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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2825

03/10/2016 Authored by Wills and Clark

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to manufactured homes; park lot rentals; making changes to the
1.3 manufactured home relocation trust fund; amending Minnesota Statutes 2014,
1.4 section 327C.095, subdivision 13.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 327C.095, subdivision 13, is amended to
1.7 read:

1.8 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a)
1.9 If a manufactured home owner is required to relocate due to the conversion of all or a
1.10 portion of a manufactured home park to another use, the closure of a manufactured home
1.11 park, or cessation of use of the land as a manufactured home park under subdivision 1,
1.12 and the manufactured home owner complies with the requirements of this section, the
1.13 manufactured home owner is entitled to payment from the Minnesota manufactured home
1.14 relocation trust fund equal to the manufactured home owner's actual relocation costs for
1.15 relocating the manufactured home to a new location within a 25-mile radius of the park
1.16 that is being closed, up to a maximum of ~~\$4,000~~ \$7,000 for a single-section and ~~\$8,000~~
1.17 \$12,500 for a multisection manufactured home. The actual relocation costs must include
1.18 the reasonable cost of taking down, moving, and setting up the manufactured home,
1.19 including equipment rental, utility connection and disconnection charges, minor repairs,
1.20 modifications necessary for transportation of the home, necessary moving permits and
1.21 insurance, moving costs for any appurtenances, which meet applicable local, state, and
1.22 federal building and construction codes.

2.1 (b) A manufactured home owner is not entitled to compensation under paragraph (a)
2.2 if the manufactured home park owner is not required to make a payment to the Minnesota
2.3 manufactured home relocation trust fund under subdivision 12, paragraph (b).

2.4 (c) Except as provided in paragraph (e), in order to obtain payment from the
2.5 Minnesota manufactured home relocation trust fund, the manufactured home owner shall
2.6 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy
2.7 to the park owner, an application for payment, which includes:

2.8 (1) a copy of the closure statement under subdivision 1;

2.9 (2) a copy of the contract with a moving or towing contractor, which includes the
2.10 relocation costs for relocating the manufactured home;

2.11 (3) a statement with supporting materials of any additional relocation costs as
2.12 outlined in subdivision 1;

2.13 (4) a statement certifying that none of the exceptions to receipt of compensation
2.14 under subdivision 12, paragraph (b), apply to the manufactured home owner;

2.15 (5) a statement from the manufactured park owner that the lot rental is current
2.16 and that the annual \$12 payments to the Minnesota manufactured home relocation trust
2.17 fund have been paid when due; and

2.18 (6) a statement from the county where the manufactured home is located certifying
2.19 that personal property taxes for the manufactured home are paid through the end of that year.

2.20 (d) If the neutral third party has acted reasonably and does not approve or deny
2.21 payment within 45 days after receipt of the information set forth in paragraph (c), the
2.22 payment is deemed approved. Upon approval and request by the neutral third party,
2.23 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50
2.24 percent of the contract price payable to the mover and towing contractor for relocating
2.25 the manufactured home in the amount of the actual relocation cost, plus a check to the
2.26 home owner for additional certified costs associated with third-party vendors, that were
2.27 necessary in relocating the manufactured home. The moving or towing contractor shall
2.28 receive 50 percent upon execution of the contract and 50 percent upon completion of
2.29 the relocation and approval by the manufactured home owner. The moving or towing
2.30 contractor may not apply the funds to any other purpose other than relocation of the
2.31 manufactured home as provided in the contract. A copy of the approval must be forwarded
2.32 by the neutral third party to the park owner with an invoice for payment of the amount
2.33 specified in subdivision 12, paragraph (a).

2.34 (e) In lieu of collecting a relocation payment from the Minnesota manufactured
2.35 home relocation trust fund under paragraph (a), the manufactured home owner may collect
2.36 an amount from the fund after reasonable efforts to relocate the manufactured home

