

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 1450: A bill for an act relating to housing; requiring attorney general notice and approval for the transfer of manufactured home park ownership or control to a private equity company; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 327C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [327C.098] ACQUISITION OF CERTAIN MANUFACTURED HOME PARKS.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Private equity company" means an investor or group of investors who primarily engage in the raising or returning of capital and who invests, develops, or disposes of specified assets. Private equity company includes publicly or nonpublicly traded entities, real estate investment trusts, and any investment firm that buys and manages private companies to make a profit.

(c) "Ownership or control" means the assumption of governance or the acquisition of an ownership interest, or direct or indirect control by a private equity company over the operations of a manufactured home park through any means, including but not limited to a purchase, lease, transfer, exchange, option, conveyance, creation of a joint venture, or any other manner of acquisition of assets, governance, an ownership interest, or direct or indirect control of a manufactured home park.

(d) "Real estate investment trust" has the meaning given in United States Code, title 26, section 856.

Subd. 2. Notice of transfer of ownership and control. (a) A park owner must provide written notice to the attorney general of the intent to transfer ownership or control of the manufactured home park to a private equity company 120 days prior to the transfer of ownership or control.

(b) Together with the notice, the private equity company seeking to acquire ownership or control of the manufactured home park shall provide the attorney general with the following information:

(1) the names of each individual with an interest in the company and the percentage of interest each individual holds in the company;

2.1 (2) the complete corporate structure of the company;

2.2 (3) the names of each individual holding, and the percent of interest held, in any affiliate,
2.3 subsidiary, or otherwise related entity with which the company has a contract to provide
2.4 goods or services that will be used in the operation or maintenance of the manufactured
2.5 home park or that will be provided to residents; and

2.6 (4) any other information the attorney general may require.

2.7 Subd. 3. **Prohibited practices.** A private equity company acquiring ownership or control
2.8 of a manufactured home park is prohibited from engaging in any act, practice, or course of
2.9 business that:

2.10 (1) strips assets from the manufactured home park or otherwise undermines the
2.11 infrastructural integrity of the park;

2.12 (2) engages in self-dealing;

2.13 (3) fails to maintain the park's infrastructure, if it is adequate, or fails to improve the
2.14 park's infrastructure if it is deteriorating, in disrepair, or needs upgrading, including but not
2.15 limited to the park's water infrastructure;

2.16 (4) increases rents in any one year by more than the Consumer Price Index published
2.17 by the United States Department of Labor for the 12 months preceding the month in which
2.18 the increase became effective without a concomitant increase in costs;

2.19 (5) results in an adverse impact on the health, safety, and wellbeing of the residents of
2.20 the manufactured home park;

2.21 (6) results in a reduction in the quality of services or amenities provided to the residents;
2.22 or

2.23 (7) violates any provisions of chapter 327B or 327C.

2.24 Subd. 4. **Attorney general enforcement.** A violation of this section is an unfair and
2.25 unconscionable practice in violation of section 325F.69, subdivision 1. The attorney general
2.26 may enforce this section under section 8.31."

2.27 Delete the title and insert:

2.28 "A bill for an act

2.29 relating to housing; requiring attorney general notice for the transfer of
2.30 manufactured home park ownership or control to a private equity company;
2.31 identifying prohibited practices for a private equity company acquiring ownership
2.32 or control of a manufactured home park; providing attorney general enforcement;
2.33 proposing coding for new law in Minnesota Statutes, chapter 327C."

3.1 And when so amended the bill do pass and be re-referred to the Committee on Judiciary
3.2 and Public Safety. Amendments adopted. Report adopted.

3.3 _____
3.4 _____
(Committee Chair)

3.5 February 27, 2025.....

3.6 (Date of Committee recommendation)