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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2707

01/24/2022 Authored by Feist
The bill was referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to manufactured homes; amending provisions related to utility billing
1.3 practices in manufactured home parks; amending Minnesota Statutes 2020, sections
1.4 327C.01, by adding subdivisions; 327C.04, subdivision 2, by adding a subdivision;
1.5 repealing Minnesota Statutes 2020, section 327C.04, subdivisions 3, 4.

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

1.7 Section 1. Minnesota Statutes 2020, section 327C.01, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 14. Accurately measure. "Accurately measure" means the metering of
1.10 consumption of electricity, water, and sewage and septic services that are within the tolerance
1.11 levels established by the American Water Works Association, the American Gas Association,
1.12 or the American National Standard for Electricity Meters, as applicable.

1.13 Sec. 2. Minnesota Statutes 2020, section 327C.01, is amended by adding a subdivision to
1.14 read:

1.15 Subd. 15. Commodity rate. "Commodity rate" means the price per gallon of water,
1.16 hundred cubic feet of natural gas, kilowatt-hour of electricity, therm of natural gas, or any
1.17 other unit of utility service that is based on the quantity of usage and approved by the state
1.18 or a municipal public utilities commission or a municipality.

1.19 Sec. 3. Minnesota Statutes 2020, section 327C.01, is amended by adding a subdivision to
1.20 read:

1.21 Subd. 16. Public utility. "Public utility" has the meaning given in section 216B.02,
1.22 subdivision 4.

2.1 Sec. 4. Minnesota Statutes 2020, section 327C.04, subdivision 2, is amended to read:

2.2 Subd. 2. **Metering required.** (a) A park owner who charges residents for a utility service
2.3 must charge each household the same amount, unless the park owner has installed measuring
2.4 devices which accurately meter each household's use of the utility. may charge residents
2.5 for a utility service separately from rent only if:

2.6 (1) the park owner purchases the service from a municipal utility or a public utility; and

2.7 (2) the arrangement to separately charge for utilities is provided for in the original rental
2.8 agreement.

2.9 (b) A park owner who charges residents separately for a utility service must charge each
2.10 household the same amount, unless the park owner has installed measuring devices that
2.11 accurately measure each household's use of the utility service.

2.12 (c) A park owner must promptly investigate a report by a resident of a problem with the
2.13 resident's utility measuring device. A park owner who knows the utility measuring device
2.14 is not accurately measuring must promptly repair or replace a damaged or inaccurate
2.15 measuring device. The park owner may not charge the resident for repair or replacement
2.16 of a damaged measuring device unless the owner can demonstrate and document that the
2.17 damage was caused by the resident's willful conduct.

2.18 Sec. 5. Minnesota Statutes 2020, section 327C.04, is amended by adding a subdivision to
2.19 read:

2.20 Subd. 3a. **Utility service charges; resident billing.** (a) A park owner who charges
2.21 residents for utility service separately from rent may only bill a resident for utility charges
2.22 for which the owner is billed by a municipal or public utility. An owner may not collect
2.23 from residents in the aggregate more than the owner is billed.

2.24 (b) A park owner must not require a resident to purchase, directly or indirectly, utility
2.25 service from the park owner or any other person.

2.26 (c) A park owner may not charge or otherwise receive payment from a resident for the
2.27 amount of utility service consumed based on the reading of the measuring device at a
2.28 commodity rate that is greater than the commodity rate at which the park owner purchases
2.29 service from a utility.

2.30 (d) If a park owner receives a bill from a utility that separates a fixed service charge or
2.31 fee from variable consumption charges, the owner must apportion the fixed portion of the
2.32 bill equally among residents based on the number of units in the park. In no case may the

3.1 owner collect more in the aggregate from residents for the service charge than what the
3.2 owner is billed for that charge.

3.3 (e) A park owner may not charge to or collect from residents any administrative, capital,
3.4 or other expenses including but not limited to disconnection, reconnection, and late payment
3.5 fees.

3.6 **Sec. 6. REPEALER.**

3.7 Minnesota Statutes 2020, section 327C.04, subdivisions 3 and 4, are repealed.

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.