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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1976

02/20/2023 Authored by Norris, Koegel, Feist, Howard, Pursell and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; manufactured housing; providing limits to rent increases,
1.3 billing for water, and modifying notice provisions; amending Minnesota Statutes
1.4 2022, sections 327C.02, subdivision 5; 327C.03, subdivision 3; 327C.06,
1.5 subdivision 3, by adding subdivisions.

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

1.7 Section 1. Minnesota Statutes 2022, section 327C.02, subdivision 5, is amended to read:

1.8 Subd. 5. **Written notice required.** A prospective resident, before being asked to sign
1.9 a rental agreement, must be given a written statement containing the last five years' rent
1.10 and the following notice printed verbatim in boldface type of a minimum size of ten points
1.11 when the prospective resident is given the park residency application. ~~The notice must be~~
1.12 ~~provided with the park residency application.~~ The notice must also be posted in a conspicuous
1.13 and public location in the park:

1.14 "IMPORTANT NOTICE

1.15 State law provides special rules for the owners, residents, and prospective residents of
1.16 manufactured home parks.

1.17 You may keep your home in the park as long as the park is in operation and you meet
1.18 your financial obligations, obey state and local laws which apply to the park, obey reasonable
1.19 park rules, do not substantially annoy or endanger the other residents or substantially
1.20 endanger park personnel and do not substantially damage the park premises. You may not
1.21 be evicted or have your rent increased or your services cut for complaining to the park owner
1.22 or to a governmental official.

2.1 If you receive an eviction notice and do not leave the park, the park owner may take you
2.2 to court. If you lose in court, a sheriff may remove you and your home from the park within
2.3 seven days. Or, the court may require you to leave the park within seven days but give you
2.4 60 days to sell the home within the park.

2.5 If you receive an eviction notice for a new or amended rule and the court finds the rule
2.6 to be reasonable and not a substantial modification of your original agreement, the court
2.7 will not order you to leave but will order you to comply with the rule within ten days. If
2.8 you do not comply within the time given or if you violate the rule at a later time, you will
2.9 be subject to eviction.

2.10 All park rules and policies must be reasonable. Your rent may not be increased more
2.11 than ~~twice~~ once a year. Changes made in park rules after you become a park resident will
2.12 not apply to you if they substantially change your original agreement.

2.13 The park may not charge you an entrance fee.

2.14 The park may require a security deposit, but the deposit must not amount to more than
2.15 two months rent.

2.16 You have a right to sell the home in the park. But the sale is not final until the park
2.17 owner approves the buyer as a new resident, and you must advise in writing anyone who
2.18 wants to buy your home that the sale is subject to final approval by the park owner.

2.19 The park must provide to you, in writing, the procedures and criteria used to evaluate a
2.20 prospective resident. If your application is denied, you can request, in writing, the reason
2.21 why.

2.22 You must also disclose in writing certain safety information about your home to anyone
2.23 who wants to buy it in the park. You must give this information to the buyer before the sale,
2.24 in writing, on the form that is attached to this notice. You must completely and accurately
2.25 fill out the form and you and the buyer should each keep a copy.

2.26 Your rental agreement and the park rules contain important information about your rights
2.27 and duties. Read them carefully and keep a copy.

2.28 You must be given a copy of the shelter or evacuation plan for the park. This document
2.29 contains information on where to seek shelter in times of severe weather conditions. You
2.30 should carefully review the plan and keep a copy.

2.31 By February 1 of each year, the park must give you a certificate of rent constituting
2.32 property taxes as required by Minnesota Statutes, section 290A.19.

3.1 For further information concerning your rights, consult a private attorney. The state law
3.2 governing the rental of lots in manufactured home parks may also be enforced by the
3.3 Minnesota Attorney General."

