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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **1571**

02/21/2019 Authored by Howard, Kunesh-Podein and Sauke
The bill was read for the first time and referred to the Housing Finance and Policy Division
03/14/2019 Adoption of Report: Amended and re-referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to housing; modifying the procedures for closing or modifying the use of
1.3 manufactured home parks; amending Minnesota Statutes 2018, sections 327C.01,
1.4 by adding a subdivision; 327C.095, subdivisions 6, 7, 9, 11; repealing Minnesota
1.5 Statutes 2018, section 327C.095, subdivision 8.

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

1.7 Section 1. Minnesota Statutes 2018, section 327C.01, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 8a. **Representative acting on behalf of residents.** "Representative acting on
1.10 behalf of residents" means a representative who is authorized to represent residents in the
1.11 purchase of property for the purposes of this chapter, and has gained that authorization by
1.12 obtaining the signature of support from at least one adult tenant or resident, as defined by
1.13 section 504B.001, subdivision 12, from at least 51 percent of the occupied homes in a
1.14 manufactured home park. The signature of a tenant asserting that the tenant is a resident or
1.15 tenant of that manufactured home park shall be presumptive evidence of such claim.

1.16 Sec. 2. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

1.17 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
1.18 an agreement to purchase a manufactured home park, the purchaser must notify the park
1.19 owner, in writing, if the purchaser intends to close the manufactured home park or convert
1.20 it to another use within one year of the execution of the agreement. If so, the park owner
1.21 shall provide a resident of each manufactured home with a 45-day written notice of the
1.22 purchaser's intent to close the park or convert it to another use and may not enter into a
1.23 purchase agreement for the sale of the park other than with a representative acting on behalf

2.1 of residents, until the 45 days have expired. The notice must state that the park owner will
 2.2 promptly provide information on the cash price and the terms and conditions of the
 2.3 purchaser's offer to residents requesting the information. The notice must be sent by first
 2.4 class mail to a resident of each manufactured home in the park and made available in
 2.5 alternative formats or translations if requested by a resident and the request is a reasonable
 2.6 accommodation due to a disability of an adult resident or because there is not an adult
 2.7 resident who is able to speak the language the notice is provided in. The notice period begins
 2.8 on the postmark date affixed to the notice and ends 45 days after it begins. During the notice
 2.9 period required in this subdivision, ~~the owners of at least 51 percent of the manufactured~~
 2.10 ~~homes in the park or a nonprofit organization which has the written permission of the owners~~
 2.11 ~~of at least 51 percent of the manufactured homes in the park to represent them in the~~
 2.12 ~~acquisition of the park~~ a representative acting on behalf of residents shall have the right to
 2.13 make an offer to meet the cash price and ~~execute an agreement to purchase the park for the~~
 2.14 ~~purposes of keeping the park as a manufactured housing community~~ to agree to material
 2.15 terms and conditions set forth in the purchaser's offer and to execute an agreement to purchase
 2.16 the park for the purposes of keeping the park as a manufactured housing community. The
 2.17 park owner must ~~accept the offer if it meets~~ in good faith negotiate a purchase agreement
 2.18 meeting the cash price and the same terms and conditions set forth in the purchaser's offer
 2.19 except that the seller is not obligated to provide owner financing. For purposes of this
 2.20 section, cash price means the cash price offer or equivalent cash offer as defined in section
 2.21 500.245, subdivision 1, paragraph (d). The purchase agreement must permit the representative
 2.22 a commercially reasonable due diligence period with access by the representative to all
 2.23 information reasonably necessary to make an informed decision regarding the purchase.
 2.24 The representative may be required to enter into a confidentiality agreement regarding such
 2.25 information.

