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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2381

03/17/2025 Authored by Norris, Howard, Pursell, Wolgamott, Rehm 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; providing standards for rent and utility payments, fees, and
1.3 charges in manufactured home parks; requiring certain safety inspections;
1.4 modifying provisions for sale of manufactured home parks; modifying penalties;
1.5 amending Minnesota Statutes 2024, sections 327C.015, subdivision 13; 327C.03,
1.6 subdivision 3; 327C.04, subdivision 1, by adding a subdivision; 327C.06,
1.7 subdivisions 1, 3; 327C.097; 327C.15; proposing coding for new law in Minnesota
1.8 Statutes, chapter 327C; repealing Minnesota Statutes 2024, section 327C.096.

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

1.10 Section 1. Minnesota Statutes 2024, section 327C.015, subdivision 13, is amended to read:

1.11 Subd. 13. Representative acting on behalf of residents. "Representative acting on
1.12 behalf of residents" means a representative who is authorized to represent residents in the
1.13 purchase of property for the purposes of this chapter, and has gained that authorization by
1.14 obtaining the signature of support from at least one resident who is a homeowner-signatory
1.15 to the home's lot lease agreement as defined by subdivision 14, from ~~at least 51~~ greater than
1.16 50 percent of the occupied homes in a manufactured home park. The signature of a resident
1.17 who is a signatory to the home's lot lease agreement asserting that they are a resident of that
1.18 manufactured home park shall be presumptive evidence of the claim that the representative
1.19 is authorized to act on behalf of the resident and shall be exclusive to only one representative
1.20 acting on behalf of residents.

1.21 Sec. 2. Minnesota Statutes 2024, section 327C.03, subdivision 3, is amended to read:

1.22 Subd. 3. Rent. All periodic rental payments charged to residents by the park owner shall
1.23 be uniform throughout the park, except that a higher rent may be charged to a particular
1.24 resident due to the larger size or location of the lot, or the special services or facilities

2.1 furnished by the park. A park owner may charge a reasonable fee for delinquent rent where
2.2 the fee is provided for in the rental agreement, except in no case may the fee exceed eight
2.3 percent of the delinquent rent payment. The fee shall be enforceable as part of the rent owed
2.4 by the resident. No park owner shall charge to a resident any fee, whether as part of or in
2.5 addition to the periodic rental payment, which is based on the number of persons residing
2.6 or staying in the resident's home, the number or age of children residing or staying in the
2.7 home, the number of guests staying in the home, the size of the home, the fact that the home
2.8 is temporarily vacant or the type of personal property used or located in the home. The park
2.9 owner may charge an additional fee for pets owned by the resident, but the fee may not
2.10 exceed \$4 per pet per month. This subdivision does not prohibit a park owner from abating
2.11 all or a portion of the rent of a particular resident with special needs.

2.12 Sec. 3. Minnesota Statutes 2024, section 327C.04, subdivision 1, is amended to read:

2.13 Subdivision 1. **Billing permitted.** A park owner who either provides utility service
2.14 directly to residents or who redistributes to residents utility service provided to the park
2.15 owner by a utility provider may charge the residents for that service, only if the charges
2.16 comply with this section. A park owner may not charge residents for costs of repairs by
2.17 utility providers or for costs imposed by utility providers for services provided in response
2.18 to reports of interruptions of utilities.

2.19 Sec. 4. Minnesota Statutes 2024, section 327C.04, is amended by adding a subdivision to
2.20 read:

2.21 Subd. 7. **Itemized billing required.** A park owner must provide an itemized bill
2.22 separately that clearly labels each service or item charged to the resident.

2.23 Sec. 5. **[327C.041] ACCESS BY UTILITY PROVIDERS.**

2.24 In a park where residents receive utilities from a utility provider, either directly or through
2.25 redistribution by the park owner, the park owner must not deny access to a utility provider
2.26 seeking access for the purposes of repairing faulty or defective utility equipment or
2.27 investigating reports of an interruption of utilities. A resident may provide a utility provider
2.28 access to the park for these purposes.

3.1 Sec. 6. [327C.051] HABITABILITY COVENANTS REGARDING TREES THAT
 3.2 PRESENT SAFETY HAZARDS.

3.3 (a) Park owner covenants under section 504B.161 include the trimming and care of trees
 3.4 and the removal of unsound trees when the trees present safety hazards.

3.5 (b) Within 14 days of receiving written notice from a resident that a tree or branch
 3.6 presents a safety hazard, the park owner must either:

3.7 (1) remove the tree or branch; or

3.8 (2) receive an opinion on the safety of the tree or branch from an arborist who has
 3.9 inspected the tree or branch in person.

