

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 2416**

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DATE  
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OFFICIAL STATUS  
Introduction and first reading  
Referred to Agriculture, Rural Development, and Housing Policy

1.1 A bill for an act  
1.2 relating to manufactured housing; modifying requirements for manufactured home  
1.3 park closings; modifying manufactured home park owner requirements prior to  
1.4 sale of the manufactured home park; authorizing rulemaking; amending Minnesota  
1.5 Statutes 2016, sections 327C.095, subdivisions 1, 4, 6, 11; 327C.096; repealing  
1.6 Minnesota Statutes 2016, section 327C.095, subdivisions 8, 9.

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

1.8 Section 1. Minnesota Statutes 2016, section 327C.095, subdivision 1, is amended to read:

1.9 Subdivision 1. **Conversion of use; minimum notice.** At least ~~nine~~ 12 months before  
1.10 the conversion of all or a portion of a manufactured home park to another use, or before  
1.11 closure of a manufactured home park or cessation of use of the land as a manufactured home  
1.12 park, the park owner must prepare a closure statement and provide a copy to the  
1.13 commissioners of health and the housing finance agency, the local planning agency, and a  
1.14 resident of each manufactured home where the residential use is being converted. The  
1.15 closure statement must include the following language in a font no smaller than 14 point:  
1.16 "YOU MAY BE ENTITLED TO COMPENSATION FROM THE MINNESOTA  
1.17 MANUFACTURED HOME RELOCATION TRUST FUND ADMINISTERED BY THE  
1.18 MINNESOTA HOUSING FINANCE AGENCY." A resident may not be required to vacate  
1.19 until 60 days after the conclusion of the public hearing required under subdivision 4. If a  
1.20 lot is available in another section of the park that will continue to be operated as a park, the  
1.21 park owner must allow the resident to relocate the home to that lot unless the home, because  
1.22 of its size or local ordinance, is not compatible with that lot.

2.1 Sec. 2. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

2.2 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 60  
2.3 days following receipt of the closure statement under subdivision 3, the governing body of  
2.4 the affected municipality shall hold a public hearing to review the closure statement and  
2.5 any impact that the park closing may have on the displaced residents and the park owner.  
2.6 At the time of, and in the notice for, the public hearing, displaced residents must be informed  
2.7 that they may be eligible for payments from the Minnesota manufactured home relocation  
2.8 trust fund under section 462A.35 as compensation for reasonable relocation costs under  
2.9 subdivision 13, paragraphs (a) and (e).

2.10 The governing body of the municipality may also require that other parties, including  
2.11 the municipality, but excluding the park owner or its purchaser, involved in the park closing  
2.12 provide additional compensation to residents to mitigate the adverse financial impact of the  
2.13 park closing upon the residents.

2.14 At the public hearing, the municipality shall appoint a neutral third party, to be agreed  
2.15 upon by both the manufactured home park owner and manufactured home owners, whose  
2.16 hourly cost must be reasonable and paid from the Minnesota manufactured home relocation  
2.17 trust fund. The neutral third party shall act as a paymaster and arbitrator, with  
2.18 decision-making authority to resolve any questions or disputes regarding any contributions  
2.19 or disbursements to and from the Minnesota manufactured home relocation trust fund by  
2.20 either the manufactured home park owner or the manufactured home owners. If the parties  
2.21 cannot agree on a neutral third party, the municipality will make a determination.

2.22 Sec. 3. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

2.23 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of  
2.24 an agreement to purchase a manufactured home park, the purchaser must notify the park  
2.25 owner, in writing, if the purchaser intends to close the manufactured home park or convert  
2.26 it to another use within one year of the execution of the agreement. The park owner shall  
2.27 provide a resident of each manufactured home with a 45-day written notice of the purchaser's  
2.28 intent to close the park or convert it to another use. The notice must state that the park owner  
2.29 will provide information on the cash price and the terms and conditions of the purchaser's  
2.30 offer to residents requesting the information within 48 hours after the request is received.  
2.31 The notice must be sent by first class mail to a resident of each manufactured home in the  
2.32 park. The notice period begins on the postmark date affixed to the notice and ends 45 days  
2.33 after it begins. During the notice period required in this subdivision, the owners of at least  
2.34 51 percent of the manufactured homes in the park or a nonprofit organization which has the

3.1 written permission of the owners of at least 51 percent of the manufactured homes in the  
 3.2 park to represent them in the acquisition of the park shall have the right to meet the cash  
 3.3 price and execute an agreement to purchase the park for the purposes of keeping the park  
 3.4 as a manufactured housing community. The park owner must accept the offer if it meets  
 3.5 the cash price and the same terms and conditions set forth in the purchaser's offer except  
 3.6 that the seller is not obligated to provide owner financing. For purposes of this section, cash  
 3.7 price means the cash price offer or equivalent cash offer as defined in section 500.245,  
 3.8 subdivision 1, paragraph (d).

