

A bill for an act

relating to manufactured homes; regulating water and sewer charges for manufactured home parks; regulating charges to manufactured home parks by public water suppliers; amending Minnesota Statutes 2010, sections 327C.01, by adding subdivisions; 327C.02, subdivision 2; 327C.04, subdivision 2, by adding subdivisions; 444.075, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2010, section 327C.01, is amended by adding a subdivision to read:

Subd. 7b. **Public water supplier.** "Public water supplier" means (1) the governing body of a county, statutory or home rule charter city, or town; or (2) an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

Sec. 2. Minnesota Statutes 2010, section 327C.01, is amended by adding a subdivision to read:

Subd. 13. **Water measuring device.** "Water measuring device" means a water meter or submeter used to measure the water usage of one resident and to provide billing to a resident for actual water usage.

Sec. 3. Minnesota Statutes 2010, section 327C.02, subdivision 2, is amended to read:

Subd. 2. **Modification of rules.** (a) The park owner must give the resident at least 60 days' notice in writing of any rule change.

(b) A rule adopted or amended after the resident initially enters into a rental agreement may be enforced against that resident only if the new or amended rule is reasonable and is not a substantial modification of the original agreement.

(c) Any security deposit increase is a substantial modification of the rental agreement. ~~A reasonable rent increase made in compliance with section 327C.06 is~~ The following actions are not a substantial modification of the rental agreement and ~~is~~ are not considered to be a rule for purposes of section 327C.01, subdivision 8: (1) a reasonable rent increase made in compliance with section 327C.06; and (2) the imposition and collection of water, sewer, and other charges for utility service under section 327C.04. A rule change necessitated by government action is not a substantial modification of the rental agreement. A rule change requiring all residents to maintain their homes, sheds and other appurtenances in good repair and safe condition shall not be deemed a substantial modification of a rental agreement.

(d) If a part of a resident's home, shed or other appurtenance becomes so dilapidated that repair is impractical and total replacement is necessary, the park owner may require the resident to make the replacement in conformity with a generally applicable rule adopted after the resident initially entered into a rental agreement with the park owner.

(e) In any action in which a rule change is alleged to be a substantial modification of the rental agreement, a court may consider the following factors in limitation of the criteria set forth in section 327C.01, subdivision 11:

~~(a)~~ (1) any significant changes in circumstances which have occurred since the original rule was adopted and which necessitate the rule change; and

~~(b)~~ (2) any compensating benefits which the rule change will produce for the residents.

Sec. 4. Minnesota Statutes 2010, section 327C.04, subdivision 2, is amended to read:

Subd. 2. **Metering required.** A park owner who charges residents for a utility service must charge each ~~household resident~~ the same amount, unless the park owner (1) follows the procedures under subdivision 5 for water and sewer charges; or (2) has installed measuring devices which accurately meter each household's resident's use of the utility.

Sec. 5. Minnesota Statutes 2010, section 327C.04, is amended by adding a subdivision to read:

Subd. 5. **Water and sewer; separate billing.** (a) For purposes of this subdivision, "third party" means an individual, corporation, firm, company, partnership, limited liability corporation, cooperative, or association that provides water or sewer services under an agreement with a park owner, which may include but is not limited to:

(1) installation and maintenance of waterworks systems or sanitary sewer systems owned by the park owner;

- 3.1 (2) installation and maintenance of water measuring devices;
- 3.2 (3) measurement of water usage by each resident; and
- 3.3 (4) billing service.

3.4 Third party does not include a public water supplier.

3.5 (b) As provided in this subdivision, a park owner who installs a water measuring
3.6 device to measure water service use, and provide for calculations of sewer use, may
3.7 separately bill each resident in the park for water service, sewer service, or both. This
3.8 authority applies to billing performed in conjunction with a single charge made to the park
3.9 owner by a public water supplier, and to billing for water or sewer service provided by
3.10 means of a private well or private sewer or septic system.

3.11 (c) A park owner who performs separate billing of each resident for the utility
3.12 service shall:

3.13 (1) bill a resident at least quarterly;

3.14 (2) maintain exclusive responsibility for the installation, maintenance, and reading
3.15 of water measuring devices; and

3.16 (3) perform one of the following:

3.17 (i) bill a resident (A) based on that resident's actual use of water, and resulting sewer
3.18 usage, as identified by the water measuring device, and (B) at the rates or calculations
3.19 used by the appropriate public water supplier for each utility service;

3.20 (ii) if the park owner uses billing services provided by a third party, bill a resident
3.21 for the actual billing amount identified by the third party for that resident; or

3.22 (iii) if the park owner provides the utility service by means of a private well or
3.23 private sewer or septic system, bill a resident (A) based on that resident's actual use of
3.24 water as identified by the water measuring device, and (B) at the rates permitted for utility
3.25 charges under subdivision 3.

