

Opportunity to Purchase Draft Legislation

Proposed by Aeon / All Parks Alliance for Change in Minnesota Legislative Session 2018

327C.096 Notice of sale.

Subd. 1. *Definitions.*

- A. A “Representative” shall mean any homeowner, cooperative, or nonprofit organization acting on behalf of residents.

- B. A Representative is “acting on behalf of residents” if the Representative obtains a petition (“Petition”) that authorizes the Representative to represent residents in the purchase of the property, signed by at least one resident or residential tenant (“Tenant”), as defined in 504B.001, Subd. 12, for at least 51% of the occupied homes in the park. In any such Petition, any representation by Petition signatories of their status as a resident or Tenant shall be presumptive evidence of such status.

Subd. 2. *Sixty days’ notice.* No manufactured housing park owner shall make a final unconditional acceptance of any offer for the sale, lease, or transfer of a manufactured housing park without first giving 60 days’ written notice by certified mail, return receipt requested, to each resident of the park and to the Minnesota Housing Finance Agency. The notice shall be dated and indicate the price, terms and conditions of an acceptable offer the park owner has received to sell or lease the park. The notice shall include a provision that, “I/[we], [the Owner], though prepared to accept an offer with this price, these terms and conditions, will consider any offer submitted by a Representative as defined in 327C.096 Subd. 1 within sixty (60) days of this notice date and will negotiate with the Representative in good faith.” In addition, for the first fifteen (15) days after the date of the sixty-day notice, the Owner shall make any acceptable agreement of sale available to any residents within three (3) days to any resident who requests a copy.

Subd. 3. *Offer to Purchase.* Any Representative must submit an offer in writing by certified mail, return receipt requested, within 60 days of the postmark date of the notice required by Subd. 2 above. If the Representative makes an offer that is accepted, the Representative shall have a reasonable time beyond the 60-day period, if necessary, to obtain financing for the purchase. If the owner rejects the offer, the owner must send, by certified mail, written notice within five (5) days to the Representative, detailing the owner’s reasons for rejecting the offer, and the owner shall not thereafter make a final unconditional acceptance of any offer for the sale, lease, or transfer of a manufactured housing park for a period of thirty (30) days following delivery of such notice.

Subd. 4. *Optional recording.* A park owner may, as shall be appropriate under the circumstances, record with the county recorder or registrar of titles in the county where the park is located an affidavit certifying that: (i) The park owner has complied with the requirements of this section (including a copy of the notice sent to the homeowners of the park); or (ii) The sale or lease of the manufactured home park is exempt from this section pursuant to subdivision 7. An affidavit filed in accord with this subdivision shall be presumptive evidence of compliance for purposes of good title in the hands of a bona fide purchaser. The homeowners in a manufactured home park who make an offer to purchase the park pursuant to Subdivision 3 may record notice of the offer having been made in the county recorder’s office.

Subd. 5. *Penalty.* If a park owner sells a park without complying with Subdivisions 2 and 3, the park owner shall be liable for damages and equitable relief, and shall pay all attorneys' fees incurred by a plaintiff in enforcing the requirements of this Section.

Subd. 6. *Preservation.* A Representative and its assignees, if any, that purchases a park under this Section shall maintain the property as a manufactured home park, to be resident-owned, or improved with housing units affordable for low-income households as defined by the U.S. Department of Housing and Urban Development for a period of at least fifty (50) years following the closing date. The deed to the Representative must contain a covenant running with the land that requires the property to meet at least one of these conditions for at least fifty (50) years from the date of the deed transfer.

Subd. 7. *Inapplicability.* This Section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, foreclosure, a transfer by a partnership to one or more of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate.

Subd. 8. *List of interested organizations.* The Minnesota Housing Finance Agency shall maintain a list of nonprofit organizations that register to receive notices under this section, shall make the list publicly available, and shall forward notices that it receives to those organizations within ten (10) calendar days of its receipt of the notice.

Subd. 9. *Good faith obligations.* All transactions governed by this Section and all actions taken pursuant to this Section must be made in good faith.