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HOUSE BILL NO. 889

INTRODUCED BY J. KARLEN, P. FLOWERS

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE MONTANA RESIDENTIAL MOBILE HOME LOT RENTAL ACT; PROVIDING ADDITIONAL POLICY STATEMENTS; PROVIDING ADDITIONAL RENTAL AGREEMENT TERMS; LIMITING A LANDLORD'S ABILITY TO INTERFERE WITH THE SALE OF A MOBILE HOME; ~~PROVIDING ALLOWABLE REASONS TO DISAPPROVE A PROSPECTIVE BUYER FROM OBTAINING A RENTAL AGREEMENT;~~ PROVIDING ADDITIONAL PROTECTIONS TO A RESIDENT ASSOCIATION; PROVIDING ADDITIONAL ACTIONS DEEMED RETALIATORY BY A LANDLORD; REVISING REASONS FOR AND THE PROCESS OF A LAWFUL EVICTION OR TERMINATION OF A RENTAL AGREEMENT; ~~PROVIDING ADDITIONAL REMEDIES;~~ PROVIDING AN APPROPRIATION; AMENDING SECTIONS 70-33-102, 70-33-103, 70-33-201, 70-33-305, 70-33-314, 70-33-431, AND 70-33-433, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the right of an individual to own and use property is held in high regard in Montana, and mobile home parks present a unique circumstance in which the right of a mobile home owner to obtain, possess, and use the mobile home owner's property without restriction must be considered as important and worthy of protection as the right of a mobile home park owner to use the land on which the property resides; and

WHEREAS, many states, including Montana, have experienced mobile home park management companies or investors who purchase a mobile home park without the knowledge of the values and geographic necessities of a community and who then proceed to cut maintenance services or charge exorbitant fees and rent to increase profits; and

WHEREAS, mobile home parks offer affordable housing solutions to many Montanans who often depend on a fixed income, and volatile rent and fee increases make mobile home park lot rental difficult to afford, which can lead to housing displacement for many senior citizens and low-income tenants; and

WHEREAS, to provide for and maintain necessary affordable housing, the state of Montana needs to ensure that mobile home park tenants are sufficiently notified of rental increases and fee increases.

1 generally or promised for the use of a tenant.

2 ~~(15)~~(16) "Rent" means all payments to be made to a landlord, including rent, unit rent, utility and
3 administrative fees, late fees, or other charges as agreed on in the rental agreement, except money paid as a
4 security deposit.

5 ~~(16)~~(17) "Rental agreement" means all agreements, written or oral, and valid rules adopted under 70-
6 33-311 embodying the terms and conditions concerning the use and occupancy of the premises.

7 (18) "Resident association" means an organization of residents who own and occupy mobile homes
8 in a mobile home park that is organized to address the common interests of the residents.

9 ~~(17)~~(19) "Tenant" means:

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

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

14 ~~(18)~~(20) "Unauthorized person or trespasser" means a person who:

15 (a) enters or remains after being asked to leave by the landlord and does not receive written
16 permission by the landlord to remain on the premises;

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

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

19 (d) is in violation of 70-27-102."
20

21 **Section 3.** Section 70-33-201, MCA, is amended to read:

22 **"70-33-201. Rental agreements.** (1) A landlord and a tenant may include in a rental agreement terms
23 and conditions not prohibited by this chapter or other rule or law.

24 (2) Unless the rental agreement provides otherwise:

25 (a) the tenant shall pay as rent the rental value for the use and occupancy of the lot as determined
26 by the landlord;

27 (b) rent is payable at the landlord's address or using electronic funds transfer to an account
28 designated for the payment of rent by the landlord;

1 (c) periodic rent is payable at the beginning of a term that is a month or less and otherwise in
2 equal monthly installments at the beginning of each month;

3 (d) rent is uniformly apportionable from day to day;

4 (e) ~~the tenancy is from month to month~~ the agreement is for a term of 1 year unless a longer
5 period or a month-to-month lease is mutually agreed on by both the tenant and the landlord; and

6 (f) if either party terminates the rental agreement without cause prior to the expiration date of the
7 lease term, the aggrieved party is entitled to monetary damages up to 1 month's rent or an amount that is
8 agreed on in the rental agreement, which may not exceed 1 month's rent. Landlords shall follow 70-33-426(2)
9 and are entitled to rent from defaulting tenants up to the date a new tenancy starts or the date the rental
10 agreement term expires.

