

HOUSE BILL 321

Introduced by Dowell, et al.

1/22	Introduced
1/22	Referred to Business & Economic Development
1/22	First Reading
2/05	Hearing
2/15	Tabled in Committee

1 House BILL NO. 321
 2 INTRODUCED BY Dowell J.A. Wilson
 3 Ream Fischer Kocher B Baumbach
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING MINIMUM
 5 Cochranella WINTERED Stanford Kocher
 6 TERMS FOR RENTAL AGREEMENTS IN MOBILE HOME PARKS; PROVIDING
 7 PROCEDURES FOR TERMINATING RENTAL AGREEMENTS AND CHANGING
 8 TERMS IN AGREEMENTS; PROVIDING FOR ARBITRATION OF DISPUTES
 9 CONCERNING RENTAL AGREEMENTS; AMENDING SECTION 70-24-103,
 10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

12 **Section 1.** Section 70-24-103, MCA, is amended to read:

13 "70-24-103. General definitions. Subject to additional
 14 definitions contained in subsequent sections and unless the
 15 context otherwise requires, in this chapter the following
 16 definitions apply:

17 (1) "Action" includes recoupment, counterclaim, setoff
 18 suit in equity, and any other proceeding in which rights are
 19 determined, including an action for possession.

20 (2) "Court" means the appropriate district court or the
 21 appropriate justice's court.

22 (3) "Dwelling unit" means a structure or the part of a
 23 structure that is used as a home, residence, or sleeping
 24 place by a person who maintains a household or by two or
 25 more persons who maintain a common household. "Dwelling

1 unit", in the case of a person who rents space in a mobile
 2 home park but does not rent the mobile home, means the space
 3 rented and not the mobile home itself.

4 (4) "Good faith" means honesty in fact in the conduct
 5 of the transaction concerned.

6 (5) "Landlord" means the owner, lessor, or sublessor of
 7 the dwelling unit or the building of which it is a part or
 8 of a mobile home park and also means a manager of the
 9 premises who fails to disclose his the managerial position
 10 and the operator of a mobile home park.

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

13 ~~(7)~~ (7) "Organization" includes a corporation,
 14 government, governmental subdivision or agency, business
 15 trust, estate, trust, partnership or association, two or
 16 more persons having a joint or common interest, and any
 17 other legal or commercial entity.

18 ~~(8)~~ (8) "Owner" means one or more persons, jointly or
 19 severally, in whom is vested all or part of:

20 (a) the legal title to property; or

21 (b) the beneficial ownership and a right to present use
 22 and enjoyment of the premises, including a mortgagee in
 23 possession.

24 ~~(9)~~ (9) "Person" includes an individual or organization.

25 ~~(10)~~ (10) "Premises" means a dwelling unit and the

1 structure of which it is a part, the facilities and
2 appurtenances therein, and the grounds, areas, and
3 facilities held out for the use of tenants generally or
4 promised for the use of a tenant.

5 {10}(11) "Rent" means all payments to be made to the
6 landlord under the rental agreement.

7 {11}(12) "Rental agreement" means all agreements,
8 written or oral, and valid rules adopted under 70-24-311
9 embodying the terms and conditions concerning the use and
10 occupancy of a dwelling unit and premises.

11 {12}(13) "Roomer" means a person occupying a dwelling
12 unit that does not include a toilet, a bathtub or a shower,
13 a refrigerator, a stove, or a kitchen sink, all of which are
14 provided by the landlord and one or more of these facilities
15 are used in common by occupants in the structure.

16 {13}(14) "Single family residence" means a structure
17 maintained and used as a single dwelling unit.
18 Notwithstanding that a dwelling unit shares one or more
19 walls with another dwelling unit, it is a single family
20 residence if it has direct access to a street or
21 thoroughfare and shares neither heating facilities, hot
22 water equipment, nor any other essential facility or service
23 with another dwelling unit.

24 {14}(15) "Tenant" means a person entitled under a rental
25 agreement to occupy a dwelling unit to the exclusion of

1 others."

2 NEW SECTION. Section 2. Mobile home parks -- minimum
3 terms for rental agreements. (1) A rental agreement for a
4 mobile home space or a mobile home in a mobile home park
5 must be offered for a minimum term of 1 year unless a longer
6 period is mutually agreed upon by both the landlord and
7 tenant. If the tenant chooses, a month-to-month tenancy may
8 be maintained.

