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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2967

02/11/2020 Authored by Sauke, Kiel, Koegel, Bahr and Kunesh-Podein
The bill was read for the first time and referred to the Housing Finance and Policy Division
02/24/2020 Adoption of Report: Amended and re-referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to housing; allowing mortgage financing for manufactured homes in
1.3 manufactured home park cooperatives; amending Minnesota Statutes 2018, sections
1.4 168A.141, subdivisions 1, 1a, by adding a subdivision; 273.125, subdivision 8.

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

1.6 Section 1. Minnesota Statutes 2018, section 168A.141, subdivision 1, is amended to read:

1.7 Subdivision 1. Certificates surrendered for cancellation. (a) When a manufactured
1.8 home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph
1.9 (b), to real property, the owner of the manufactured home may surrender the manufacturer's
1.10 certificate of origin or certificate of title to the department for cancellation so that the
1.11 manufactured home becomes an improvement to real property and is no longer titled as
1.12 personal property. The department must not issue a certificate of title for a manufactured
1.13 home under chapter 168A if the manufacturer's certificate of origin is or has been surrendered
1.14 under this subdivision, except as provided in section 168A.142. Upon surrender of the
1.15 manufacturer's certificate of origin or the certificate of title, the department must issue notice
1.16 of surrender to the owner, and upon recording an affidavit of affixation, which the county
1.17 recorder or registrar of titles, as applicable, must accept, the manufactured home is deemed
1.18 to be an improvement to real property. An affidavit of affixation by the owner of the
1.19 manufactured home must include the following information:

1.20 (1) the name, residence address, and mailing address of owner or owners of the
1.21 manufactured home;

1.22 (2) the legal description of the real property in which the manufactured home is, or will
1.23 be, located;

2.1 (3) a copy of the surrendered manufacturer's certificate of origin or certificate of title
2.2 and the notice of surrender;

2.3 (4) a written statement from the county auditor or county treasurer of the county where
2.4 the manufactured home is located stating that all property taxes payable in the current year,
2.5 as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not
2.6 applicable; and

2.7 ~~(5) the name and address of the person designated by the applicant to record the original~~
2.8 ~~affidavit of affixation with the county recorder or registrar of titles for the county where the~~
2.9 ~~real property is located; and~~

2.10 ~~(6)~~ (5) the signature of the person who executes the affidavit, properly executed before
2.11 a person authorized to authenticate an affidavit in this state.

2.12 ~~(b) The person designated in paragraph (a), clause (5), must record, or arrange for the~~
2.13 ~~recording of, the affidavit of affixation, accompanied by the fees for recording and for~~
2.14 ~~issuing a certified copy of the notice, including all attachments, showing the recording date.~~
2.15 ~~Upon obtaining the certified copy of the notice under this paragraph, the person designated~~
2.16 ~~in the affidavit must deliver the certified copy~~ A certified copy of the affidavit must be
2.17 delivered to the county auditor of the county in which the real property to which the
2.18 manufactured home was affixed is located.

2.19 (c) The department is not liable for any errors, omissions, misstatements, or other
2.20 deficiencies or inaccuracies in documents presented to the department under this section,
2.21 if the documents presented appear to satisfy the requirements of this section. The department
2.22 has no obligation to investigate the accuracy of statements contained in the documents.

2.23 Sec. 2. Minnesota Statutes 2018, section 168A.141, subdivision 1a, is amended to read:

2.24 Subd. 1a. **Affidavit form.** An affidavit of affixation must be in substantially the following
2.25 form and must contain the following information.

2.26 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION**

2.27 **PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141**

2.28 Homeowner, being duly sworn, on his or her oath, states as follows:

2.29 1. Homeowner owns the manufactured home ("home") described as follows:

2.30

2.31			Manufacturer's	Model Name or	Manufacturer's	
2.32	New/Used	Year	Name	Model No.	Serial No.	Length/Width

3.1 2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is
3.2 attached.

3.3 3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety
3.4 Driver and Vehicle Services is attached.