3.10 (c) If an arborist advises that a tree or branch presents a safety hazard, the park owner
 3.11 must remove the tree or branch within five days of inspection by the arborist, unless the
 3.12 arborist advises that it is not the appropriate season for removing the tree or branch. If an
 3.13 arborist advises that a tree or branch presents a safety hazard but that it is not the appropriate
 3.14 season for removing the tree or branch, the owner must schedule the removal to take place
 3.15 during the appropriate season and must provide written notice to the resident of the scheduled
 3.16 date of removal and of the reason for the delay.

3.17 Sec. 7. Minnesota Statutes 2024, section 327C.06, subdivision 1, is amended to read:

3.18 Subdivision 1. **Notice of rent increases required.** No increase in the amount of the
 3.19 periodic rental payment due from a resident shall be valid unless the park owner gives the
 3.20 resident 60 days' written notice of the increase. The notice must include the park owner's
 3.21 reason for the rent increase.

3.22 Sec. 8. Minnesota Statutes 2024, section 327C.06, subdivision 3, is amended to read:

3.23 Subd. 3. **Rent increases limited.** A park owner may impose only ~~two~~ one rent ~~increases~~
 3.24 increase on a resident in any 12-month period. A rent increase must be reasonable. A rent
 3.25 increase is presumed to be unreasonable if the percentage of the increase exceeds three
 3.26 percent of the rent per month in the prior year. A park owner may prove a rent increase is
 3.27 reasonable by clear and convincing evidence that the increase is necessary for the health
 3.28 and safety of the residents. A rent increase approved by a resident-owned cooperative formed
 3.29 under chapter 308A or 308B is presumptively reasonable.

4.1 **Sec. 9. [327C.065] PAYMENT OF RENT; DIGITAL PAYMENT PLATFORMS.**

4.2 Subdivision 1. **Application.** This section applies to park owners who require or permit
4.3 residents to use a digital payment platform to pay rent, fees, and other charges.

4.4 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
4.5 meanings given.

4.6 (b) "Alternative means of payment" means a method of payment other than the use of
4.7 a digital payment platform and includes payment by check or cash.

4.8 (c) "Digital payment platform" means an electronic application or system that permits
4.9 a user to conduct financial transactions. Digital payment platform includes electronic funds
4.10 transfers.

4.11 (d) "Electronic funds transfers" means a transfer of funds, other than a transaction
4.12 originated by check, draft, or similar paper instrument, that is initiated through an electronic
4.13 terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or
4.14 authorizing a financial institution to debit or credit a consumer's account through the use of
4.15 an automated clearing house system or alternative payment system.

4.16 Subd. 3. **Form of payment.** A park owner must offer each resident an alternative to
4.17 using a digital payment platform to pay rent, fees, or other charges. No fee may be charged
4.18 to a resident to use the digital payment platform or any alternative means of payment.

4.19 Subd. 4. **Digital payment platform.** (a) The park owner must ensure that the following
4.20 information is readily viewable and accessible to the resident on the digital payment platform
4.21 or through a means that does not rely on the use of the digital payment platform:

4.22 (1) an itemized list of all current information on the rent, fees, or other charges assessed
4.23 that correspond to the charges for which the resident is responsible, and all payment received;
4.24 and

4.25 (2) communications to date between the resident and the park owner related to the
4.26 payment of rent, fees, or other charges.

4.27 (b) A park owner must provide the resident with a telephone number to call if, for any
4.28 reason, the digital payment platform or a system used by the park owner to collect an
4.29 alternative means of payment is unavailable for use by the resident.

4.30 Subd. 5. **Adverse action prohibited.** (a) A park owner is prohibited from taking any
4.31 adverse action, including filing an eviction action or assessing any late fees, when payment
4.32 of rent, fees, or other charges is not timely because the digital payment platform is out of

5.1 service or a system used by the park owner to collect an alternative means of payment is
 5.2 unavailable.

5.3 (b) It is an affirmative defense to an eviction action brought based on nonpayment that
 5.4 the park owner violated this section. Upon a showing that the park owner violated this
 5.5 section, the court must dismiss the eviction action and award the resident reasonable attorney
 5.6 fees and any other equitable relief the court deems appropriate.

5.7 Sec. 10. Minnesota Statutes 2024, section 327C.097, is amended to read:

5.8 **327C.097 NOTICE OF UNSOLICITED SALE AND OPPORTUNITY TO**
 5.9 **PURCHASE.**

5.10 Subdivision 1. ~~Definitions~~ Definition. For the purposes of this section, "nonprofit"
 5.11 means a nonprofit organization under chapter 317A.