9 (2) A tenant who executes a rental agreement offered
10 pursuant to this section may cancel the agreement by
11 notifying the landlord in writing within 7 days of execution
12 of the rental agreement.

13 (3) The maximum amount that a landlord may recover as
14 damages for a tenant's early termination of a rental
15 agreement is 2 months' rent. If the dwelling unit is rented
16 again or occupied again within 30 days, the landlord may not
17 recover more than 1 month's rent as damages.

18 (4) During the first rental term, the landlord may
19 propose any rental amount the landlord chooses, including
20 rental increases, as long as the amounts or methods of
21 determining the increases are fully and clearly determinable
22 and disclosed in the rental agreement, are not unreasonable,
23 and are binding on the landlord for the term of the rental
24 agreement.

25 (5) (a) At the expiration of a rental agreement, the

1 agreement must be automatically renewed for a minimum term
 2 of 1 year with the same terms as the previous rental
 3 agreement, unless the tenant notifies the landlord at least
 4 30 days prior to the agreement's termination of an intent to
 5 move or unless the mobile home park operator seeks to change
 6 the terms of the agreement pursuant to this subsection (5).

7 (b) If the landlord wishes to change a rental
 8 agreement, 2 months prior to its expiration, the landlord
 9 shall offer the tenant a renewal rental agreement with a
 10 term of at least 1 year and with the proposed rental amount
 11 and any fee or other lease changes for that term.

12 (c) If the tenant does not accept the new terms, the
 13 landlord may initiate a binding arbitration process,
 14 pursuant to subsection (6), to determine the fair market
 15 value of the lot rent and other charges over the next 1-year
 16 period. An arbitrator shall determine the fair market value
 17 of the space rent and other charges over the next 1 year,
 18 based on new rental agreements of other tenants in the same
 19 mobile home park and, if necessary, new rental agreements in
 20 other comparable parks. The amount determined by the
 21 arbitrator, including any rental increases, is binding for a
 22 1-year period.

23 (d) A tenant with an existing rental agreement not in
 24 compliance with this section must, as soon as practical, be
 25 offered a 1-year rental agreement that complies with this

1 section, effective on the termination of the existing rental
 2 agreement. If the tenant does not accept the terms, the
 3 tenant may initiate a binding arbitration process, pursuant
 4 to subsection (6).

5 (6) (a) If the landlord and tenant fail to select an
 6 arbitrator, the district court, upon application of the
 7 landlord or tenant, shall appoint the arbitrator.

8 (b) Each party has the right to be represented by an
 9 attorney or, in the case of the tenant, by a resident
 10 association.

11 (c) The decision of the arbitrator must be a signed,
 12 written document, with copies provided to each party. The
 13 decision must apportion expenses and other fees incurred
 14 between the parties as is equitable, except that the fees
 15 for the arbitrator must be divided equally by the two
 16 parties.

17 (d) Upon application of a party, a court may vacate,
 18 modify, or correct a decision if:

- 19 (i) the decision was procured by undue means;
- 20 (ii) there was evident partiality of an arbitrator or
- 21 misconduct prejudicial to the rights of a party;
- 22 (iii) the arbitrator exceeded the arbitrator's powers;
- 23 or
- 24 (iv) the decision was demonstrably irrational.
- 25 (e) If the court vacates a decision, it shall appoint a

1 new arbitrator.

2 (7) If the landlord decreases any services that the
3 landlord agreed to provide in the rental agreement, the
4 landlord shall reduce the rental amount accordingly. If the
5 landlord fails to reduce the rent, the tenant or a resident
6 association may initiate a binding arbitration proceeding,
7 pursuant to subsection (6), to determine the amount of the
8 refund the landlord owes residents for excessive rent
9 payments already made.

10 NEW SECTION. **Section 3.** Codification instruction.

11 [Section 2] is intended to be codified as an integral part
12 of Title 70, chapter 24, part 1, and the provisions of Title
13 70, chapter 24, part 1, apply to [section 2].

14 NEW SECTION. **Section 4.** Effective date. [This act] is

15 effective on passage and approval.

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