DATCP and Attorney General Kaul Announce \$75,000 Judgement Against Manufactured Home Community Operators for Unfair and Illegal Rental Practices

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MADISON, Wis. – Wisconsin Attorney General Josh Kaul and Department of Agriculture, Trade and Consumer Protection Secretary Randy Romanski today announced a \$75,000 settlement agreement with Impact MHC Property Management, LLC (Impact), a Colorado-based operator of manufactured home communities (MHCs) in Wisconsin, and RV Horizons, Inc. (RV Horizons), for \$75,000 and a series of compliance requirements.

"Wisconsin law provides protections for tenants against certain unfair expenses and practices," said Attorney General Josh Kaul. "Ensuring that those laws are followed helps protect Wisconsinites' pocketbooks."

Since 2018, the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) has received over 50 complaints from tenants at communities operated by RV Horizons or Impact. Most of these tenants own their own home and rent the lot from Impact (or formerly from RV Horizons); some rent both the home and the lot. DATCP's investigation determined RV Horizons and Impact violated laws that protect tenants in manufactured home communities from unfair rental practices, and DATCP referred these findings to the Wisconsin Department of Justice (DOJ).

"Housing is a basic necessity. DATCP works to enforce the state laws governing landlord-tenant relations and manufactured home communities to protect renters from unfair business practices," said Secretary Romanski. "Today's announcement holds two entities accountable for taking advantage of their tenants."

In its complaint, the State alleges that RV Horizons and Impact engaged in unfair and illegal practices when renting lots to manufactured homeowners. These alleged practices include:

- Using illegal "exit fee" provisions in rental agreements designed to prevent homeowners from moving their homes to other communities;
- Overcharging for municipal fees;
- Failing to clearly disclose how water and sewer charges are billed;
- Failing to provide 28 days' written notice of new proposed lease terms;
- Failing to provide some tenants with new leases upon expiration of an old lease and;
- Engaging in an act of constructive eviction by means not permitted by law.

RV Horizons and Impact have agreed to a Consent Judgment that includes a permanent injunction prohibiting them from charging tenants a fee in return for allowing the movement of a manufactured home into or out from a community. The injunction stops enforcement of provisions in the companies' Wisconsin contracts that effectively imposed such fees. The judgment also includes a two-year compliance monitoring program. RV Horizons and Impact will refund \$3,514.14 in overcharges of municipal fees to tenants identified during the State's investigation; conduct an audit of all tenant accounts going back to January 1, 2018, and credit the accounts of all current tenants with the amount of any overpayment; send a payment to any affected former tenants; and file a report with DATCP. The Consent Judgment includes a judgment for civil forfeiture and assessments of \$75,000, and payment of the State's costs of \$10,000.

RV Horizons and Impact deny liability for the State's allegations.

This settlement was approved by the Joint Committee on Finance on March 7, 2023.

For additional information and consumer protection resources or to file a complaint, visit DATCP's Consumer Protection webpage at <u>ConsumerProtection.wi.gov</u> or contact DATCP's Consumer Protection Hotline at (800) 422-7128.

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