

HOUSE BILL NO. 429

INTRODUCED BY G. NIKOLAKAKOS, M. YAKAWICH

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING MOBILE HOME PARK LAWS; REQUIRING A LANDLORD TO GIVE NOTICE BEFORE THE SALE OF A MOBILE HOME PARK; ALLOWING MOBILE HOME OWNERS TO MATCH THE SALE PRICE AND TERMS OF A SALE IF APPROPRIATE; PROVIDING PENALTIES AND EXCEPTIONS; PROVIDING DEFINITIONS; AND AMENDING SECTION 70-33-103, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Notice required before sale of mobile home park -- penalties -- exceptions. (1) Subject to subsection (7) and except as provided in subsection (5), a landlord shall provide notice within 60 days of the final sale or transfer of a mobile home park notifying mobile home owners that the landlord intends to sell the mobile home park. The notice required under this section must:

(a) include the price, terms, and conditions of an offer the landlord has received, found acceptable, and under which the landlord intends to complete the sale of the mobile home park;

(b) include a copy of the signed written offer that includes a description of the property; and

(c) be sent by certified mail to each mobile home owner who has entered into a rental agreement with the landlord and to the board of housing provided for in 2-15-1814.

(2) After providing notice as required in subsection (1) and until the 60-day notice period has elapsed, the landlord shall consider any offer received from the mobile home owners or a resident association and negotiate in good faith with the mobile home owners or a resident association considering a potential purchase.

(3) If a mobile home owner or a resident association makes an offer to purchase the mobile home park within the 60-day notice period provided in subsection (1), the offer must be documented by a purchase and sale agreement. The mobile home owner or the resident association shall have a reasonable amount of time after the 60-day notice period to obtain and secure financing necessary for the purchase of the mobile home park.

1 (4) (a) A landlord who sells or transfers a mobile home park and willfully fails to comply with this
2 section is liable for damages awarded to the mobile home owners. The total amount of damages awarded to all
3 mobile home owners, in the aggregate, may not exceed an amount of \$10,000 or 10% of any capital gains
4 realized from the sale or transfer of the mobile home park, whichever is greater.

5 (b) The failure of a landlord to comply with the requirements of this section may not affect the
6 validity of any sale or transfer of title or constitute grounds to set aside a sale or transfer in any court
7 proceeding.

8 (c) Lack of knowledge of this section by a landlord may not be considered a defense in an action
9 for damages brought under this section.

10 (5) A landlord is not required to give notice to mobile home owners if:

11 (a) a bank, mortgage company, or any other mortgagee has foreclosed on the mobile home park
12 and the mortgage, if applicable, and is selling the mobile home park at a foreclosure sale or is selling the mobile
13 home park after having purchased the mobile home park at a foreclosure sale;

14 (b) the sale or transfer is to a family member of the landlord or to a trust, the beneficiaries of which
15 are family members of the landlord;

16 (c) the sale or transfer is by a partnership to one or more of its partners;

17 (d) the conveyance of an interest in the mobile home park is incidental to financing the mobile
18 home park;

19 (e) the sale or transfer is between joint landlords or landlords in common; or

20 (f) the sale is pursuant to eminent domain proceedings as authorized in Title 70, chapter 30.

21 (6) (a) A landlord may, if appropriate under the circumstances, record in the registry of deeds of
22 the county in which the mobile home park is located an affidavit in which the landlord certifies that:

23 (i) the landlord has complied with the requirements of this section; or

24 (ii) the sale or transfer of the mobile home park is exempt from the requirements of this section
25 pursuant to subsection (5).

26 (b) Any party acquiring an interest in a mobile home park, including but not limited to a title
27 insurance company or an attorney preparing, furnishing, or examining evidence of title, shall have the absolute
28 right to rely on the truth and accuracy of all statements appearing in an affidavit allowed under subsection (6)(a)

1 and may not be under an obligation to inquire further as to any matter or fact related to the landlord's
2 compliance with this section.