11 (3) Rent is payable without demand or notice at the time and place agreed ~~upon~~ on by the parties
12 or as provided by subsection (2).

13 (4) Sixty days prior to the expiration of the term of a rental agreement, the landlord shall offer the
14 tenant a renewal lease for the same term and with the same provisions as the original agreement, unless the
15 landlord notifies the resident in writing a minimum of 60 days prior to the expiration of the rental agreement
16 that the agreement will not be renewed for reasons pursuant to 70-33-433.

17 (5) Nothing in this section prevents a landlord from terminating a rental agreement pursuant to 70-
18 33-433 before the end of a lease term."

20 **Section 4.** Section 70-33-305, MCA, is amended to read:

21 **"70-33-305. Transfer of premises by tenant -- rights and duties of landlord and tenant.** (1) A
22 tenant who vacates a lot during the term of a tenancy may not allow the possession of the property to be
23 transferred to a third person or sublet the property unless the landlord or the landlord's agent has consented in
24 writing.

25 (2) The sale or rental of a mobile home located upon a lot does not entitle the purchaser or renter
26 to retain rental of the lot unless the purchaser or renter enters into a rental agreement with the owner of the lot.

27 (3) ~~(a)~~ A mobile home owner who owns the mobile home but rents the lot has the exclusive right to
28 sell the mobile home without interference or conditions by the landlord, including the consideration of the age of

1 ~~the mobile home as grounds for disapproving a potential purchaser.~~ The new purchaser shall make suitable
2 arrangements with the landlord in order to become a tenant on the mobile home lot. The purchase of the mobile
3 home does not automatically entitle the ~~purchaser~~ ~~potential buyer~~ ~~purchaser~~ to rent the mobile home lot. ~~and a~~
4 ~~landlord may refuse to lease to a prospective buyer:~~

5 ~~(i) if the prospective buyer has an adverse credit report;~~
6 ~~(ii) if a background check indicates that the prospective buyer will pose an unreasonable hazard to~~
7 ~~the safety or peaceful enjoyment of the residents of the mobile home park; or~~
8 ~~(iii) for any reasonable and prudent objection determined by the landlord.~~

9 ~~(b) The age or condition of a mobile home is not grounds for disapproving a prospective buyer for~~
10 ~~a lease. The landlord may not disapprove an assignment of the lease from the tenant to the tenant's bona fide~~
11 ~~creditor.~~

12 ~~(c) The landlord may require the prospective buyer to submit an application for lease or sublease~~
13 ~~or receive an assignment of the lease for the rental site and may make reasonable review of the new buyer as~~
14 ~~provided in subsections (3)(a)(i) through (3)(a)(iii). The landlord has 14 calendar days after receiving an~~
15 ~~application from the prospective buyer to give written notice to the buyer stating the reasons for the disapproval.~~
16 ~~If the prospective buyer is not provided with a written notice of disapproval within 14 calendar days, the~~
17 ~~prospective tenant is deemed approved. A notice of denial must also be sent to the selling mobile home owner~~
18 ~~without details unless the prospective buyer has given written consent to release details to the home owner.~~

19 ~~(d) The mobile home owner or prospective buyer may seek judicial review of the landlord's refusal~~
20 ~~to lease to the prospective buyer. To continue with the denial of the lease, the landlord shall prove to the court~~
21 ~~that the disapproval was objectively reasonable and in good faith. If the court finds that the disapproval was not~~
22 ~~justified, the court shall order the grant of a site lease and award any actual damages, costs, and reasonable~~
23 ~~attorney fees to the mobile home owner or prospective buyer.~~

24 ~~(4) A mobile home owner who wishes to sell a mobile home as allowed in subsection (3) shall~~
25 ~~notify the landlord of a proposed sale of the home.~~

26 ~~(5) A landlord may not deny a mobile home owner the right to sell a mobile home on a rented~~
27 ~~space and may not require a home to be removed from the space solely on the basis of the sale of the home. A~~
28 ~~landlord may not limit the sale of a home on the basis of the home's age or physical condition or in any way~~

1 ~~misrepresent that the home may not be sold. A landlord may not require that a mobile home owner make any~~
2 ~~addition or improvement to the home as a condition of sale unless those additions or improvements~~
3 ~~are required by law.~~

