



Legal Services Advocacy Project

March 28, 2025

The Honorable Michael Howard  
Co-Chair, Housing Finance and Policy Committee  
Minnesota House of Representatives  
5<sup>th</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

The Honorable Spencer Igo  
Co-Chair, Housing Finance and Policy Committee  
Minnesota House of Representatives  
2<sup>nd</sup> Floor, Centennial Office Building  
St. Paul, MN 55155

Re: HF2381 (Manufactured Home Park Resident Protection Bill)

Co-Chair Howard and Igo, and Members of the Housing Policy and Finance Committee:

The Legal Services Advocacy Project (LSAP) writes in support of HF 2381. LSAP is a statewide division of Mid-Minnesota Legal Aid, providing policy, legislative, and administrative advocacy on behalf of Legal Aid statewide. Legal Aid's clients include low-income Minnesotans, elderly Minnesotans and Minnesotans with disabilities.

Of particular importance are the provisions in HF 2381 that restore the "reasonable rent" standard that was inexplicably eliminated in a dubious court decision and that address the serious problems that Legal Aid clients have experienced with the digital payment platforms.

**The Legislature Intended that Rent Increases in Manufactured Home Parks Must Be Reasonable**

In 1982, the Minnesota Legislature created Chapter 327C which governs (in conjunction with Chapter 504B) manufactured home lot rentals. One critical element provision of the 1982 law recognized that, since "mobile" homes are not really mobile and, unlike renters of apartment units who can easily move, leases signed at the outset govern throughout, arbitrary changes in leases were against public policy. However, certain changes **can** be made so long as they do not constitute "a substantial modification of the original agreement."

When these rules of the road were created, the Legislature made clear that rents were one of those things that could change **but also** specified that rents had to be reasonable. The law reads that "[a] *reasonable* rent increase made in compliance with section 327C.06 is not a substantial modification of the rental agreement." (emphasis added.) This reasonableness standard stood firm for 28 years until Minnesota Court of Appeals inexplicably ignored this unequivocal legislative intent.

In the 2010 case that turned the legislature's intent on its head, a resident association brought an action against an owner of a manufactured home park, claiming that a proposed rent increase of about 25% violated Minnesota law. Through a tortured reasoning route that connected dots that do not exist, the Court controverted the Legislative intent that rent increases must be reasonable. Though the reasonableness requirement is unequivocally articulated in section 327.02, the Court held that because the word "reasonable" is not in section 327C.06 (the section describing rent increases), rent increases do not have to be reasonable, thus thwarting clear legislative intent and harming residents.

The language on Line 3.24 that provides – in section 327C.06 – that "[a] rent increase must be reasonable" restores justice, fairness, and, importantly, the original legislative intent to strike the balance between resident rights and park owner requirements to cover their costs and meet their obligations as responsible lessors.

#### **Park Owners Using Digital Payment Platforms Must Offer an Alternative**

More and more lessors are requiring lessees to use online, digital platforms ("portals") to pay rent, communicate repair requests, and post documents, like the lease. The rapid rise in these digital platforms has been coupled with the concomitant rise in technological problems that render the portals inoperable. What used to be personal is now impersonal and digital, and when systems go down, rent payments cannot be made and tenants have little options.

Worse, these portals are operated not by the landlords themselves but by third party operators who have no legal or contractual relationship with the tenants. When there is a problem, the burden is often shifted to the tenant to contact the third-party vendor to get the problem fixed. These conditions are unacceptable and need to be addressed.

HF 2381 addresses this problem by ensuring that when these systems don't work, alternatives must be provided and that the failures of these systems cannot result in adverse actions against the tenant for problems that they had no part in creating and no ability to overcome are paramount in the bill.

In sum, LSAP believes the enactment of the two aforementioned provisions in HF 2381 would address serious problems residents of manufactured home parks – restoring a reasonable rent standard and fixing the mounting and frustrating problems with portals.

Sincerely,



Ron Elwood  
Supervising Attorney