3.9 Sec. 4. Minnesota Statutes 2016, section 327C.095, subdivision 11, is amended to read:

3.10 Subd. 11. **Affidavit of compliance.** (a) After a park is sold, a park owner or other person  
 3.11 with personal knowledge may record an affidavit with the county recorder or registrar of  
 3.12 titles in the county in which the park is located certifying compliance with subdivision 6 or  
 3.13 7 or that subdivisions 6 and 7 are not applicable. The affidavit must state that:

3.14 (1) notice under subdivision 6 or 7 was provided;

3.15 (2) the time during which any offer may be made under subdivision 6 or 7 has expired;  
 3.16 and

3.17 (3) an eligible offer under subdivision 6 or 7 was not received.

3.18 (b) An affidavit submitted under paragraph (a) must contain copies of all notices given  
 3.19 related to the park and offers received from those eligible to purchase the park under  
 3.20 subdivision 6 or 7.

3.21 (c) The affidavit may be used as proof of the facts stated in the affidavit. A person  
 3.22 acquiring an interest in a park or a title insurer or attorney who prepares, furnishes, or  
 3.23 examines evidence of title may ~~rely on~~ verify the truth and accuracy of statements made in  
 3.24 the affidavit and is not required to inquire further as to the park owner's compliance with  
 3.25 subdivisions 6 and 7. When an affidavit is recorded, the right to purchase provided under  
 3.26 subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete  
 3.27 the memorials of the notice and affidavit from future certificates of title.

3.28 Sec. 5. Minnesota Statutes 2016, section 327C.096, is amended to read:

3.29 **327C.096 NOTICE OF SALE; NEGOTIATING SALE WITH INTERESTED**  
 3.30 **RESIDENTS.**

3.31 Subdivision 1. **Advance notice.** (a) When a park owner offers to sell a manufactured  
 3.32 home park to the public through advertising in a newspaper or by listing the park with a

4.1 realtor licensed by the Department of Commerce, the owner must provide concurrent written  
 4.2 notice to a resident of each manufactured home in the park that the park is being offered  
 4.3 for sale. Written notice provided once within a one-year period satisfies the requirement  
 4.4 under this section. ~~The notice provided by the park owner to a resident of each manufactured~~  
 4.5 ~~home does not grant any property rights in the park and is for informational purposes only.~~  
 4.6 No later than ten days after entering into an agreement for sale or lease of a manufactured  
 4.7 home park, the park owner shall provide written advance notice of the owner's intention to  
 4.8 sell or lease the park:

4.9 (1) by first class mail, all to be mailed on the same day to each resident of the park;

4.10 (2) to the Minnesota Housing Finance Agency by certified mail, with return receipt  
 4.11 requested; and

4.12 (3) to a list of Minnesota nonprofit organizations that have registered with the Minnesota  
 4.13 Housing Finance Agency as being recipients of the correspondence.

4.14 (b) The owner shall include the recipients' list with the advance notice. Any sale, lease,  
 4.15 or other transfer shall be conditioned on affording residents a 60-day purchase opportunity  
 4.16 as required by this section.

4.17 (c) To meet the conditions of this subdivision, in addition to including the list, this  
 4.18 advance notice shall advise residents of the three timelines established in subdivisions 2  
 4.19 and 3 that residents may:

4.20 (1) within ten days of the postmark date of the advance notice, submit a letter expressing  
 4.21 interest in purchase;

4.22 (2) request and expect to receive within three days of the park owner's receipt of the  
 4.23 letter of interest, all terms and conditions of the purchase or lease agreement; and

4.24 (3) tender a purchase offer within 60 days from the postmark date of the advance notice  
 4.25 and the owner must respond and negotiate in good faith.

