

An Organization of Manufactured Home Park Residents

March 2, 2023

Commerce and Consumer Protection Committee Minnesota Senate 95 University Avenue West St. Paul, MN 55155

Chair Matt Klein and Committee Members:

I write on behalf of All Parks Alliance for Change (APAC), the association for Minnesota's 180,000 manufactured home park residents, to support Senate File 1472, authored by Senator Mary Kunesh. The proposal deals with two important issues related to the largely unregulated provision of pass-through utilities in park communities.

First, some utility services are sold to the community owner, who then passes these services through to the resident homeowners. Under these circumstances, it is unfortunately the case that only the park owner is the utility's customer and, therefore, the only party protected by the state's utility consumer protections. When park communities pass-through these services, they do not need to meet the same requirements for accuracy, accessibility, or proper installation of meters and, therefore, operate essentially as an unregulated utility.

Second, the cost of pass-through utilities have historically been included in lot rent. Despite this arrangement being included in residents' leases, many community owners have attempted to override these leases, introduce sub-metering, and add a separate charge on top of the residents' existing lot rent. The residents fought these changes and, in 2002, the Minnesota Supreme Court ruled park owners cannot unilaterally change leases to introduce sub-metering and to separately charge for utilities.

Senate File 1472 allows for sub-metering utilities but only if lot rents are reduced, the installation and operation of meters is regulated, and utility charges are limited to those directly attributable to residents' actual household use. In the future, we believe additional changes should be made to ensure the accuracy of meter readings and the ability to file complaints, but we are glad to support these important steps.

We thank Senator Kunesh, Legal Services Advocacy Project, and the Minnesota Manufactured Housing Association for the hard work they have done to make this progress.

Thank you for your time and attention.

Sincerely,

Dave Anderson Executive Director