



State of Wisconsin
2021 - 2022 LEGISLATURE

LRBs0407/1
MCP:skw

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 1036**

March 8, 2022 - Offered by Representatives CONSIDINE and POPE.

1 **AN ACT** *to amend* 710.15 (5r); and *to create* 710.15 (2r) and 710.15 (6) of the
2 statutes; **relating to:** the notice requirement for terminating a lease in a
3 mobile or manufactured home community.

Analysis by the Legislative Reference Bureau

90 days' notice to terminate lease

This bill requires the landlord of a mobile or manufactured home community (called an "operator" under current law) to provide to a tenant in the community (called an "occupant" or "resident" under current law) at least 90 days' notice before terminating the tenant's lease for certain reasons.

Under current law, a landlord that wishes to terminate a tenancy must give the tenant a 5-, 14-, or 30-day notice before terminating the tenancy, depending on the length of the lease and whether previous notices have been provided to the tenant. These notice requirements apply to tenants in a mobile or manufactured home community. Also under current law, a lease in a mobile or manufactured home community may not be terminated except for certain enumerated reasons.

Under the bill, a notice terminating a tenancy in a mobile or manufactured home community must provide to the tenant at least 90 days' notice if the tenancy is being terminated because the community owner or operator seeks to permanently retire the community from the rental market or because the community owner or

operator is required to stop renting as a result of action taken by local or state building or health authorities. For all other lease terminations, the notice requirements under current law apply.

60 days' notice to increase rent

The bill also prohibits an owner or operator from increasing rent for an occupant or resident of a mobile or manufactured home community unless the occupant or resident is notified in writing of the increase at least 60 days before the rent increase takes effect.

Residents' right to purchase

Finally, under the bill, if the owner of a mobile or manufactured home community offers the community for sale, and a prospective purchaser notifies the owner of an intent to close the community or convert it to another use within one year of purchase, the owner must notify all residents and occupants of the community and provide a 45-day period for a representative of the residents and occupants to match the offer and enter into an agreement to purchase the community. The bill requires the representative to provide to the owner 10 percent of the prospective purchaser's offer price as earnest money. Under the bill, if the representative successfully purchases the community, the representative must ensure that the property continues to operate as a mobile or manufactured home community for at least 10 years from the date of the sale.

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

1 **SECTION 1.** 710.15 (2r) of the statutes is created to read:

2 710.15 **(2r)** NOTICE REQUIRED FOR RENT INCREASE. A community owner or
3 operator may not increase the amount of rent due by any occupant or resident unless
4 the occupant or resident is notified, in writing, of the rent increase at least 60 days
5 before the effective date of the rent increase.

6 **SECTION 2.** 710.15 (5r) of the statutes is amended to read:

7 710.15 **(5r)** NOTICE REQUIREMENTS APPLY. The notice requirements of s. 704.17
8 (1p) (a), (2) (a) and (3) apply to a termination of tenancy under sub. (5m) (a) and the
9 notice requirements of s. 704.17 (1p) (b), (2) (b) and (3) apply to a termination of
10 tenancy under sub. (5m) (b) to (k), except that, for a termination of tenancy under

1 sub. (5m) (f) or (g), a notice to remedy a default or a notice to vacate shall provide at
2 least 90 days' notice.

3 **SECTION 3.** 710.15 (6) of the statutes is created to read:

4 710.15 (6) RESIDENT RIGHT TO PURCHASE. A prospective purchaser of a
5 community shall notify the community owner, in writing and before executing any
6 agreement to purchase the community, if the prospective purchaser intends to close
7 the community or convert it to another use within one year of the execution of the
8 agreement to purchase. Upon receiving such a notice, the community owner shall
9 send a written notice by 1st class mail to all adult residents and occupants of the
10 community that states the prospective purchaser's intent to close the community or
11 convert it to another use and informs the residents and occupants of the provisions
12 of this subsection. During the 45-day period after the community owner provides
13 such notice, the owner may not enter into a purchase agreement for the sale of the
14 community other than with a representative acting on behalf of residents and
15 occupants. The community owner shall promptly provide information on the cash
16 price and the terms and conditions of the prospective purchaser's offer to residents
17 and occupants upon request. During the 45-day period, a representative acting on
18 behalf of residents and occupants has the right to make an offer to meet the cash price
19 and agree to material terms and conditions set forth in the prospective purchaser's
20 offer and to execute an agreement to purchase the community for the purpose of
21 continuing to operate the property as a community for at least 10 years from the date
22 of sale. The representative shall provide to the community owner 10 percent of the
23 prospective purchaser's offer price as earnest money. The earnest money shall be
24 refundable after 6 months, except that, if the prospective purchaser withdraws the
25 offer to purchase during the 45-day period, the representative is unable to complete

1 the purchase, and the community is sold to another purchaser within 6 months for
2 less than the original prospective purchaser's offer, the community owner may be
3 compensated from the earnest money for the difference between the original
4 prospective purchaser's offer and the purchase price. The community owner shall
5 negotiate with the representative in good faith for a purchase agreement that meets
6 the cash price and the same material terms and conditions set forth in the
7 prospective purchaser's offer, except that the owner is not obligated to provide owner
8 financing. Any purchase agreement entered into with the representative shall allow
9 the representative a commercially reasonable due diligence period and access by the
10 representative to all information reasonably necessary to make an informed decision
11 regarding the purchase. The community owner may require the representative to
12 enter into a confidentiality agreement regarding the information. If the
13 representative purchases the community, the representative shall ensure that the
14 property continues to operate as a community for at least 10 years from the date of
15 the sale.

16 (END)