4.26 Subd. 2. **Letter of interest and disclosure of conditions for proposed sale.** If any  
 4.27 resident is interested in competing to purchase the park, the interested resident must so  
 4.28 notify the park owner by written letter within ten days of the postmark date of the notice  
 4.29 required in subdivision 1. If no resident notifies the park owner, then the park owner has  
 4.30 no further duties under this section. If any resident does notify the park owner, then within  
 4.31 three days after receipt of a letter of interest, the park owner must include the conditions  
 4.32 together with the same information as the park owner would make available to another

5.1 potential buyer, including three years of income and expenses on the property, subject to  
5.2 any reasonable confidentiality agreement requested by the park owner.

5.3 Subd. 3. **Offer.** (a) Interested residents on behalf of a majority of residents in the park  
5.4 as evidenced by a signed petition reflecting 51 percent of residents in the community or a  
5.5 nonprofit organization named as residents' agent, evidenced by a petition, shall have the  
5.6 opportunity to make a competing offer within 60 days from the postmark date of the notice.  
5.7 A nonprofit organization may act on behalf of the residents if the organization has a petition  
5.8 authorizing the nonprofit to represent the residents signed by 51 percent of the residents in  
5.9 the community.

5.10 (b) The park owner shall consider any offer and negotiate with the residents or residents'  
5.11 agent in good faith. If the residents make an offer that is accepted, they shall have a  
5.12 reasonable period beyond the 60-day period, if necessary, to obtain financing for the purchase.

5.13 Subd. 4. **Rules.** The attorney general may adopt rules defining the duties of the parties  
5.14 under this section with more specificity.

5.15 Subd. 5. **Affidavit.** (a) Upon conclusion of the process described in subdivisions 1 to 3,  
5.16 the park owner shall record with the county recorder or registrar of titles in the county where  
5.17 the park is located an affidavit certifying that:

5.18 (1) the park owner has complied with the requirements of this section, including a copy  
5.19 of the notice sent to the homeowners of the park; or

5.20 (2) the sale or lease of the manufactured home park is exempt from this section pursuant  
5.21 to subdivision 6.

5.22 (b) An affidavit filed in accord with this subdivision shall be presumptive evidence of  
5.23 compliance for purposes of good title in the hands of a bona fide purchaser.

5.24 Subd. 6. **Penalty.** A park owner who sells a park without complying with subdivisions  
5.25 1 to 3 shall be liable to the residents in the aggregate amount of 40 percent of the sales price.  
5.26 Residents may also bring suit to enforce the provisions of this section.

5.27 Subd. 7. **Applicability.** This section does not apply in the case of a taking by eminent  
5.28 domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one or more  
5.29 of its partners, or a sale or transfer to a person who would be an heir of the owner if the  
5.30 owner were to die intestate. ~~If at any time a manufactured home park owner receives an~~  
5.31 ~~unsolicited bona fide offer to purchase the park that the owner intends to consider or make~~  
5.32 ~~a counter offer to, the owner is under no obligation to notify the residents as required under~~  
5.33 ~~this section.~~

6.1 Sec. 6. **REPEALER.**

6.2 Minnesota Statutes 2016, section 327C.095, subdivisions 8 and 9, are repealed.

**327C.095 PARK CLOSINGS.**

Subd. 8. **Required filing of notice.** Subdivisions 6 and 7 apply to manufactured home parks upon which notice has been recorded with the county recorder or registrar of titles in the county where the manufactured home park is located. Any person may file the notice required under this subdivision with the county recorder or registrar of titles. The notice must be in the following form:

"MANUFACTURED HOME PARK NOTICE  
THIS PROPERTY IS USED AS A MANUFACTURED HOME PARK  
.....  
PARK OWNER  
.....  
.....  
.....  
LEGAL DESCRIPTION OF PARK  
.....  
COOPERATIVE ASSOCIATION (IF APPLICABLE)"

Subd. 9. **Effect of noncompliance.** If a manufactured home park is finally sold or converted to another use in violation of subdivision 6 or 7, the residents do not have any continuing right to purchase the park as a result of that sale or conversion. A violation of subdivision 6 or 7 is subject to section 8.31, except that relief shall be limited so that questions of marketability of title shall not be affected.