2.26 Sec. 3. Minnesota Statutes 2018, section 327C.095, subdivision 7, is amended to read:

2.27 Subd. 7. ~~Intent to convert~~ **Conversion of use of park after purchase.** If the purchaser
 2.28 residents of a manufactured home park ~~decides to convert the park to another use within~~
 2.29 ~~one year after the purchase of the park, the purchaser must offer the park for purchase by~~
 2.30 ~~the residents of the park~~ have not been provided the written notice of intent to close the park
 2.31 required by subdivision 6, the purchaser may not provide residents with the notice required
 2.32 by subdivision 1 until 12 months after the date of purchase. For purposes of this subdivision,
 2.33 the date of purchase is the date of the transfer of the title to the purchaser. ~~The purchaser~~
 2.34 ~~must provide a resident of each manufactured home with a written notice of the intent to~~
 2.35 ~~close the park and all of the owners of at least 51 percent of the manufactured homes in the~~

3.1 ~~park or a nonprofit organization which has the written permission of the owners of at least~~
3.2 ~~51 percent of the manufactured homes in the park to represent them in the acquisition of~~
3.3 ~~the park shall have 45 days to execute an agreement for the purchase of the park at a cash~~
3.4 ~~price equal to the original purchase price paid by the purchaser plus any documented expenses~~
3.5 ~~relating to the acquisition and improvement of the park property, together with any increase~~
3.6 ~~in value due to appreciation of the park. The purchaser must execute the purchase agreement~~
3.7 ~~at the price specified in this subdivision and pay the cash price within 90 days of the date~~
3.8 ~~of the purchase agreement. The notice must be sent by first class mail to a resident of each~~
3.9 ~~manufactured home in the park. The notice period begins on the postmark date affixed to~~
3.10 ~~the notice and ends 45 days after it begins.~~

3.11 Sec. 4. Minnesota Statutes 2018, section 327C.095, subdivision 9, is amended to read:

3.12 Subd. 9. **Effect of noncompliance.** If a manufactured home park is finally sold or
3.13 converted to another use in violation of subdivision 6 or 7, the residents ~~do not have any~~
3.14 ~~continuing right to purchase the park as a result of that sale or conversion. A violation of~~
3.15 ~~subdivision 6 or 7 is subject to~~ have a right to any remedy provided in section 8.31, except
3.16 ~~that relief shall be limited so that questions of marketability of title shall not be affected.~~

3.17 Sec. 5. Minnesota Statutes 2018, section 327C.095, subdivision 11, is amended to read:

3.18 Subd. 11. **Affidavit of compliance.** After a park is sold, a ~~park owner or other person~~
3.19 ~~with personal knowledge~~ bona fide purchaser acting in good faith may record an affidavit
3.20 with the county recorder or registrar of titles in the county in which the park is located
3.21 certifying compliance with subdivision 6 ~~or 7~~ or that subdivisions subdivision 6 and 7 are
3.22 is not applicable. The affidavit may be used as ~~proof of the facts stated in the affidavit. A~~
3.23 ~~person acquiring an interest in a park or a title insurer or attorney who prepares, furnishes,~~
3.24 ~~or examines evidence of title may rely on the truth and accuracy of statements made in the~~
3.25 ~~affidavit and is not required to inquire further as to the park owner's compliance with~~
3.26 ~~subdivisions 6 and 7. When an affidavit is recorded, the right to purchase provided under~~
3.27 ~~subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete~~
3.28 ~~the memorials of the notice and affidavit from future certificates of title~~ presumptive evidence
3.29 of compliance.

3.30 Sec. 6. **REPEALER.**

3.31 Minnesota Statutes 2018, section 327C.095, subdivision 8, is repealed.

APPENDIX
Repealed Minnesota Statutes: H1571-1

327C.095 PARK CLOSINGS.

Subd. 8. **Required filing of notice.** Subdivisions 6 and 7 apply to manufactured home parks upon which notice has been recorded with the county recorder or registrar of titles in the county where the manufactured home park is located. Any person may file the notice required under this subdivision with the county recorder or registrar of titles. The notice must be in the following form:

"MANUFACTURED HOME PARK NOTICE
THIS PROPERTY IS USED AS A MANUFACTURED HOME PARK
.....
PARK OWNER
.....
.....
.....
LEGAL DESCRIPTION OF PARK
.....
COOPERATIVE ASSOCIATION (IF APPLICABLE)"