

LEGAL ALERT: NEW YORK STATE EXPANDS RIGHT OF FIRST REFUSAL LAW

On October 25, 2023, New York State Governor Kathy Hochul signed legislation significantly expanding rights of first refusal for residents of manufactured home parks in New York State. Previously, manufactured home park residents were only able to exercise rights of first refusal when the purchaser of a manufactured home park certified its intent to use the property for a different purpose. Beginning April 25, 2024, every contract for the purchase or sale of a manufactured home park in New York will trigger an automatic right of first refusal for park residents.

IF YOU'RE THINKING ABOUT BUYING OR SELLING A MANUFACTURED HOME PARK IN NEW YORK, NOW MAY BE THE TIME.

Under the new law, when a manufactured home park owner makes an offer to sell or accepts an offer to purchase, the owner will be required to notify park residents and New York State of the price, terms, and conditions of the sale. Upon receipt of the owner's notice, residents will have 140 days to exercise their right to purchase the park. During the first 60 days, the residents must inform the owner of their intent to make an offer to purchase the park. If the residents fail to provide such notice to the owner, the owner will be under

no further obligation to sell the park to the residents. Likewise, if the residents fail to exercise the right to purchase within 140 days of receipt of the owner's notice by providing an executed offer to purchase the park, the owner will be under no further obligation to sell the park to the residents. However, price adjustments and concessions may revive the residents' right of first refusal. Any substantial change to the terms of the sale will trigger an additional 30-day period for the residents to consider exercising their right.



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If you are looking to buy or sell a manufactured home park in New York, now may be the time to avoid an uncertain future.

- Avoid adding a significant amount of time, or unnecessary additional effort, to the closing process.
- Avoid losing time and money on a transaction that may fail.
- Avoid interest rate and other market fluctuations caused by the new notice obligations.

Please contact any member of our team to discuss the implications of this new law, potential deal structures, the benefits of acting now and the risks of waiting.