4 ~~(6) A landlord or an employee of a mobile home park may not act as agent or broker in the sale of~~
5 ~~a tenant's mobile home and may not exact a commission or fee from the sale of a home owned by a tenant.~~
6 ~~A landlord or employee of a mobile home park may not require that a tenant use the services of a particular~~
7 ~~dealer or broker when selling a home.~~

8 ~~(7) A landlord may not place unreasonable, unfair, or discriminatory restriction on sale~~
9 ~~advertisement signs or on access to the mobile home park by prospective buyers, realtors, or~~
10 ~~other representatives of the mobile home owner and may not interfere with the mobile home owner's efforts to~~
11 ~~sell a mobile home.~~

12 ~~(8) A landlord may not request, negotiate, or demand an option to purchase a mobile home on~~
13 ~~resale or termination unless the purchase price is determined by a qualified, neutral third party at the expense~~
14 ~~of the landlord or based on the first offer of a bona fide purchaser for value."~~

15
16 **Section 5.** Section 70-33-314, MCA, is amended to read:

17 **"70-33-314. Resident associations -- meetings.** (1) The membership of a resident association may
18 elect officers of the association at a meeting at which a majority of the members are present. All residents may
19 attend meetings, ~~but~~. Membership in a resident association is limited to mobile home owners who occupy their
20 mobile homes and residents who have rent-to-own agreements for the mobile home in which they reside.

21 ~~(2) the~~ The landlord and the landlord's employees may not be members of and may not attend
22 meetings unless specifically invited by the tenants' resident association. The landlord may not interfere with or
23 prevent the attendance of an invitee at a resident association's meeting.

24 ~~(2)(3)~~ The landlord may not prohibit, or adopt any rule that prohibits, meetings by a resident
25 association or tenants relating to:

- 26 (a) mobile home living; ~~or~~
- 27 (b) the future plans for the mobile home park, including sale or change of use; or
- 28 (c) any other purpose related to mobile home park living, including but not limited to social or

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Section 7. Section 70-33-433, MCA, is amended to read:

"70-33-433. Grounds for termination of rental agreement -- eviction process. (1) If there is a

noncompliance by the tenant with the rental agreement or with a provision of 70-33-321, the landlord may deliver a written notice to the tenant pursuant to 70-33-106 specifying the acts or omissions constituting the noncompliance and stating that the rental agreement will terminate ~~upon~~on the date specified in the notice that may not be less than the minimum number of days after receipt of the notice provided for in this section. The rental agreement terminates as provided in the notice for one or more of the following reasons and subject to the following conditions:

(a) ~~as specified in subsection (2).~~ nonpayment of rent, late charges, or common area maintenance fees as established in the rental agreement, for which the notice period is 7 days;

(b) pursuant to subsection (5) (4). a violation of a rule other than provided for in subsection (1)(a) that does not create an immediate threat to the health and safety of any other tenant or the landlord or manager, for which the notice period is 14 days;

(c) a violation of a rule that creates an immediate threat to the health and safety of any other tenant or the landlord or manager, for which the notice period is 24 hours;

(d) late payment of rent, late charges, or common area maintenance fees, as established in the rental agreement, three or more times within a 12-month period if written notice is given by the landlord after each failure to pay, as required by subsection (1)(a), for which the notice period for termination for the final late payment is 30 days;

(e) a violation of a rule that creates an immediate threat to the health and safety of any other tenant or the landlord or manager whether or not notice was given pursuant to subsection (1)(c) and the violation was remedied as provided in subsection ~~(3)~~ (4) (3), for which the notice period is 14 days;

(f) pursuant to subsection (5) (4). two or more violations within a 6-month period of the same rule for which notice has been given for each prior violation, as provided in subsection (1)(a), (1)(b), or (1)(c), for which the notice period for the final violation is 30 days;

(g) two or more violations of 70-33-321(1) within a 6-month period, for which the notice period for the final violation is 14 days;

