and can be identified by a special seal in the home.

Construction & Safety



ALL Manufactured Homes are

- Inspected by a HUD-approved third party in the plant
- Built in a factory, under controlled conditions, with the same building materials as any on site built home
- Ohio also requires each home is inspected during installation, prior to getting an occupancy permit.

Attainable Home Ownership



Manufactured Homes:

- Cost 48% less than site-built homes
- \$106,590 price on average
- \$72.46 per square foot

Site Build Homes:

- \$351,748 price on average
- \$139.20 per square foot

*price without land



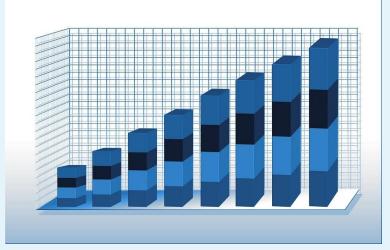
Manufactured Home Stats in Ohio

Manufactured and Modular Homes are placed on homeowners land or in manufactured home communities where 27% of homes are placed.





Ohio Statistics



- 153,000 Homes for 344,500 people statewide
- Average Home Price:
 - Single \$85,000
 - Multi Section Home \$139,000

SB 184 Senator Reynolds

INCENTIVES LOCAL GOVERNMENTS USE MANUFACTURED HOMES AND MODULAR HOMES





Ohio's Abandoned Manufactured Home Law



Abandoned or Nonproductive lots = no revenue for the owners and no taxes for the community

- **Goal**: Return nonproductive lots to revenuegenerating homes
- Overview of the abandonment process under Ohio law
 - County collaboration with community managers
 - Court involvement to declare abandonment
 - Pathway to remove and replace homes
- Outcome: New units → new taxes → stronger communities

Abandoned Manufactured Home Law

In House passed budget

- Very positive impact non- tax producing MHC lots to tax paying lots
- Requires titleholder be evicted
- After due process for abandon home parties auditor sets value over/under \$10,000
- Auditor 30 days to certify value (up from 2 weeks)
- Over \$10k = auction (never have bidders)
- Under \$10k park can acquire title and remove home free up lot for new home

Can Park Owners Collect Taxes?

No, if a park owner added a rule to collect taxes it would fail a court challenge as over reaching as a breach of the delegation of taxing authority.



Eviction courts will NOT evict for failure to pay taxes if the rent has been paid.





Cost and Time to Collect Taxes

- Communities try all sorts of rules to make sure taxes are paid.
- Reason for this is it's harder to take a transfer of title in lieu of back rent owed where taxes are owed.
- Park's best interest that resident taxes.
- Cost to county to pay park owner to collect taxes likely exceed the taxes owed.
- Much more time and cost to park owners.

HB 96 Impact Taxes

- If a court order ISSUED under the Abandoned MH laws, then all back taxes are removed.), taxes are eliminated When the Park Operator obtains title UNDER ABANDONED MH law
- The 5 year rule Park takes a voluntary title transfer, WHEREBY back taxes are transferred to the Park Operator.
- Because of back taxes owed, Community Owners can't settle cases in eviction for the transfer of title.



Homes Damaged or Destroyed

.What happens after a fire, storm, or demolition?

- Counties need a clear process for:
 - Updating tax rolls
 - Handling back taxes
 - Communicating with community owners

• Removing destroyed homes quickly makes way for new tax-paying residents



Damaged MH Tax Waivers and Refunds :

- Once destroyed form is submitted some auditors interpret law differently, some state tax to be paid by park operator, some do not.
- Under HB 96 authorizes MH Park operator to provide a notice of damaged homes for purpose of initiating refund or waiver of taxes on home
- Damage notices require photographic evidence from park owner

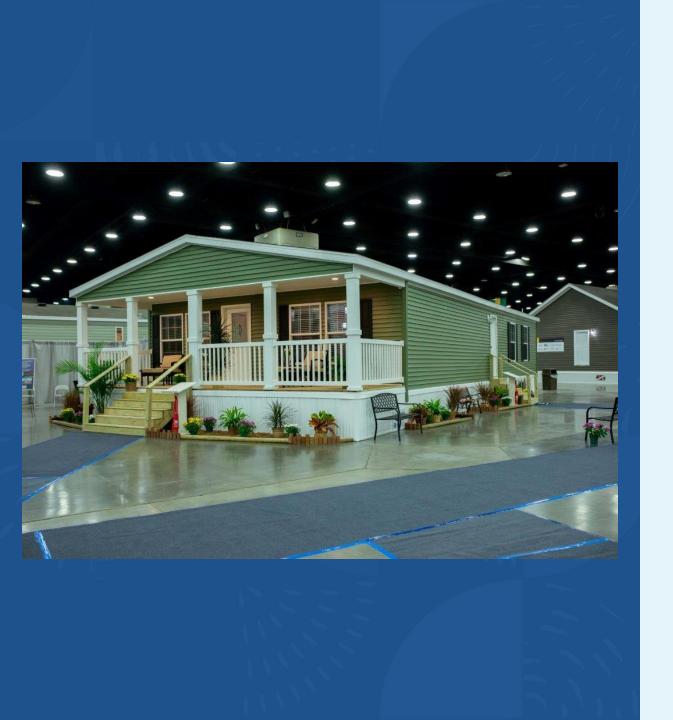




What County Treasurers Can Do

- Know your manufactured home communities
- Use new legislation to your advantage
- Collaborate with community managers to address abandonment and replacement

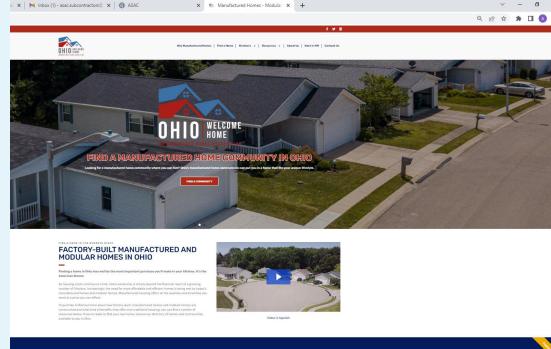




Questions?

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Thank You!



