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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 156

01/09/2023 Authored by Feist, Norris 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: Amended and re-referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act

1.2 relating to housing; manufactured homes; amending provisions related to utility
1.3 billing practices in manufactured home parks; amending Minnesota Statutes 2022,
1.4 sections 327C.015, subdivisions 17, 18, by adding subdivisions; 327C.04,
1.5 subdivisions 1, 2, by adding subdivisions; repealing Minnesota Statutes 2022,
1.6 section 327C.04, subdivisions 3, 4.

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

1.8 Section 1. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 3a. **Commodity rate.** "Commodity rate" means the price per gallon of water,
1.11 hundred cubic feet of natural gas, kilowatt-hour of electricity, therm of natural gas, or any
1.12 other unit of utility service that is based on the quantity of usage and approved by the state
1.13 or a municipal public utilities commission, an electric cooperative association, or a
1.14 municipality.

1.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.16 Sec. 2. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
1.17 to read:

1.18 Subd. 11a. **Public utility.** "Public utility" has the meaning given in section 216B.02,
1.19 subdivision 4.

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 3. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

2.2 Subd. 17. **Substantial modification.** "Substantial modification" means any change in
2.3 a rule which: (a) significantly diminishes or eliminates any material obligation of the park
2.4 owner; (b) significantly diminishes or eliminates any material right, privilege or freedom
2.5 of action of a resident; or (c) involves a significant new expense for a resident. The
2.6 installation of water meters and the subsequent metering and billing for water service is not
2.7 a substantial modification of the lease, provided the park owner complies with section
2.8 327C.04, subdivision 6.

2.9 **EFFECTIVE DATE.** This section is effective for meter installations initiated on or
2.10 after August 1, 2023.

2.11 Sec. 4. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
2.12 to read:

2.13 Subd. 17a. **Utility provider.** "Utility provider" means a public utility, an electric
2.14 cooperative association, or a municipal utility.

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.16 Sec. 5. Minnesota Statutes 2022, section 327C.015, subdivision 18, is amended to read:

2.17 Subd. 18. **Utility service.** "Utility service" means any electric, fuel oil, natural or propane
2.18 gas, sewer, waste disposal and water service ~~by whatever means furnished~~ that is provided
2.19 by a utility provider.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.21 Sec. 6. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

2.22 Subdivision 1. **Billing permitted.** A park owner who provides utility service to residents
2.23 that is provided to the park owner by a public utility, a cooperative electric association, or
2.24 a municipal utility may charge the residents for that service, only if the charges comply
2.25 with this section.

2.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.27 Sec. 7. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

2.28 Subd. 2. **Metering required.** A park owner who charges residents for a utility service
2.29 must charge each household the same amount, unless the park owner has installed measuring
2.30 devices which accurately meter each household's use of the utility. Utility measuring devices

3.1 installed by the park owner must be installed or repaired only by a licensed plumber, licensed
3.2 electrician, or licensed manufactured home park installer.

3.3 **EFFECTIVE DATE.** This section is effective August 1, 2023, for all meters installed
3.4 or repaired on or after that date.

3.5 Sec. 8. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to
3.6 read:

3.7 Subd. 5. **Utility charge for metered service.** (a) A park owner may not charge or collect
3.8 from a resident utility service consumed at a commodity rate that is greater than the
3.9 commodity rate at which the park owner purchases service from a utility provider. The park
3.10 owner must deduct the amount that reflects consumption that exclusively or primarily is
3.11 for the park owner's purposes.

3.12 (b) If a bill a park owner receives from a utility provider separates a fixed service or
3.13 meter charge or fee from variable consumption charges, the park owner must deduct the
3.14 park owner's pro rata share and apportion the remaining fixed portion of the bill equally
3.15 among residents based on the number of units in the park.

3.16 (c) If a bill a park owner receives from a utility provider separately itemizes taxes,
3.17 surcharges, and other miscellaneous charges other than a fixed service charge and variable
3.18 consumption charges, the park owner must deduct the park owner's pro rata share and
3.19 apportion the remaining portion of the bill reflecting the taxes, surcharges, and other
3.20 miscellaneous charges equally among residents based on the number of units in the park.

3.21 (d) A park owner may not charge to or collect from residents any administrative, capital,
3.22 or other expenses, including but not limited to disconnection, reconnection, and late payment
3.23 fees.

3.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

3.25 Sec. 9. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to
3.26 read:

3.27 Subd. 6. **Rent increases following the installation of water meters.** A park owner may
3.28 not increase lot rents for 15 months following the commencement of utility billing for a
3.29 resident whose lease included water service. In each of the three months prior to
3.30 commencement of utility billing, a park owner must provide the resident with a sample bill
3.31 for water services.

4.1 **EFFECTIVE DATE.** This section is effective for meter installations initiated on or
4.2 after August 1, 2023.

4.3 Sec. 10. **REPEALER.**

4.4 Minnesota Statutes 2022, section 327C.04, subdivisions 3 and 4, are repealed.

4.5 **EFFECTIVE DATE.** This section is effective July 1, 2023.

327C.04 UTILITY CHARGES.

Subd. 3. **Permissible rates.** Except as provided in subdivision 4, no park owner shall, directly or indirectly, charge or otherwise receive payment from a resident for a utility service, or require a resident to purchase a utility service from the park owner or any other person, at a rate which is greater than either of the following:

(1) a rate which the resident could pay directly for the same utility service from some other comparable source in the same market area; or

(2) a rate which is charged to single family dwellings with comparable service within the same market area.

Subd. 4. **Electricity.** If a park owner provides electricity to residents by reselling electricity purchased from a public or municipal utility or electrical cooperative, and compliance with subdivision 3 would cause the park owner to lose money on the sale of electricity, the park owner may bill residents at a rate calculated to allow the park owner to avoid losing money on the sale of electricity. In calculating the cost of providing electricity, the park owner may consider only the actual amount billed by the public utility or electrical cooperative to the park owner for electricity furnished to residents. The park owner may not consider administrative, capital or other expenses.