Amendment - 1st Reading-white - Requested by: Jonathan Karlen - (H) Judiciary

- 2023

68th Legislature 2023

Drafter: Toni Henneman, 406-444-3593

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- 1 (h) any violation of 70-33-321(3) or (4), for which the notice period is as provided in 70-33-422(1);
- 2 (i) disorderly conduct that results in disruption of the rights of others to the peaceful enjoyment
- 3 and use of the premises, for which the notice period is 7 days;
- 4 (j) any other noncompliance or violation not covered by subsections (1)(a) through (1)(i) that
- 5 endangers other tenants or mobile home park personnel or the landlord or manager or causes substantial
- 6 damage to the premises, for which the notice period is 14 days;
- 7 (k) conviction of the mobile home owner or a tenant of the mobile home owner of a violation of a
- 8 federal or state law or local ordinance, when the violation is detrimental to the health, safety, or welfare of other
- 9 tenants or the landlord or manager or the landlord's documentation of a violation of the provisions of Title 45,
- 10 chapter 9, for which the notice period is 14 days; and
- 11 (l) changes in the use of the land if the requirements of subsection ~~(2)~~ (3) (2) are met, for which
- 12 the notice period is 180 days;
- 13 ~~(m) any legitimate business reason not covered elsewhere in this subsection (1) if the landlord meets~~
- 14 ~~the following requirements:~~
- 15 ~~(i) the termination does not violate a provision of this section or any other state statute; and~~
- 16 ~~(ii) the landlord has given the mobile home owner or tenant of the mobile home owner a minimum of~~
- 17 ~~90 days' written notice of the termination.~~
- 18 (2) (a) A landlord may not institute eviction procedures for nonpayment of rent until 45 days
- 19 have elapsed from the date the tenant receives notice that rent is delinquent and only if the tenant has not
- 20 tendered the delinquent payment during that 45-day period. The notice must state the total amount of rent due,
- 21 including an itemization, and must inform the tenant that the landlord intends to commence an eviction
- 22 proceeding unless the tenant makes the delinquent payment within 45 days.
- 23 (b) Nonpayment of any fees, any late charges or utility charges, or any charges prohibited by law
- 24 is not grounds for eviction.
- 25 (c) Any payment made by a tenant to the landlord must be attributed first to delinquent rent
- 26 payments, then to current rent payments, and last to utility charges, late fees, and other fees.
- 27 (d) The landlord's refusal to accept rent from a tenant is not nonpayment of rent and is not
- 28 grounds for eviction. Withholding rent in good faith as allowed in 70-33-431(1)(f) is not nonpayment of rent and

1 ~~is not grounds for eviction.~~

2 ~~(2)(3)(2)~~ (a) If a landlord plans to change the use of all or part of the premises from mobile home lot
3 rentals to some other use, each affected mobile home owner must receive notice from the landlord as follows:

4 ~~(a)(i)~~ The landlord shall give the mobile home owner and a tenant of the mobile home owner at least
5 ~~15-30~~ days' written notice that the landlord will be appearing before a unit of local government to request
6 permits for a change of use of the premises.

7 ~~(b)(ii)~~ After all required permits requesting a change of use have been approved by the unit of local
8 government, the landlord shall give the mobile home owner and a tenant of the mobile home owner ~~6~~ 12
9 months' written notice of termination of tenancy. If the change of use does not require local government
10 permits, the landlord shall give the written notice at least ~~6~~ 12 months prior to the change of use. In the notice
11 the landlord shall disclose and describe in detail the nature of the change of use.

12 ~~(c)(iii)~~ Prior to entering a rental agreement during the ~~6-month~~ 12-month notice period referred to in
13 subsection ~~(2)(b)~~ ~~(3)(a)(ii)~~ ~~(2)(a)(ii)~~, the landlord shall give each prospective mobile home owner and any tenant
14 of the mobile home owner whose identity and address have been provided to the landlord written notice that the
15 landlord is requesting a change in use before a unit of local government or that a change in use has been
16 approved.

17 ~~(b)~~ A landlord may terminate a rental agreement in order to change the land use of all or part of
18 the premises of a mobile home park only if the landlord meets the following conditions:

19 ~~(i)~~ the rental agreement or rental renewal agreement clearly and conspicuously discloses a
20 change in land use as a ground for terminating the rental agreement;

21 ~~(ii)~~ the landlord has a present intent to change the land use to a use other than a mobile home
22 park; and

23 ~~(iii)~~ the landlord has notified the board and each mobile home owner or tenant whose lease will be
24 terminated of the intended change of land use by certified or registered mail at least 1 year before the date
25 of the change of use.

26 ~~(3)(4)(3)~~ Subject to the right to terminate in subsections (1)(d) through (1)(k), if the noncompliance
27 described in subsections (1)(a) through (1)(c) is remediable by repairs, the payment of damages, or otherwise
28 and the tenant adequately remedies the noncompliance before the date specified in the notice, the rental

1 agreement does not terminate as a result of that noncompliance.