3.5 4. The home is or will be located at the following "Property Address":

3.6
3.7 Street or Route City County State Zip Code

3.8 5. The legal description of the property address ("land") is as follows or as attached hereto:

3.9
3.10
3.11

3.12 6. The homeowner is the owner of the land or the owner of the land is a member of a
3.13 Minnesota nonprofit corporation or a Minnesota cooperative that owns the land and whose
3.14 membership entitles the homeowner to occupy a specific portion of the land.

3.15 7. The home ~~is, or must~~ is, or will be promptly upon delivery, anchored to the
3.16 land by attachment to a permanent foundation and connected to appropriate residential
3.17 utilities (e.g., water, gas, electricity, sewer).

3.18 8. The homeowner intends that the home be an immovable permanent improvement to the
3.19 land, free of any personal property security interest.

3.20 9. A copy of the written statement from the county auditor or county treasurer of the county
3.21 in which the manufactured home is then located, stating that all property taxes payable in
3.22 the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph
3.23 (b)), have been paid, or are not applicable, is attached.

3.24 10. The home ~~must~~ is intended to be assessed and taxed as an improvement to the land.

3.25 ~~11. The name and address of the person designated by the homeowner to record the original~~
3.26 ~~affidavit of surrender with the county recorder or registrar of titles of the county in which~~
3.27 ~~the real estate is located is:~~

3.28 ~~Name~~
3.29 ~~Street Address~~
3.30 ~~City, State, Zip Code~~
3.31 ~~Phone~~
3.32 ~~E-mail~~

4.1 ~~IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this~~ day of
4.2 ~~....., 20...~~

4.3 Signed and sworn to (or affirmed) before me on (date) by (names of
4.4 homeowner(s))

4.5
4.6 Homeowner Signature Address

4.7
4.8 Printed Name City, State

4.9

4.10 Homeowner Signature (if applicable)

4.11

4.12 Printed Name

4.13 This instrument was drafted by, and when recorded return to:

4.14

4.15

4.16

4.17 Subscribed and sworn to before me this day of,

4.18

4.19 Signature of Notary Public or Other Official

4.20 Notary Stamp or Seal

4.21 (optional)

4.22 Lender's Statement of Intent:

4.23 The undersigned ("lender") intends that the home be immovable and a permanent
4.24 improvement to the land free of any personal property security interest.

4.25

4.26 Lender

4.27 By:

4.28 Authorized Signature

4.29 STATE OF)

4.30) ss:

4.31 COUNTY OF)

4.32 On the day of in the year before me, the undersigned, a Notary Public in and
4.33 for said state, personally appeared

5.1

5.2 personally known to me or proved to me on the basis of satisfactory evidence to be the
5.3 individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged
5.4 to me that he/she/they executed the same in his/her/their capacity(ies), and that by
5.5 his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of
5.6 which the individual(s) acted, executed the instrument.

5.7

5.8 Notary Signature

5.9

5.10 Notary Printed Name

5.11 Notary Public, State of

5.12 Qualified in the County of

5.13 My commission expires

5.14 Official seal:

5.15 [only if the owner of the land is a Minnesota nonprofit corporation or cooperative]:

5.16 The undersigned is the of, a Minnesota [nonprofit
5.17 corporation or cooperative], which owns the land described above. I hereby certify that the
5.18 homeowner described above is a member of the [nonprofit corporation or cooperative]
5.19 whose membership entitles the homeowner to occupy [insert legal description of the
5.20 homeowner's lot or, if the corporation or cooperative has filed a scaled drawing as permitted
5.21 by subdivision 4, below, Lot shown on such scaled drawing].

5.22

5.23 Signature block for nonprofit or cooperative

5.24

5.25 Acknowledgment of officer of nonprofit or
5.26 cooperative

5.27 Sec. 3. Minnesota Statutes 2018, section 168A.141, is amended by adding a subdivision
5.28 to read:

5.29 Subd. 4. Scaled drawing. (a) If the portion of the land occupied by the homeowner has
5.30 not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded
5.31 against the land a scaled drawing prepared by a licensed professional land surveyor, who
5.32 shall certify that:

6.1 (1) the scaled drawing accurately depicts all information required by this subdivision;
6.2 and

6.3 (2) the work was undertaken by, or reviewed and approved by, the certifying land
6.4 surveyor.

