



2023 SENATE BILL 930

January 19, 2024 - Introduced by Senators PFAFF, SPREITZER, ROYS, LARSON and AGARD, cosponsored by Representatives DOYLE, EMERSON, CONLEY, CONSIDINE, BILLINGS, OHNSTAD, PALMERI, SINICKI, JACOBSON, HONG and MADISON. Referred to Committee on Housing, Rural Issues and Forestry.

- 1 **AN ACT** *to create* 710.15 (6) of the statutes; **relating to:** residents' right to
2 purchase a mobile or manufactured home community.

Analysis by the Legislative Reference Bureau

This bill requires the owner of a mobile or manufactured home community (community) to provide notice to tenants in the community before selling it or changing its use and gives tenants the right to purchase the community under those circumstances.

Under the bill, a community owner must give written notice at least 12 months before closing the community or changing the use of the community. A community owner must also give written notice if the owner lists the community for sale, receives an offer to purchase the community, or is served with a foreclosure complaint for the community. Notice must be provided to all adults who occupy a mobile or manufactured home within the community (resident). The notice must also be posted in a conspicuous public place within the community and must include a description of residents' rights, as described in the bill, and pertinent sale information, such as the price and terms of any offer received by the community owner.

Under the bill, after providing the required notice, the community owner must provide residents 90 days to make an offer to purchase the community and secure financing. If residents make an offer to purchase and secure financing, the community owner must provide residents an additional 90 days to close on the purchase of the community.

The bill requires a community owner to negotiate with residents in good faith for a purchase agreement and to allow residents a commercially reasonable due

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diligence period and access to information necessary to make an informed decision regarding the purchase. The bill also allows residents to assign their right to purchase the community to a local or state government, tribal government, state agency, housing authority, or nonprofit organization with housing expertise for the purpose of continuing the use of the community.

Under the bill, a community owner is not required to provide notice, and no right to purchase arises, if the owner sells, transfers, or conveys the community in good faith to certain persons, including a spouse, certain family members, a joint tenant, or a business controlled by the owner.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 710.15 (6) of the statutes is created to read:

2 710.15 (6) RESIDENT RIGHT TO PURCHASE. (a) *Notice of change of use.* A
3 community owner shall provide written notice of any intent to close the community
4 or convert it to another use at least 12 months before the closure or change in use will
5 occur.

6 (b) *Notice of intent to sell.* The community owner shall provide written notice
7 of any of the following events within 14 days after the event occurs:

8 1. The community owner lists the community for sale.

9 2. The community owner receives an offer to purchase the community.

10 3. The community owner is served with a summons and complaint commencing
11 a foreclosure action under ch. 846 affecting the community.

12 (c) *Contents and recipients of notice; method of delivery.* For notices required
13 under pars. (a) and (b), the community owner shall send a written notice by 1st class
14 mail to all adult residents and occupants of the community and shall post a copy of
15 the notice in a conspicuous, public place within the community. The notice shall
16 include a description of the right of residents and occupants under this subsection.

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1 For notices required under par. (b) 1. and 2., the notice shall include a description of
2 the property to be purchased and the price, terms, and conditions for sale that are
3 included in any offers to purchase that have been received by the owner or, if no offer
4 has been received, the price, terms, and conditions for sale for which the owner
5 intends to sell the community.

6 (d) *Right to purchase.* 1. During the 90-day period after the community owner
7 provides a notice under par. (a) or (b), or the 90-day period after residents and
8 occupants make an acceptable offer to purchase and secure financing under subd. 2.,
9 the owner may not enter into a purchase agreement for the sale of the community
10 other than with a representative acting on behalf of at least 51 percent of adult
11 residents and occupants. Such a representative shall provide to the community
12 owner reasonable evidence that at least 51 percent of adult residents and occupants
13 approve of purchasing the community and authorize the representative to act on
14 their behalf. During that 90-day period, such a representative has the right to make
15 an offer to purchase the community and to secure financing.

16 2. If, during the 90-day period under subd. 1., the representative makes an
17 acceptable offer to purchase and secures financing, the community owner shall
18 provide an additional 90 days for the representative to close on the purchase of the
19 community.

20 3. Notwithstanding the time periods provided in subds. 1. and 2., if a
21 foreclosure sale of the community is scheduled for less than 180 days after the
22 community owner provides a notice under par. (b) 3., the periods for a representative
23 to make an offer, secure financing, and close on the purchase of the community
24 terminate on the date of the foreclosure sale. Notwithstanding the time periods
25 provided in subds. 1. and 2., if at least 51 percent of adult residents and occupants

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1 notify the community owner that they do not wish or intend to purchase the
2 community, the periods for a representative to make an offer, secure financing, and
3 close on the purchase of the community terminate on the date upon which the owner
4 receives such notice from 51 percent of adult residents and occupants.

5 4. The community owner shall negotiate with a representative of residents and
6 occupants in good faith for a purchase agreement, except that the owner is not
7 obligated to provide owner financing. Any purchase agreement entered into with the
8 representative shall allow the representative a commercially reasonable due
9 diligence period and access by the representative to all information reasonably
10 necessary to make an informed decision regarding the purchase. The community
11 owner may require the representative to enter into a confidentiality agreement
12 regarding the information.

13 (e) *Assignment of right to purchase.* Residents and occupants may assign their
14 right to purchase under par. (d) to a local or state government, tribal government,
15 state agency, housing authority, or nonprofit organization with housing expertise for
16 the purpose of continuing the use of the community.

17 (f) *Independence of time limits and notice provisions.* Each occurrence of a
18 triggering event under pars. (a) and (b) creates an independent right to purchase.
19 If a 90-day period for making an offer or closing on a purchase is in effect when a new
20 triggering event occurs, that 90-day period terminates and a new 90-day period
21 begins.

22 (g) *Exceptions to notice requirement and right to purchase.* Notwithstanding
23 pars. (a) and (b), a community owner is not required to provide notice, and no right
24 to purchase arises, if the owner sells, transfers, or conveys the community in good

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1 faith to any of the following, and if the transaction is not made for the primary
2 purpose of avoiding the right-to-purchase provisions of this subsection:

3 1. A spouse, parent, sibling, aunt, uncle, first cousin, or child of the owner.

4 2. A trust, the primary beneficiaries of which are a spouse, parent, sibling,
5 aunt, uncle, first cousin, or child of the owner.

6 3. A business entity or trust in which the owner owns at least a majority
7 interest.

8 4. A family member included in the line of intestate succession.

9 5. An existing joint tenant or tenant in common.

10 6. A person pursuant to eminent domain.

11 (h) *Requirement to consider offers without triggering event.* A community
12 owner shall consider in good faith any offer to purchase made by a representative of
13 residents and occupants regardless of whether a triggering event under par. (a) or
14 (b) has occurred.

15 (END)