**327C.095 PARK CLOSINGS.**

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

Subd. 2. **Notice of hearing; proposed change in land use.** If the planned conversion or cessation of operation requires a variance or zoning change, the municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time application is made for a variance or zoning change.

Subd. 3. **Closure statement.** Upon receipt of the closure statement from the park owner, the local planning agency shall submit the closure statement to the governing body of the municipality and request the governing body to schedule a public hearing. The municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time the closure statement is submitted to the local planning agency.

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

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

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

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

Subd. 5. **Park conversions.** If the planned cessation of operation is for the purpose of converting the part of the park occupied by the resident to a common interest community pursuant to chapter 515B, the provisions of section 515B.4-111, except subsection (a), shall apply. The nine-month notice required by this section shall state that the cessation is for the purpose of conversion and shall set forth the rights conferred by this subdivision and section 515B.4-111, subsection (b). Not less than 120 days before the end of the nine months, the park owner shall serve upon the resident a form of purchase agreement setting forth the terms of sale contemplated by section 515B.4-111, subsection (d). Service of that form shall operate as the notice described by section 515B.4-111, subsection (a). This subdivision does not apply to the conversion of a manufactured home park to a common interest community:

(1) that is a cooperative incorporated under chapter 308A or 308B;

(2) in which at least 90 percent of the cooperative's members are residents of the park at the time of the conversion; and

(3) that does not require persons who are residents of the park at the time of the conversion to become members of the cooperative.

Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within one year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a 45-day written notice of the purchaser's intent to close the park or convert it to another use. The notice must state that the park owner will provide information on the cash price and the terms and conditions of the purchaser's offer to residents requesting the information. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. During the notice period required in this subdivision, the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have the right to meet the cash price and execute an agreement to purchase the park for the purposes of keeping the park as a manufactured housing community. The park owner must accept the offer if it meets the cash price and the same terms and conditions set forth in the purchaser's offer except that the seller is not obligated to provide owner financing. For purposes of this section, cash price means the cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1, paragraph (d).

Subd. 7. **Intent to convert use of park after purchase.** If the purchaser of a manufactured home park decides to convert the park to another use within one year after the purchase of the park, the purchaser must offer the park for purchase by the residents of the park. For purposes of this subdivision, the date of purchase is the date of the transfer of the title to the purchaser. The purchaser must provide a resident of each manufactured home with a written notice of the intent to close the park and all of the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have 45 days to execute an agreement for the purchase of the park at a cash price equal to the original purchase price paid by the purchaser plus any documented expenses relating to the acquisition and improvement of the park property, together with any increase in value due to appreciation of the park. The purchaser must execute the purchase agreement at the price specified in this subdivision and pay the cash price within 90 days of the date of the purchase agreement. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins.

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

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.

Subd. 10. **Exclusion.** Subdivisions 6 and 7 do not apply to:

(1) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;

(2) a conveyance by a mortgagee subsequent to foreclosure of a mortgage or a deed given in lieu of a foreclosure; or

(3) a purchase of a manufactured home park by a governmental entity under its power of eminent domain.

Subd. 11. **Affidavit of compliance.** After a park is sold, a park owner or other person with personal knowledge may record an affidavit with the county recorder or registrar of titles in the county in which the park is located certifying compliance with subdivision 6 or 7 or that subdivisions 6 and 7 are not applicable. The affidavit may be used as proof of the facts stated in the affidavit. A person acquiring an interest in a park or a title insurer or attorney who prepares, furnishes, or examines evidence of title may rely on the truth and accuracy of statements made in the affidavit and is not required to inquire further as to the park owner's compliance with subdivisions 6 and 7. When an affidavit is recorded, the right to purchase provided under subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete the memorials of the notice and affidavit from future certificates of title.

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park,

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

the manufactured park owner shall, upon the change in use, pay to the commissioner of management and budget for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or $3,250 for each single section manufactured home, and $6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than $1,000,000 as of June 30 of each year, the commissioner of management and budget shall assess each manufactured home park owner by mail the total amount of $12 for each licensed lot in their park, payable on or before September 15 of that year. The commissioner of management and budget shall deposit any payments in the Minnesota manufactured home relocation trust fund. On or before July 15 of each year, the commissioner of management and budget shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. If assessed under this paragraph, the park owner may recoup the cost of the $12 assessment as a lump sum or as a monthly fee of no more than $1 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the assessment accordingly.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a 25-mile radius of the park that is being closed, up to a maximum of $4,000 for a single-section and $8,000 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

(1) a copy of the closure statement under subdivision 1;

(2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;

(3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;

(4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;

(5) a statement from the manufactured park owner that the lot rental is current and that the annual $12 payments to the Minnesota manufactured home relocation trust fund have been paid when due; and

(6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. The amount that may be reimbursed under the fund is a maximum of $5,000 for a single-section and $9,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual $12 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the commissioner of management and budget in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed $1,000. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) The Minnesota Housing Finance Agency must make a determination of the amount of payment a manufactured home owner would have been entitled to under a local ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h) The agency shall report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by January 15 of each year on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

Subd. 14. **Payment adjustment for smaller manufactured home parks.** The total contribution to the fund under section 462A.35 paid by the park owner under subdivision 12, paragraph (a), must not exceed

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.

20 percent of the sale price, or if no sale price is available, the assessed value of the manufactured home park, except that if the sale price, or, if there is no sale price, the assessed value, is:

(1) less than $100,000, the manufactured home park owner's contribution to the fund must not exceed five percent of the sale price of the manufactured home park;

(2) less than $200,000, the owner's contribution to the fund must not exceed eight percent of the sale price of the manufactured home park;

(3) less than $300,000, the owner's contribution to the fund must not exceed ten percent of the sale price of the manufactured home park; and

(4) less than $500,000, the owner's contribution to the fund must not exceed 15 percent of the sale price of the manufactured home park.

Subd. 15. **Preemption of local ordinances.** Sections 327C.095, subdivisions 1, 4, and 12 to 16; 462A.21, subdivision 31; and 462A.35 preempt and supersede a township, county, or statutory or home rule charter city ordinance relating to the relocation or buyout payments paid due to a change of use or closure of manufactured home communities. A township, county, or statutory or home rule charter city must not adopt an ordinance requiring more compensation by the manufactured home park owners or its purchaser than what is provided for in this statute.

**History:** *1987 c 179 s 10; 1991 c 26 s 1-7; 1997 c 126 s 6; 1999 c 11 art 3 s 10; 2005 c 4 s 62,63; 2006 c 200 s 1,2; 2007 c 141 s 1-6; 2009 c 78 art 8 s 2,3; 2009 c 101 art 2 s 109; 1Sp2011 c 4 art 3 s 57; 2014 c 198 art 4 s 16*

Copyright © 2015 by the Revisor of Statutes, State of Minnesota. All Rights Reserved.