



## **S.F. No. 203 – Housing omnibus (1<sup>st</sup> Engrossment)**

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Section 1 (327C.015, subdivision 13) makes a technical clarification to the definition of “representative acting on behalf of residents” and states that a homeowner can indicate support for proposing a purchase agreement by signing a document or petition.

Section 2 (327C.03, subdivision 3) specifies that a fee for a delinquent rent payment may not exceed eight percent of the delinquent rent payment.

Section 3 (327C.04, subdivision 1) states that residents may not be charged for utility repairs provided in response to reports of interruptions in utility service.

Section 4 (327C.04) adds a new subdivision to the utility charges section of the statutes requiring itemized billing for residents.

Section 5 [327C.041] inserts a new section in the statutes requiring that park owners allow utility providers access to a park for utility repair work and allows a resident to provide access for these purposes.

Section 6 [327C.051] requires park owners to manage trees so they do not become a safety hazard.

Section 7 (327C.06, subdivision 1) states that when a park owner issues the required 60 days’ written notice of a rent increase, the notice must include the reason for the increase.

Section 8 (327C.06, subdivision 3) limits the number of rent increases to once per year, requires rent increases to be reasonable, describes how to determine if a rent increase is reasonable, and states that rent increases approved by resident-owned cooperative are presumed to be reasonable.

Section 9 [327C.065] inserts a new section in the statutes relating to digital payment platforms for rent, fees, and other charges. The section defines alternative means of payment, digital payment platform, and electronic funds transfers. It requires park owners to

provide residents with an alternative means of payment if a digital payment platform is an option and prohibits the charging of fees for any payment option. The section also specifies the information that must be included in a digital payment platform and requires the park owner to provide a telephone number to call if difficulties arise with any payment method. Finally, the section prohibits a park owner from taking action against a resident if payment is late due to issues with the functionality of a payment method. If a park owner violates this section, the court must dismiss the eviction action and award the resident reasonable fees and appropriate relief.

Section 10 (327C.097) modifies the notice of unsolicited sale section of statute so the new heading reads “notice and opportunity to purchase.” Under the revised section, before accepting an offer for sale of a park, an owner must give 60 days’ written notice to residents and the Housing Finance Agency stating the price, terms, and conditions of the sale. Within the 60-day notice period, a representative acting on behalf of residents may request a copy of the offer to sell, lease, or transfer the manufactured home park; a park owner may designate some of the information as confidential and specify a list of individuals who can review the information. Residents may submit an offer to purchase a park, and the park owner must explain the reasoning if an offer is rejected. A park owner may record an affidavit with the county recorder attesting that the park owner has complied with this section. The section requires all transactions to be conducted in good faith, states the presumption of validity if there is a challenge to petition signatures, and requires the Housing Finance Agency to maintain a list of nonprofit organizations who wish to receive notices about park sales and make the list publicly available.

Section 11 (327C.15) specifies the liabilities that a park owner faces for violations of the manufactured home park lot rentals chapter.

Section 12 (462A.041) modifies the housing finance agency board meetings section to allow meetings to be conducted by interactive technology, requires the agency to live stream and record meetings, and requires the agency to post the recordings online.

Section 13 (462A.20, subdivision 2) modifies the subdivision relating to money in the housing development to include moneys appropriated before July 1, 2027 and moneys transferred into the fund on or after July 1, 2027.

Section 14 (462A.20, subdivision 3) modifies the separate accounts subdivision of the housing development fund section to apply to appropriations made before July 1, 2027.

Section 15 (462A.20) inserts a new subdivision relating to separate accounts that would apply to appropriations made on or after July 1, 2027.

Section 16 (462A.20, subdivision 4) modifies the operating costs report to require the agency to differentiate between costs to administer programs funded with state appropriations and other agency activities and to provide additional details.

Section 17 [462A.2094] inserts a new section for the Capacity Building Grants, which is currently subdivision 3b of the housing development fund uses in section 462A.21 and is being repealed in section 29.

Section 18 (462A.21, subdivision 10) modifies the subdivision making certain appropriations to the housing development fund available until expended to require that any interest earnings remaining after administrative costs are paid be used for the respective original appropriations and applies to appropriations made before July 1, 2027.

Section 19 (462A.21) inserts a new subdivision relating to certain appropriations being available until expended and requires that any interest earnings be used for the respective original appropriations. It applies to appropriations made on or after July 1, 2027.

Section 20 (462A.21, subdivision 12a) modifies the subdivision allowing unencumbered balances to be transferred between programs to apply to appropriations made before July 1, 2027.

Section 21 (462A.21) inserts a new subdivision allowing unencumbered balances to be transferred between programs to apply to appropriations made on or after July 1, 2027.

Section 22 (462A.37) authorizes up to \$50 million in housing infrastructure bonds.

Section 23 (462A.37, subdivision 5) inserts a paragraph to appropriate from the general fund for the debt service payments for the housing infrastructure bonds authorized in section 22.

Section 24 (462A.395, subdivision 3) modifies eligible projects for the greater Minnesota infrastructure grant program to require that a project be located outside of the metropolitan area and to include projects funded with the workforce housing development program and the workforce and affordable homeownership development program.

Section 25 (462A.40, subdivision 3) amends the eligible recipients for grants and loans appropriated from the Minnesota housing tax credit contribution account so projects that also receive funding under the workforce housing development program are not subject to household income limits.

Section 26 [462A.45] inserts a lived-experience engagement exemption in the Housing Finance Agency chapter 462A that would exempt such income from being included in determining eligibility for public assistance. The section defines “lived-experience engagement” as when the agency seeks advice from individuals who have experienced housing instability.

Section 27 (474A.02, subdivision 1a) modifies the definition of “aggregate bond limitation” in the Minnesota Bond Allocation Act in chapter 474A of the statutes. These tax-exempt private activity bonds (PABs) are issued by Minnesota Management and Budget to finance residential rental developments that are also funded with low-income housing tax credit allocations. As currently defined, up to 55 percent of the aggregate basis of a housing project can be PABs. This section would lower this amount to either 30 percent of the aggregate basis or if the

project is also funded with supportable permanent amortizing debt, up to 40 percent. The effective date is January 1, 2027.

Section 28 [500.50] prohibits private equity ownership of single-family homes. The provision defines terms, including family entity, homestead, private equity company, real estate investment trust, single-family home, and substantial rehabilitation. The prohibition does not apply to a natural person who acquires an ownership interest in a home with homestead tax classification. The section states that a civil penalty of \$100,000 per violation applies if the section is violated, and all penalties are deposited into the workforce and affordable homeownership account. Enforcement may be provided by the attorney general. The effective date of the section is August 1, 2026, and only applies to interests in real property acquired on or after that date.

Section 29 repeals the manufactured home park notice of sale section and subdivisions in the housing development fund use section relating to capacity building grants, other agency purposes, rental housing, and full cycle home ownership services.



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