3.1 have failed due to the age or condition of the manufactured home, or because there are
3.2 no manufactured home parks willing or able to accept the manufactured home within a
3.3 25-mile radius. A manufactured home owner may tender title of the manufactured home in
3.4 the manufactured home park to the manufactured home park owner, and collect an amount
3.5 to be determined by an independent appraisal. The appraiser must be agreed to by both
3.6 the manufactured home park owner and the manufactured home owner. If the appraised
3.7 market value cannot be determined, the tax market value, averaged over a period of five
3.8 years, can be used as a substitute. The maximum amount that may be reimbursed under
3.9 the fund is a maximum of \$5,000 \$8,000 for a single-section and \$9,000 \$14,500 for a
3.10 multisection manufactured home. The minimum amount that may be reimbursed under the
3.11 fund is \$4,000 for a single section and \$8,000 for a multisection manufactured home. The
3.12 manufactured home owner shall deliver to the manufactured home park owner the current
3.13 certificate of title to the manufactured home duly endorsed by the owner of record, and
3.14 valid releases of all liens shown on the certificate of title, and a statement from the county
3.15 where the manufactured home is located evidencing that the personal property taxes have
3.16 been paid. The manufactured home owner's application for funds under this paragraph
3.17 must include a document certifying that the manufactured home cannot be relocated, that
3.18 the lot rental is current, that the annual \$12 payments to the Minnesota manufactured home
3.19 relocation trust fund have been paid when due, that the manufactured home owner has
3.20 chosen to tender title under this section, and that the park owner agrees to make a payment
3.21 to the commissioner of management and budget in the amount established in subdivision
3.22 12, paragraph (a), less any documented costs submitted to the neutral third party, required
3.23 for demolition and removal of the home, and any debris or refuse left on the lot, not to
3.24 exceed \$1,000. The manufactured home owner must also provide a copy of the certificate
3.25 of title endorsed by the owner of record, and certify to the neutral third party, with a copy
3.26 to the park owner, that none of the exceptions to receipt of compensation under subdivision
3.27 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the
3.28 home owner will vacate the home within 60 days after receipt of payment or the date of
3.29 park closure, whichever is earlier, provided that the monthly lot rent is kept current.

3.30 (f) The Minnesota Housing Finance Agency must make a determination of the
3.31 amount of payment a manufactured home owner would have been entitled to under a local
3.32 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured
3.33 home owner's compensation for relocation costs from the fund under section 462A.35, is
3.34 the greater of the amount provided under this subdivision, or the amount under the local
3.35 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.
3.36 Nothing in this paragraph is intended to increase the liability of the park owner.

4.1 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall
 4.2 be liable to any person for recovery if the funds in the Minnesota manufactured home
 4.3 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing
 4.4 Finance Agency shall keep a record of the time and date of its approval of payment to a
 4.5 claimant.

4.6 (h) The agency shall report to the chairs of the senate Finance Committee and
 4.7 house of representatives Ways and Means Committee by January 15 of each year on
 4.8 the Minnesota manufactured home relocation trust fund, including the account balance,
 4.9 payments to claimants, the amount of any advances to the fund, the amount of any
 4.10 insufficiencies encountered during the previous calendar year, and any administrative
 4.11 charges or expenses deducted from the trust fund balance. If sufficient funds become
 4.12 available, the Minnesota Housing Finance Agency shall pay the manufactured home
 4.13 owner whose unpaid claim is the earliest by time and date of approval.

4.14 Sec. 2. **ALTERNATIVE METHODS OF COLLECTING ASSESSMENT FEE;**
 4.15 **STUDY.**

4.16 (a) The commissioner of management and budget shall study alternative methods of
 4.17 collecting the \$12 assessment fee under Minnesota Statutes, section 327C.095, subdivision
 4.18 12, paragraph (c), shifting the collection from the owner of the manufactured home park to
 4.19 the owner of the manufactured home. The commissioner shall identify and evaluate the
 4.20 feasibility, cost, and benefits of alternative methods of collection including, but not limited
 4.21 to, directly invoicing manufactured home owners, or imposition of a sales and use tax.

4.22 (b) In completing the study in paragraph (a), the commissioner shall consult
 4.23 stakeholders, including the Association of Minnesota Counties, the All Parks Alliance for
 4.24 Change, and the Minnesota Manufactured Housing Association.

4.25 (c) An amount necessary to complete the study in paragraph (a) is appropriated in
 4.26 fiscal year 2017 to the commissioner of management and budget from the Minnesota
 4.27 manufactured home relocation trust fund under Minnesota Statutes, section 462A.35.

4.28 (d) The commissioner shall report on the results of the study to the chairs and ranking
 4.29 minority members of the senate Committee on Finance and the house of representatives
 4.30 Committee on Ways and Means by January 31, 2017.