SENATE COUNSEL, RESEARCH, & FISCAL ANALYSIS

BILL SUMMARY

S.F. No. 2691 (1st Engrossment) – Standards for rent and utility payments, fees, and charges provision in manufactured home parks

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SF 2691 modifies several provisions relating to manufactured home parks.

Section 1 (327C.015, subdivision 13) makes a technical clarification to the definition of "representative acting on behalf of residents."

Section 2 (327C.03, subdivision 3) specifies that a fee for a delinquent rent payment may not exceed eight percent of the delinquent rent payment.

Section 3 (327C.04, subdivision 1) states that residents may not be charged for utility repairs provided in response to reports of interruptions in utility service.

Section 4 (327C.04) adds a new subdivision to the utility charges section of the statutes requiring itemized billing for residents.

Section 5 [327C.041] inserts a new section in the statutes requiring that park owners allow utility providers access to a park for utility repair work and allows a resident to provide access for these purposes.

Section 6 [327C.051] requires park owners to manage trees so they do not become a safety hazard.

Section 7 (327C.06, subdivision 1) states that when a park owner issues the required 60 days' written notice of a rent increase, the notice must include the reason for the increase.

Section 8 (327C.06, subdivision 3) limits the number of rent increases to once per year, requires rent increases to be reasonable, describes how to determine if a rent increase is reasonable, and states that rent increases approved by resident-owned cooperative are presumed to be reasonable.

Section 9 [327C.065] relates to payment methods for rent, fees, and other charges. The section defines alternative means of payment, digital payment platform, and electronic funds transfers. It requires park owners to provide residents with an alternative means of payment if a digital payment platform is an option and prohibits the charging of fees for any payment option. The section also specifies the information that must be included in a digital payment platform and requires the park owner to provide a telephone number to call if difficulties arise with any payment method. Finally, the section prohibits a park owner from taking action against a resident if payment is late due to issues with the functionality of a payment method. If a park owner violates this section, the court must dismiss the eviction action and award the resident reasonable fees and appropriate relief.

Section 10 (327C.097) modifies the notice of unsolicited sale section of statute so the new heading reads "notice and opportunity to purchase." Under the revised section, before accepting an offer for sale of a park, an owner must give 60 days' written notice to residents and the Housing Finance Agency and must make available by request any acceptable offer received. Within the 60-day notice period, a representative acting on behalf of residents may submit an offer, and a park owner must explain the reasoning if an offer is rejected. If a sale proceeds to a representative acting on behalf of residents, the representative must commit to continuing the use of the property as a manufactured home park for ten years. The section provides remedies for violations committed by a park owner. It also requires the Housing Finance Agency to maintain a list of nonprofit organizations who wish to receive notices about park sales and make the list publicly available.

Section 11 specifies the liabilities that a park owner faces for violations of the manufactured home park lot rentals chapter.

Section 12 repeals the notice of sale section.