3 (7) This section applies only to mobile home parks that have at least 51 mobile homes located
4 within the mobile home park whose owners have entered into rental agreements with the landlord.

5 (8) As used in this section, "landlord" has the meaning provided in 70-33-103(7)(a)(ii).

6

7 **Section 2.** Section 70-33-103, MCA, is amended to read:

8 **"70-33-103. Definitions.** Unless the context clearly requires otherwise, in this chapter, the following
9 definitions apply:

10 (1) "Abandon" means to give up possession of the premises unless the landlord does not accept
11 abandonment or surrender as provided in 70-33-426 or unless the rental agreement has been terminated as
12 provided by law.

13 (2) "Action" includes recoupment, counterclaim, setoff suit in equity, and any other proceeding in
14 which rights are determined, including an action for possession.

15 (3) "Actual and reasonable cost" means the actual amount of expenses and labor incurred or
16 expended and the reasonable amount of expenses and labor estimated to be incurred or expended.

17 (4) "Case of emergency" means an extraordinary occurrence beyond the tenant's control requiring
18 immediate action to protect the premises or the tenant. A case of emergency may include the interruption of
19 essential services, including electricity, gas, running water, and sewer and septic system service, or life-
20 threatening events in which the tenant or landlord has reasonable apprehension of immediate danger to the
21 tenant or others.

22 (5) "Court" means the appropriate district court, small claims court, justice's court, or city court.

23 (6) "Good faith" means honesty in fact in the conduct of the transaction concerned.

24 (7) "Landlord" means:

25 (a) the owner of:

26 (i) space or land, including a lot, that is rented to a tenant for a mobile home; or

27 (ii) a mobile home park;

28 (b) a person who has written authorization from the owner to act as the owner's agent or assignee

1 for purposes related to the premises or the rental agreement;

2 (c) a manager of the premises who fails to disclose the managerial position; or

3 (d) a lessor who has written authorization from the owner of the premises to sublease the
4 premises.

5 (8) "Lot" means the space or land rented and not a mobile home itself.

6 (9) "Mobile home" has the same meaning as provided in 15-1-101 and includes manufactured
7 homes as defined in 15-1-101.

8 (10) "Mobile home owner" means the owner of a mobile home entitled under a rental agreement to
9 occupy a lot.

10 (11) "Mobile home park" means a trailer court as defined in 50-52-101.

11 (12) "Organization" includes a corporation, government, governmental subdivision or agency,
12 business trust, estate, trust, partnership, association, two or more persons having a joint or common interest,
13 and any other legal or commercial entity.

14 (13) "Person" includes an individual or organization.

15 (14) "Premises" means a lot and the grounds, areas, and facilities held out for the use of tenants
16 generally or promised for the use of a tenant.

17 (15) "Rent" means all payments to be made to a landlord, including rent, late fees, or other charges
18 as agreed on in the rental agreement, except money paid as a security deposit.

19 (16) "Rental agreement" means all agreements, written or oral, and valid rules adopted under 70-
20 33-311 embodying the terms and conditions concerning the use and occupancy of the premises.

21 (17) "Resident association" means any organization of residents who own and occupy mobile
22 homes in a mobile home park that is organized to address the common interests of the residents, including but
23 not limited to the option to purchase a mobile home park as allowed in [section 1].

24 ~~(17)~~(18) "Tenant" means:

25 (a) a person entitled under a rental agreement to occupy a lot to the exclusion of others; or

26 (b) a person who, with the written approval of the landlord and pursuant to the rental agreement,
27 has a sublease agreement with the person who is entitled to occupy the dwelling unit under the rental
28 agreement.

1 ~~(18)~~(19) "Unauthorized person or trespasser" means a person who:

2 (a) enters or remains after being asked to leave by the landlord and does not receive written

3 permission by the landlord to remain on the premises;

4 (b) is in violation of 45-6-201;

5 (c) is in violation of 45-6-203; or

6 (d) is in violation of 70-27-102."

7

8 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
9 integral part of Title 70, chapter 33, part 3, and the provisions of Title 70, chapter 33, part 3, apply to [section 1].

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