

This Document can be made available in alternative formats upon request

State of Minnesota

Printed Page No. 131

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
03/15/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to housing; providing residents an opportunity to purchase manufactured
1.3 home parks; amending Minnesota Statutes 2022, section 327C.096; proposing
1.4 coding for new law in Minnesota Statutes, chapter 327C.

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

1.6 Section 1. Minnesota Statutes 2022, section 327C.096, is amended to read:

1.7 327C.096 NOTICE OF SALE.

1.8 When a park owner offers to sell a manufactured home park to the public through
1.9 advertising in a newspaper or by listing the park with a real estate broker licensed by the
1.10 Department of Commerce, the owner must provide concurrent written notice to a resident
1.11 of each manufactured home in the park that the park is being offered for sale. Written notice
1.12 provided once within a one-year period satisfies the requirement under this section. The
1.13 notice provided by the park owner to a resident of each manufactured home does not grant
1.14 any property rights in the park and is for informational purposes only. This section does not
1.15 apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate,
1.16 a transfer by a partnership to one or more of its partners, or a sale or transfer to a person
1.17 who would be an heir of the owner if the owner were to die intestate. If at any time a
1.18 manufactured home park owner receives an unsolicited bona fide offer to purchase the park
1.19 that the owner intends to consider or make a counter offer to, the owner is under no obligation
1.20 to notify the residents as required under this section.

2.1 **Sec. 2. [327C.097] RESIDENT OPPORTUNITY TO OFFER.**

2.2 Subdivision 1. **Definitions.** For the purposes of this section, "nonprofit" means a nonprofit  
2.3 organization under chapter 317A.

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

2.5 (1) a purchase of a manufactured home park by a nonprofit or a representative acting  
2.6 on behalf of residents pursuant to a bona fide offer to purchase the park pursuant to  
2.7 subdivision 5;

2.8 (2) a purchase of a manufactured home park by a governmental entity under its powers  
2.9 or threat of eminent domain;

2.10 (3) a transfer by a corporation or limited liability company to an affiliate, including any  
2.11 shareholder or member of the transferring corporation; any corporation or entity owned or  
2.12 controlled, directly or indirectly, by the transferring corporation; or any other corporation  
2.13 or entity owned or controlled, directly or indirectly, by any shareholder or member of the  
2.14 transferring corporation;

2.15 (4) a transfer by a partnership to any of its partners;

2.16 (5) a sale or transfer between or among joint tenants or tenants in common owning a  
2.17 manufactured home park;

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

2.20 (7) a conveyance of an interest in a manufactured home park incidental to the financing  
2.21 of the manufactured home park;

2.22 (8) a conveyance resulting from the foreclosure of a mortgage, cancellation of a contract  
2.23 for deed, or other instrument encumbering a manufactured home park or any deed given in  
2.24 lieu of such foreclosure or cancellation; or

2.25 (9) a sale or transfer to a person who would be included within the intestate table of  
2.26 descent and distribution of the park owner.

2.27 Subd. 3. **Notice of offer.** (a) If a park owner receives an offer to purchase the park that  
2.28 the park owner intends to consider or make a counteroffer to, the park owner's only obligation  
2.29 shall be to mail a notice to the Minnesota Housing Finance Agency, by certified mail, and  
2.30 to each park resident household, by regular mail. The notice must indicate that the park  
2.31 owner has received an offer that it is considering, and it must disclose the price range and  
2.32 material terms and conditions upon which the park owner would consider selling the park

3.1 and consider any offer made by a representative acting on behalf of residents or a nonprofit  
3.2 that will become a representative acting on behalf of residents, as provided below. The park  
3.3 owner shall be under no obligation either to sell to the nonprofit or representative acting on  
3.4 behalf of residents or to interrupt or delay other negotiations and shall be free to execute a  
3.5 purchase agreement or contract for the sale of the park to a party or parties other than the  
3.6 representative acting on behalf of residents. Substantial compliance with the notice  
3.7 requirement in this paragraph shall be deemed sufficient.

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

3.13 Subd. 4. **Notice of intent to purchase.** (a) Within ten days of receiving the notice  
3.14 required under subdivision 3, if a representative acting on behalf of residents or a nonprofit  
3.15 seeking to become a representative acting on behalf of residents intends to purchase the  
3.16 park on behalf of residents, the representative or nonprofit must inform the park owner of  
3.17 the intent to purchase. This notice must be in writing and must be served personally upon  
3.18 the park owner at the business address listed on file with the Department of Health.  
3.19 Additionally, the representative or nonprofit must provide nonrefundable earnest money in  
3.20 the amount of 1-1/2 percent of the lower value of the price range required to be disclosed  
3.21 under subdivision 3, paragraph (a).

3.22 (b) If notice of intent is received by the park owner within the time period established  
3.23 in paragraph (a), a representative acting on behalf of residents shall have 30 days from its  
3.24 notice of intent to purchase to provide the park owner with a purchase agreement executed  
3.25 by the representative acting on behalf of the residents together with additional refundable  
3.26 earnest money which constitutes at least 1-1/2 percent of the purchase price for the park  
3.27 owner to consider.

3.28 Subd. 5. **Unsolicited offer.** Nothing contained in this section or section 327C.096 shall  
3.29 prevent a representative acting on behalf of residents or a nonprofit from making an  
3.30 unsolicited bona fide offer to purchase the manufactured home park to the park owner at  
3.31 any time.

3.32 Subd. 6. **Remedies.** In the event a park owner does not provide the notice required in  
3.33 subdivision 3 prior to a sale to a third party, upon said sale to a third party, the owner shall  
3.34 be liable for damages of up to \$600 per home site. If the sale has not yet been completed

4.1 to a third party, the representative acting on behalf of the residents may seek injunctive  
4.2 relief to require the park owner to provide the notice required under subdivision 3 or to  
4.3 require the park owner to receive the notice and purchase agreement under subdivision 4,  
4.4 up until the time of a sale to a third party, but not thereafter. If a representative acting on  
4.5 behalf of residents or a nonprofit is found by a court to have made a frivolous offer only  
4.6 for the purposes of frustration and delay of a sale to a bona fide purchaser, the provisions  
4.7 of this section shall be waived for three years with respect to the park.

4.8 Subd. 7. **Challenge to petition.** In any action challenging the validity of the signatories  
4.9 of the petition authorizing a representative acting on behalf of residents to represent residents  
4.10 in negotiations to purchase a manufactured home park, there shall be a rebuttable presumption  
4.11 that the challenged party's signature is sufficient evidence that the party is a valid signatory.

4.12 Subd. 8. **Requirement of affordable housing preservation.** In the event of a sale to a  
4.13 representative acting on behalf of residents, the representative must certify to the  
4.14 commissioner of commerce and the Minnesota Housing Finance Agency that the property  
4.15 will be preserved as a manufactured home park for ten years from the date of the sale.

4.16 **EFFECTIVE DATE.** This section is effective once the commissioner of revenue certifies  
4.17 to the commissioner of Minnesota Management and Budget that a tax bill has been enacted.