5.12 Subd. 2. **Scope.** This section does not apply to:

5.13 ~~(1) a purchase of a manufactured home park by a nonprofit or a representative acting~~
 5.14 ~~on behalf of residents pursuant to a bona fide offer to purchase the park pursuant to~~
 5.15 ~~subdivision 4;~~

5.16 ~~(2)~~ (1) a purchase of a manufactured home park by a governmental entity under its
 5.17 powers or threat of eminent domain;

5.18 ~~(3)~~ (2) a transfer by a corporation or limited liability company to an affiliate, including
 5.19 any shareholder or member of the transferring corporation; any corporation or entity owned
 5.20 or controlled, directly or indirectly, by the transferring corporation; or any other corporation
 5.21 or entity owned or controlled, directly or indirectly, by any shareholder or member of the
 5.22 transferring corporation;

5.23 ~~(4)~~ (3) a transfer by a partnership to any of its partners;

5.24 ~~(5)~~ (4) a sale or transfer between or among joint tenants or tenants in common owning
 5.25 a manufactured home park;

5.26 ~~(6) an exchange of a manufactured home park for other real property, whether or not~~
 5.27 ~~such exchange also involves the payment of cash or boot;~~

5.28 ~~(7) a conveyance of an interest in a manufactured home park incidental to the financing~~
 5.29 ~~of the manufactured home park;~~

6.1 ~~(8)~~ (5) a conveyance resulting from the foreclosure of a mortgage, cancellation of a
 6.2 contract for deed, or other instrument encumbering a manufactured home park or any deed
 6.3 given in lieu of such foreclosure or cancellation; or

6.4 ~~(9)~~ (6) a sale or transfer to a person who would be included within the intestate table of
 6.5 descent and distribution of the park owner; or.

6.6 ~~(10) a park owner who, within the past year, has provided written notice pursuant to~~
 6.7 ~~section 327C.096.~~

6.8 Subd. 3. **Notice of offer sale.** ~~(a) If a park owner receives an unsolicited bona fide offer~~
 6.9 ~~to purchase the park that the park owner intends to consider or make a counteroffer to, the~~
 6.10 ~~park owner's only obligation shall be to mail a notice to the Minnesota Housing Finance~~
 6.11 ~~Agency, by certified mail, and to each park resident household, by regular mail. The notice~~
 6.12 ~~must indicate that the park owner has received an offer that it is considering, and it must~~
 6.13 ~~disclose the price range and material terms and conditions upon which the park owner would~~
 6.14 ~~consider selling the park and consider any offer made by a representative acting on behalf~~
 6.15 ~~of residents or a nonprofit that will become a representative acting on behalf of residents,~~
 6.16 ~~as provided below. The park owner shall be under no obligation either to sell to the nonprofit~~
 6.17 ~~or representative acting on behalf of residents or to interrupt or delay other negotiations and~~
 6.18 ~~shall be free to execute a purchase agreement or contract for the sale of the park to a party~~
 6.19 ~~or parties other than the representative acting on behalf of residents. Substantial compliance~~
 6.20 ~~with the notice requirement in this paragraph shall be deemed sufficient.~~

6.21 ~~(b) The Minnesota Housing Finance Agency must, within five days of receipt of the~~
 6.22 ~~notice required under paragraph (a), distribute a copy of the notice to any representative~~
 6.23 ~~acting on behalf of residents and to any nonprofits that register with the agency to receive~~
 6.24 ~~such notices. The agency shall make a list of any representatives acting on behalf of residents~~
 6.25 ~~and any registered nonprofits publicly available on its website.~~

6.26 (a) No park owner may accept any offer for the sale, lease, or transfer of a manufactured
 6.27 home park without first giving 60 days' written notice by certified mail, return receipt
 6.28 requested, of the proposed sale, lease, or transfer to:

6.29 (1) each resident of the manufactured home park; and

6.30 (2) the Minnesota Housing Finance Agency.

6.31 (b) The notice required under this subdivision must be dated and indicate the price,
 6.32 terms, and conditions of an acceptable offer the park owner has received to sell, lease, or
 6.33 transfer the manufactured home park. The notice must include the following verbatim

7.1 statement: "The park owner has received and is prepared to accept an outside offer to [sell,
7.2 lease, transfer] this park. The price, terms, and conditions of the offer are listed below.
7.3 Before accepting the offer for the [sale, lease, transfer], the park owner will consider any
7.4 offer submitted within 60 days of the date of this notice by a representative acting on behalf
7.5 of residents. The owner will negotiate in good faith with the representative. [List of price,
7.6 terms, and conditions.]"

7.7 (c) Upon the request of a resident, an owner must make available a copy of any acceptable
7.8 agreement to sell, lease, or transfer the manufactured home park for a period of 60 days
7.9 following the date of the notice required under this subdivision. The owner must provide
7.10 the copy within three days of the request by the resident.

7.11 Subd. 4. **Unsolicited Residents' offer to purchase.** Nothing contained in this section
7.12 or section 327C.096 shall prevent a representative acting on behalf of residents or a nonprofit
7.13 from making an unsolicited bona fide offer to purchase the manufactured home park to the
7.14 park owner at any time.