3.26 (d) A park owner may not include in a bill to a resident for utility service under this
3.27 subdivision, charges for:

3.28 (1) the cost of a water measuring device;

3.29 (2) the cost of installation or maintenance of a water measuring device;

3.30 (3) the cost of billing; or

3.31 (4) any administrative, capital, or other related expenses, including but not limited to
3.32 disconnection and reconnection.

3.33 (e) Notwithstanding paragraph (d), a park owner may charge for repair or
3.34 replacement of a water measuring device due to a resident's negligence, intentional
3.35 damage, or theft by a resident.

(f) Notwithstanding paragraph (d), if a park owner who performs separate billing of each resident for the utility service receives a bill from a public water supplier that includes one or more fixed charges, including a connection fee, as defined in section 444.075, subdivision 3, the park owner shall apportion the fixed charges equally among each resident based on the number of lots in the park that are consuming the utility service.

(g) Each resident is responsible only for the metered water and resulting sewer usage and the share of any fixed charges as provided under paragraph (f). Any difference between the aggregate metered use plus fixed charges and the total amount billed to the park owner is the exclusive responsibility of the park owner.

(h) A billing statement provided to each resident for utility service under this subdivision must identify (1) the amount of the resident's actual use of water for the billing period, (2) the rate charged to the resident, including any calculations performed, for each utility service billed, and (3) any fixed charges apportioned under paragraph (f).

Sec. 6. Minnesota Statutes 2010, section 327C.04, is amended by adding a subdivision to read:

Subd. 6. **Water and sewer; initial installation.** (a) A park owner shall provide notice to each resident two months prior to the installation of a water measuring device for use under subdivision 5.

(b) Prior to or with the initial separate bill to a resident for utility service under subdivision 5, the park owner shall:

(1) reduce the resident's monthly rent in an amount equal to the monthly average of the resident's proportional share of the total amount billed over the previous 12 months to the park owner by the appropriate public water supplier for the utility service; or

(2) waive the resident's next regularly scheduled rent increase as otherwise permitted in section 327C.06, subdivision 3, over the subsequent 12-month period.

Sec. 7. Minnesota Statutes 2010, section 327C.04, is amended by adding a subdivision to read:

Subd. 7. **Water and sewer; water measuring device.** A water measuring device used under subdivision 5 must be:

(1) certified, at the time of installation, as being in compliance with appropriate national standards produced by (i) the American Water Works Association (AWWA), (ii) the American Society of Mechanical Engineers (ASME), or (iii) the American National Standards Institute (ANSI);

(2) equipped with a manual or digital display that is readily accessible to the park owner and a resident; and

(3) installed in accordance with the plumbing code, as defined in section 326B.42, subdivision 7.

Sec. 8. Minnesota Statutes 2010, section 327C.04, is amended by adding a subdivision to read:

Subd. 8. **Disputes.** A park owner who separately bills residents for utility service shall:

(1) promptly investigate a complaint from a resident claiming a billing error or metering defect;

(2) make any adjustment required in a timely manner;

(3) if no adjustment is made, provide supporting documents or other information justifying a determination that the billing was correct; and

(4) if the resident timely pays the average of the last three billing periods, refrain from taking any collection or any other adverse action against the resident for the amount of the alleged error until the park owner has complied with clauses (1), (2), and (3).

Sec. 9. Minnesota Statutes 2010, section 444.075, subdivision 3, is amended to read:

Subd. 3. Charges; net revenues. (a) To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law, the governing body of a municipality or county may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. The charges may be imposed with respect to facilities made available by agreement with other municipalities, counties or private corporations or individuals, as well as those owned and operated by the municipality or county itself.

(b) Notwithstanding local charter restrictions, charges made for service rendered shall be as nearly as possible proportionate to the cost of furnishing the service.

(c) Notwithstanding local charter restrictions, a public water supplier:

(1) shall impose a charge for water service or sewer service provided to a manufactured home park, as defined in section 327C.01, subdivision 5, that is at the lowest rate that is applied for service to single family homes, if the end users in the manufactured home park are residential units; and

6.1 (2) shall not impose more than one connection fee per metered water service or
6.2 metered sewer service that is provided to a manufactured home park.

6.3 (d) For purposes of paragraph (c), the following terms have the meanings given them:

6.4 (1) "connection fee" means a meter charge, line charge, maintenance charge, or
6.5 administrative charge; and

6.6 (2) "public water supplier" has the meaning given in section 327C.01, subdivision 7b.