2 ~~(5)(4) (a) Violation of a mobile home park rule or regulation as provided in subsections (1)(b) or~~

3 ~~(1)(f) is grounds for eviction only if:~~

4 ~~(i)(a) the rule has been properly promulgated pursuant to 70-33-311;~~

5 ~~(ii)(b) the rule is not a significant modification of the existing lease agreement and is not unfair,~~

6 ~~unreasonable, or unconscionable; and~~

7 ~~(iii)(c) the tenant had at least 60 days' notice of the rule before the violation took place.; and~~

8 ~~(iv) the rule violation is likely to continue or recur and the continuing violation would have a~~

9 ~~significant adverse impact on the mobile home park or its residents.~~

10 ~~(b) Violation of a rule is not grounds for eviction if the conduct or conviction was committed by a~~

11 ~~member of the tenant's household, and not by the tenant, and the other person is no longer living in the home~~

12 ~~and is not likely to return to the home.~~

13 ~~(4)(6)(5) For the purposes of calculating the total number of notices given within a 12-month period~~

14 ~~under subsection (1)(d), only one notice for each violation per month may be included in the calculation.~~

15 ~~(7)(6) The landlord may terminate the rental agreement as allowed in subsection (1) or evict the~~

16 ~~tenant only by court process. No eviction may be ordered if the court determines that the eviction proceeding is~~

17 ~~a retaliatory act in violation of 70-33-431.~~

18 ~~(8)(7) This section provides the exclusive procedure and grounds for removing, ejecting, or evicting~~

19 ~~a tenant, regardless of any purported termination of the lease and regardless of whether the tenant's original~~

20 ~~lease has expired or been renewed. The landlord's termination of or refusal to renew a lease on any grounds~~

21 ~~is ineffective unless and until the landlord has obtained a court order under this section. This section is binding~~

22 ~~on any purchaser of the mobile home park and any successor in interest to the landlord."~~

23

24 ~~NEW SECTION. Section 8. Additional remedies and protections -- action -- court decision. (1)~~

25 ~~To ensure that the rights of tenants available under this chapter are protected, a court may order temporary and~~

26 ~~permanent injunctive relief and other equitable relief as may be appropriate, including the appointment of a~~

27 ~~receiver to operate the mobile home park.~~

28 ~~(2) If a court finds that a landlord's violation of this chapter is willful or reckless or that the~~

1 ~~community owner has not attempted to resolve the dispute in good faith, the court shall at least treble the actual~~
2 ~~damages portion of the award and may award punitive damages greater than treble actual damages.~~

3 ~~(3) If a court finds that an action brought by a tenant or a resident association was brought in bad~~
4 ~~faith, knowing that the action was groundless, and was brought for the purpose of harassment, the court shall~~
5 ~~award the landlord reasonable attorney fees as allowed in 70-33-434.~~

6 ~~(4) The provisions of this chapter do not bar any claim against any person under the common law~~
7 ~~or any statute, including any claim under 45-6-317 or 45-6-318.~~

8 ~~(5) For the purposes of tenant enforcement of rights under the rental agreement allowed in 70-33-~~
9 ~~201, all terms required by this chapter to be included in the rental agreement must be considered as a matter of~~
10 ~~law to be part of the rental agreement whether incorporated in the actual agreement or not.~~

11 ~~(6) The mobile home owner has a lien against the realty on which the mobile home park is situated~~
12 ~~for any amounts owed the mobile home owner pursuant to this chapter.~~

13
14 **NEW SECTION. Section 8. Appropriation.** There is appropriated \$20,000 from the general fund to
15 the department of commerce for the fiscal year beginning July 1, 2023, to develop and disseminate educational
16 materials to mobile home owners as defined in 70-33-103 that inform mobile home owners of the statutory
17 revisions to the Montana Residential Mobile Home Lot Rental Act made in [this act].

18
19 **NEW SECTION. Section 10. Codification instruction.** [Section 8] is intended to be codified as an
20 integral part of Title 70, chapter 33, part 4, and the provisions of Title 70, chapter 33, part 4, apply to [section 8].

21
22 **NEW SECTION. Section 9. Severability.** If a part of [this act] is invalid, all valid parts that are
23 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
24 the part remains in effect in all valid applications that are severable from the invalid applications.

25
26 **NEW SECTION. Section 10. Effective date.** [This act] is effective on passage and approval.

27 - END -