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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 156

01/09/2023 Authored by Feist, Norris and Pursell
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
02/13/2023 Adoption of Report: Amended and re-referred to the Committee on Commerce Finance and Policy
02/27/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to housing; manufactured homes; amending provisions related to utility
1.3 billing practices in manufactured home parks; amending Minnesota Statutes 2022,
1.4 sections 103G.291, subdivision 4; 327C.015, subdivision 17, by adding
1.5 subdivisions; 327C.04, subdivisions 1, 2, by adding subdivisions; repealing
1.6 Minnesota Statutes 2022, section 327C.04, subdivision 4.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2022, section 103G.291, subdivision 4, is amended to read:

1.9 Subd. 4. Demand reduction measures. (a) For the purposes of this section, "demand
1.10 reduction measures" means measures that reduce water demand, water losses, peak water
1.11 demands, and nonessential water uses. Demand reduction measures must include a
1.12 conservation rate structure, or a uniform rate structure with a conservation program that
1.13 achieves demand reduction. A "conservation rate structure" means a rate structure that
1.14 encourages conservation and may include increasing block rates, seasonal rates, time of use
1.15 rates, individualized goal rates, or excess use rates. If a conservation rate is applied to
1.16 multifamily dwellings or a manufactured home park, as defined in section 327C.015,
1.17 subdivision 8, the rate structure must consider each residential unit as an individual user.

1.18 (b) To encourage conservation, a public water supplier serving more than 1,000 people
1.19 must implement demand reduction measures by January 1, 2015.

1.20 EFFECTIVE DATE. This section is effective August 1, 2024, and applies to a billing
1.21 period that begins on or after that date.

2.1 Sec. 2. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 3a. **Commodity rate.** "Commodity rate" means the per-unit price for utility service
2.4 that varies directly with the volume of a resident's consumption of utility service and that
2.5 is established or approved by the Minnesota Public Utilities Commission or a municipal
2.6 public utilities commission, an electric cooperative association, or a municipality and charged
2.7 to a user of the service.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.9 Sec. 3. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
2.10 to read:

2.11 Subd. 11a. **Public utility.** "Public utility" has the meaning given in section 216B.02,
2.12 subdivision 4.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.14 Sec. 4. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

2.15 Subd. 17. **Substantial modification.** "Substantial modification" means any change in
2.16 a rule which: (a) significantly diminishes or eliminates any material obligation of the park
2.17 owner; (b) significantly diminishes or eliminates any material right, privilege or freedom
2.18 of action of a resident; or (c) involves a significant new expense for a resident. The
2.19 installation of water meters and the subsequent metering of and billing for water service is
2.20 not a substantial modification of the lease, provided the park owner complies with section
2.21 327C.04, subdivision 6.

2.22 **EFFECTIVE DATE.** This section is effective for meter installations initiated on or
2.23 after August 1, 2023.

2.24 Sec. 5. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
2.25 to read:

2.26 Subd. 17a. **Utility provider.** "Utility provider" means a public utility, an electric
2.27 cooperative association, or a municipal utility.

2.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 6. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

3.2 Subdivision 1. **Billing permitted.** A park owner who either provides utility service
3.3 directly to residents or who redistributes to residents utility service provided to the park
3.4 owner by a utility provider may charge the residents for that service, only if the charges
3.5 comply with this section.

3.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.7 Sec. 7. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

3.8 Subd. 2. **Metering required.** A park owner who charges residents for a utility service
3.9 must charge each household the same amount, unless the park owner has installed measuring
3.10 devices which accurately meter each household's use of the utility. Utility measuring devices
3.11 installed by the park owner must be installed or repaired only by a licensed plumber, licensed
3.12 electrician, or licensed manufactured home installer.

3.13 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meters
3.14 installed or repaired on or after that date.

3.15 Sec. 8. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to
3.16 read:

3.17 **Subd. 5. Utility charge for metered service.** (a) A park owner who redistributes utility
3.18 service may not charge a resident a commodity rate that exceeds the commodity rate at
3.19 which the park owner purchases utility service from a utility provider. Before billing residents
3.20 for redistributed utility service, a park owner must deduct utility service used exclusively
3.21 or primarily for the park owner's purposes.

3.22 (b) If a utility bill that a park owner receives from a utility provider separates from
3.23 variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or
3.24 other miscellaneous charges, the park owner must deduct the park owner's pro rata share
3.25 of these separately itemized charges and apportion the remaining fixed portion of the bill
3.26 equally among residents based on the total number of occupied units in the park.

3.27 (c) A park owner may not charge to or collect from residents any administrative, capital,
3.28 or other expenses associated with the distribution of utility services, including but not limited
3.29 to disconnection, reconnection, and late payment fees.

3.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

4.1 Sec. 9. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 6. **Rent increases following the installation of water meters.** A park owner may
4.4 not increase lot rents for 13 months following the commencement of utility bills for a resident
4.5 whose lease included water service. In each of the three months prior to commencement of
4.6 utility billing, a park owner must provide the resident with a sample bill for water service.

4.7 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meter
4.8 installations initiated on or after that date.

4.9 Sec. 10. **REPEALER.**

4.10 Minnesota Statutes 2022, section 327C.04, subdivision 4, is repealed.

4.11 **EFFECTIVE DATE.** This section is effective July 1, 2023.

327C.04 UTILITY CHARGES.

Subd. 4. **Electricity.** If a park owner provides electricity to residents by reselling electricity purchased from a public or municipal utility or electrical cooperative, and compliance with subdivision 3 would cause the park owner to lose money on the sale of electricity, the park owner may bill residents at a rate calculated to allow the park owner to avoid losing money on the sale of electricity. In calculating the cost of providing electricity, the park owner may consider only the actual amount billed by the public utility or electrical cooperative to the park owner for electricity furnished to residents. The park owner may not consider administrative, capital or other expenses.