3.4 Sec. 2. Minnesota Statutes 2022, section 327C.03, subdivision 3, is amended to read:

3.5 Subd. 3. **Rent.** All periodic rental payments charged to residents by the park owner shall
3.6 be uniform throughout the park, except that a higher rent may be charged to a particular
3.7 resident due to the larger size or location of the lot, or the special services or facilities
3.8 furnished by the park. A park owner may charge a reasonable fee for delinquent rent where
3.9 the fee is provided for in the rental agreement. The fee shall be enforceable as part of the
3.10 rent owed by the resident. No park owner shall charge to a resident any fee, whether as part
3.11 of or in addition to the periodic rental payment, which is based on the number of persons
3.12 residing or staying in the resident's home, the number or age of children residing or staying
3.13 in the home, the number of guests staying in the home, the size of the home, the fact that
3.14 the home is temporarily vacant or the type of personal property used or located in the home.
3.15 The park owner may charge an additional fee for pets owned by the resident, but the fee
3.16 may not exceed \$4 per pet per month. This subdivision does not prohibit a park owner from
3.17 abating all or a portion of the rent of a particular resident with special needs. A park owner
3.18 must accept a personal check, cashier's check, or money order for a payment of rent, except
3.19 that a park owner is not required to accept a personal check from a resident who has had a
3.20 personal check written to the park owner returned for nonsufficient funds or account closure
3.21 within the previous nine months. A park owner must allow the resident to submit a rental
3.22 payment by mail unless the park owner provides an accessible, on-site location. When a
3.23 park owner accepts a cash payment for rent, the park owner shall, within three days, give
3.24 the resident a receipt for that payment. The park owner must maintain a record of all cash
3.25 receipts for rent for three years.

3.26 Sec. 3. Minnesota Statutes 2022, section 327C.06, subdivision 3, is amended to read:

3.27 Subd. 3. **Rent increases limited.** A park owner may impose only ~~two~~ one rent ~~increases~~
3.28 increase on a resident in any 12-month period.

3.29 Sec. 4. Minnesota Statutes 2022, section 327C.06, is amended by adding a subdivision to
3.30 read:

3.31 Subd. 4. **Reasonable rent increases.** (a) A rent increase in an amount greater than the
3.32 average annual increase of the Consumer Price Index for All Urban Consumers (all items),
3.33 as published by the Bureau of Labor Statistics of the United States Department of Labor,

4.1 for the most recently available preceding 36-month period, may be reasonable under the
4.2 following conditions:

4.3 (1) the proposed rent increase is directly related to operating, maintaining, or improving
4.4 the manufactured home park due to costs associated with property taxes or other taxes,
4.5 utility charges, insurance costs, financing costs, changes in operating and maintenance
4.6 expenses, or the cost of capital improvements or rehabilitation work; or

4.7 (2) the proposed rent increase reflects a comparable market rent. For purposes of this
4.8 section, "market rent" means that rent which would result from market forces absent an
4.9 unequal bargaining position between the park owner and the residents. In determining market
4.10 rent, relevant considerations include comparable manufactured home parks. To be
4.11 comparable, a manufactured home park must be within the competitive area and must offer
4.12 similar facilities, services, amenities, and management.

4.13 (b) A rental increase greater than the average annual increase of the Consumer Price
4.14 Index for All Urban Consumers (all items), as published by the Bureau of Labor Statistics
4.15 of the United States Department of Labor, for the most recently available preceding 36-month
4.16 period, is not reasonable if:

4.17 (1) the park owner, during the preceding 12-month period, violated a provision of this
4.18 chapter in a way that threatened the health or safety of residents, visitors, or guests; and

4.19 (2) the violation was not corrected for more than 15 days after the park owner received
4.20 notice of the violation.

4.21 (c) A park owner shall not incorporate the cost of a civil penalty, a criminal fine, or
4.22 litigation-related costs for rent-related proceedings into rent charged under any circumstance.
4.23 A park owner shall not use the cost of capital improvements or rehabilitation work to justify
4.24 any future rent increase, once that cost has been fully recovered by rent increases that were
4.25 incorporated into a prior rent increase in excess of the Consumer Price Index for All Urban
4.26 Consumers (all items) where the prior rent increase was properly implemented under this
4.27 section.

4.28 (d) This subdivision does not apply to resident-owned parks.

4.29 Sec. 5. Minnesota Statutes 2022, section 327C.06, is amended by adding a subdivision to
4.30 read:

4.31 Subd. 5. **Special provision involving water metering.** (a) A resident may obtain a
4.32 reduction to the resident's monthly lot rent when:

- 5.1 (1) the resident has a lease that includes water in the rent;
- 5.2 (2) a park owner introduces water-measuring devices for residents; and
- 5.3 (3) the park owner requires the resident to pay water charges separately from the rent.
- 5.4 (b) A park owner must reduce each resident's monthly rent in an amount equal to the
- 5.5 monthly average of each resident's proportional share of the total amount of water billed to
- 5.6 the park owner over the previous 12 months by the municipality.
- 5.7 (c) A resident may obtain a reduction in rent by providing the park owner with written
- 5.8 notice and a copy of the billing for water from the previous 12 months by the municipality.