6.5 (b) The scaled drawing shall show:

6.6 (1) the dimensions and location of all existing material structural improvements and
6.7 roadways;

6.8 (2) the extent of any encroachments by or upon any portion of the land;

6.9 (3) the location and dimensions of all recorded easements within the land burdening any
6.10 portion of the land;

6.11 (4) the distance and direction between noncontiguous parcels of real estate;

6.12 (5) the location and dimensions of the front, rear, and side boundaries of each lot that a
6.13 member of the cooperative or nonprofit corporation has a right to occupy and that lot's
6.14 unique lot number; and

6.15 (6) the legal description of the land.

6.16 Sec. 4. Minnesota Statutes 2018, section 273.125, subdivision 8, is amended to read:

6.17 Subd. 8. **Manufactured homes; sectional structures.** (a) In this section, "manufactured
6.18 home" means a structure transportable in one or more sections, which is built on a permanent
6.19 chassis, and designed to be used as a dwelling with or without a permanent foundation when
6.20 connected to the required utilities, and contains the plumbing, heating, air conditioning, and
6.21 electrical systems in it. Manufactured home includes any accessory structure that is an
6.22 addition or supplement to the manufactured home and, when installed, becomes a part of
6.23 the manufactured home.

6.24 (b) Except as provided in paragraph (c), a manufactured home that meets each of the
6.25 following criteria must be valued and assessed as an improvement to real property, the
6.26 appropriate real property classification applies, and the valuation is subject to review and
6.27 the taxes payable in the manner provided for real property:

6.28 (1) the owner of the unit holds title to the land on which it is situated or the owner that
6.29 holds title to the land on which it is situated is a member of a Minnesota nonprofit corporation
6.30 or a Minnesota cooperative that holds title to the land on which it is situated;

7.1 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
7.2 in accordance with the Manufactured Home Building Code in sections 327.31 to 327.34,
7.3 and rules adopted under those sections, or is affixed to the land like other real property in
7.4 the taxing district; and

7.5 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
7.6 by water and sewer facilities comparable to other real property in the taxing district.

7.7 (c) A manufactured home that meets each of the following criteria must be assessed at
7.8 the rate provided by the appropriate real property classification but must be treated as
7.9 personal property, and the valuation is subject to review and the taxes payable in the manner
7.10 provided in this section:

7.11 (1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit is
7.12 located in a manufactured home park but is not the homestead of the park owner;

7.13 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
7.14 in accordance with the Manufactured Home Building Code contained in sections 327.31 to
7.15 327.34, and the rules adopted under those sections, or is affixed to the land like other real
7.16 property in the taxing district; and

7.17 (3) the unit is connected to public utilities, has a well and septic tank system, or is serviced
7.18 by water and sewer facilities comparable to other real property in the taxing district.

7.19 (d) Sectional structures must be valued and assessed as an improvement to real property
7.20 if the owner of the structure holds title to the land on which it is located or is a qualifying
7.21 lessee of the land under section 273.19. In this paragraph "sectional structure" means a
7.22 building or structural unit that has been in whole or substantial part manufactured or
7.23 constructed at an off-site location to be wholly or partially assembled on site alone or with
7.24 other units and attached to a permanent foundation.

7.25 (e) The commissioner of revenue may adopt rules under the Administrative Procedure
7.26 Act to establish additional criteria for the classification of manufactured homes and sectional
7.27 structures under this subdivision.

7.28 (f) A storage shed, deck, or similar improvement constructed on property that is leased
7.29 or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer
7.30 is taxable as provided in this section. In the case of property that is leased or rented as a site
7.31 for a travel trailer, a storage shed, deck, or similar improvement on the site that is considered
7.32 personal property under this paragraph is taxable only if its total estimated market value is
7.33 over \$10,000. The property is taxable as personal property to the lessee of the site if it is

8.1 not owned by the owner of the site. The property is taxable as real estate if it is owned by
8.2 the owner of the site. As a condition of permitting the owner of the manufactured home,
8.3 sectional structure, park trailer, or travel trailer to construct improvements on the leased or
8.4 rented site, the owner of the site must obtain the permanent home address of the lessee or
8.5 user of the site. The site owner must provide the name and address to the assessor upon
8.6 request.