7.15 (a) A representative acting on behalf of residents may submit a written offer to the park
7.16 owner to purchase the manufactured home park, subject to the conditions required under
7.17 subdivision 7. The offer must be submitted within 60 days of the postmark date of the notice
7.18 required under subdivision 3, by certified mail, return receipt requested.

7.19 (b) If the owner rejects the offer of a representative acting on behalf of residents, the
7.20 owner must provide written notice to the representative of, and an explanation of the reasons
7.21 for, rejection of the offer. The notice of rejection must be delivered to the representative by
7.22 certified mail within five days of receipt of the offer from the representative. No owner may
7.23 accept a final, unconditional offer for the sale, lease, or transfer of a manufactured home
7.24 park earlier than the 15th day following the certified delivery date of the notice of rejection.
7.25 The purchase agreement must permit the representative acting on behalf of residents a
7.26 commercially reasonable due diligence period with access by the representative to all
7.27 information reasonably necessary to make an informed decision regarding the purchase.
7.28 The representative may be required to enter into a confidentiality agreement regarding the
7.29 information.

7.30 Subd. 5. **Optional recording.** (a) A park owner may record with the county recorder or
7.31 registrar of titles in the county where the park is located an affidavit, with a copy of the
7.32 notice required under subdivision 3 attached, attesting that:

7.33 (1) the park owner has complied with the requirements of this section; or

8.1 (2) the sale, lease, or transfer of the manufactured home park is exempt from this section
8.2 pursuant to subdivision 2.

8.3 (b) An affidavit filed in accordance with this subdivision shall be presumptive evidence
8.4 of compliance for purposes of conveying good title to a bona fide purchaser.

8.5 (c) A representative acting on behalf of residents who makes an offer to purchase the
8.6 park as provided under subdivision 4 may record notice of the offer in the county recorder's
8.7 office.

8.8 Subd. 6. **Good faith obligations.** All transactions governed by, and all actions taken
8.9 pursuant to, this section must be conducted in good faith.

8.10 Subd. 7. **Requirement of affordable housing preservation.** In the event of a sale to a
8.11 representative acting on behalf of residents, the representative must certify to the
8.12 commissioner of commerce that the property will be preserved as a manufactured home
8.13 park for ten years from the date of the sale.

8.14 Subd. 8. **Challenge to petition.** In any action challenging the validity of the signatories
8.15 of the petition authorizing a representative acting on behalf of residents to represent residents
8.16 in negotiations to purchase a manufactured home park, there shall be a rebuttable presumption
8.17 that the challenged party's signature is sufficient evidence that the party is a valid signatory.

8.18 Subd. 9. **Remedies.** (a) A park owner who violates subdivision 3, 4, or 6 is liable to each
8.19 resident for actual, incidental, or consequential damages, plus attorney fees and costs.

8.20 (b) In addition to the remedies that a resident is entitled to under paragraph (a), a court
8.21 may grant declaratory, injunctive, or equitable relief.

8.22 (c) The remedies provided under this subdivision are cumulative, not exclusive, and do
8.23 not restrict any remedy that is otherwise available to a plaintiff at law or in equity.

8.24 Subd. 10. **List of interested organizations.** The Minnesota Housing Finance Agency
8.25 must:

8.26 (1) within ten days of receipt of a notice received under subdivision 3, distribute a copy
8.27 of the notice to nonprofit organizations that register with the Minnesota Housing Finance
8.28 Agency to receive such notices; and

8.29 (2) make the list of nonprofit organizations that have registered to receive notice publicly
8.30 available on the Minnesota Housing Finance Agency website.

9.1 Sec. 11. Minnesota Statutes 2024, section 327C.15, is amended to read:

9.2 **327C.15 REMEDIES; PENALTIES; ENFORCEMENT.**

9.3 Any violation of sections 327C.015 to 327C.14 is a violation of a law referred to in
9.4 section 8.31, subdivision 1. A park owner that violates sections 327C.015 to 327C.14 is
9.5 liable for:

9.6 (1) actual damages sustained by the resident as a result of the violation;

9.7 (2) injunctive relief as determined by the court;

9.8 (3) equitable relief a court considers just and reasonable in the circumstances; and

9.9 (4) in the case of any successful action, the cost of the action and reasonable attorney
9.10 fees as determined by the court.

9.11 Sec. 12. **REPEALER.**

9.12 Minnesota Statutes 2024, section 327C.096, is repealed.

327C.096 NOTICE OF SALE.

When a park owner offers to sell a manufactured home park to the public through advertising in a newspaper or by listing the park with a real estate broker licensed by the Department of Commerce, the owner must provide concurrent written notice to each resident household in the park that the park is being offered for sale. Written notice provided once within a one-year period satisfies the requirement under this section. The notice provided by the park owner to each resident household does not grant any property rights in the park and is for informational purposes only. This section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one or more of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate.