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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 817

01/25/2023 Authored by Feist, Norris, Koegel and Pursell
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
02/13/2023 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to housing; modifying the definition of representative acting on behalf of
1.3 residents; providing residents an opportunity to purchase manufactured home
1.4 parks; amending Minnesota Statutes 2022, section 327C.015, subdivision 13;
1.5 proposing coding for new law in Minnesota Statutes, chapter 327C; repealing
1.6 Minnesota Statutes 2022, section 327C.096.

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

1.8 Section 1. Minnesota Statutes 2022, section 327C.015, subdivision 13, is amended to read:

1.9 Subd. 13. 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 resident who is a homeowner-signatory
1.13 to the home's lot lease agreement as defined by subdivision 14, from at least 51 greater than
1.14 50 percent of the occupied homes in a manufactured home park. The signature of a resident
1.15 who is a signatory to the home's lot lease agreement asserting that they are a resident of that
1.16 manufactured home park shall be presumptive evidence of the claim that the representative
1.17 is authorized to act on behalf of the resident and shall be exclusive to only one representative
1.18 acting on behalf of residents.

1.19 Sec. 2. [327C.097] OPPORTUNITY TO PURCHASE.

1.20 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.21 the meanings given.

1.22 (b) "Representative acting on behalf of resident" has the meaning given in section
1.23 327C.015, subdivision 13.

2.1 (c) "Nonprofit" means a nonprofit organization under chapter 317A.

2.2 Subd. 2. **Scope.** This section does not apply where the conveyance of the manufactured
 2.3 home park is by a:

2.4 (1) taking by eminent domain;

2.5 (2) transfer by a corporation to an affiliate;

2.6 (3) foreclosure;

2.7 (4) transfer by a partnership to one or more of its partners; or

2.8 (5) sale or transfer to a person who would be an heir of the owner who dies intestate.

2.9 Subd. 3. **Notice of sale.** (a) No park owner may accept any offer for the sale, lease, or
 2.10 transfer of a manufactured home park without first giving 60 days' written notice by certified
 2.11 mail, return receipt requested, of the proposed sale, lease, or transfer to:

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

2.13 (2) the Minnesota Housing Finance Agency.

2.14 (b) The notice required under this subdivision must be dated and indicate the price,
 2.15 terms, and conditions of an acceptable offer the park owner has received to sell, lease, or
 2.16 transfer the manufactured home park. The notice must include the following verbatim
 2.17 statement: "The park owner has received and is prepared to accept an outside offer to [sell,
 2.18 lease, transfer] this park. The price, terms, and conditions of the offer are listed below.
 2.19 Before accepting the offer for the [sale, lease, transfer], the park owner will consider any
 2.20 offer submitted within 60 days of the date of this notice by a representative acting on behalf
 2.21 of residents. The owner will negotiate in good faith with the representative. [List of price,
 2.22 terms, and conditions.]"

2.23 (c) An owner must make available upon the request of a resident a copy of any acceptable
 2.24 agreement to sell, lease, or transfer the manufactured home park for a period of 60 days
 2.25 following the date of the notice required under this subdivision. The owner must provide
 2.26 the copy within three days of the request by the resident.

2.27 Subd. 4. **Residents' offer to purchase.** (a) A representative acting on behalf of residents
 2.28 may submit a written offer to the park owner to purchase the manufactured home park
 2.29 subject to the conditions required under subdivision 7. The offer must be submitted within
 2.30 60 days of the postmark date of the notice required under subdivision 3, by certified mail,
 2.31 return receipt requested.

3.1 (b) If the owner rejects the offer of a representative acting on behalf of residents, the
 3.2 owner must provide written notice to the representative of, and an explanation of the reasons
 3.3 for, rejection of the offer. The notice of rejection must be delivered to the representative by
 3.4 certified mail within five days of receipt of the offer from the representative. No owner may
 3.5 accept a final, unconditional offer for the sale, lease, or transfer of a manufactured home
 3.6 park earlier than on the 15th day following the certified delivery date of the notice of
 3.7 rejection. The purchase agreement must permit the representative acting on behalf of residents
 3.8 a commercially reasonable due diligence period with access by the representative to all
 3.9 information reasonably necessary to make an informed decision regarding the purchase.
 3.10 The representative may be required to enter into a confidentiality agreement regarding the
 3.11 information.

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

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

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

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

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

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

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

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

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

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

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

4.7 Subd. 10. List of interested organizations. The Minnesota Housing Finance Agency
4.8 must:

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

4.12 (2) make the list of nonprofit organizations that have so registered publicly available on
4.13 the Minnesota Housing Finance Agency website.

4.14 Sec. 3. REPEALER.

4.15 Minnesota Statutes 2022, 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 a resident of each manufactured home 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 a resident of each manufactured home 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. If at any time a manufactured home park owner receives an unsolicited bona fide offer to purchase the park that the owner intends to consider or make a counter offer to, the owner is under no obligation to notify the residents as required under this section.