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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3285

- 03/01/2018 Authored by West, Swedzinski and Koznick
- 03/28/2018 The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform
- 03/28/2018 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Reform
- 04/09/2018 Adoption of Report: Re-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 housing; modifying provisions related to home park

1.3 closings; amending Minnesota Statutes 2016, section 327C.095, subdivisions 4,

1.4 6, 12, 13, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

1.7 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 60

1.8 days after receiving notice of a closure statement, the governing body of the affected

1.9 municipality shall hold a public hearing to review the closure statement and any impact that

1.10 the park closing may have on the displaced residents and the park owner. At the time of,

1.11 and in the notice for, the public hearing, displaced residents must be informed that they may

1.12 be eligible for payments from the Minnesota manufactured home relocation trust fund under

1.13 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,

1.14 paragraphs (a) and (e).

1.15 The governing body of the municipality may also require that other parties, including

1.16 the municipality, but excluding the park owner or its purchaser, involved in the park closing

1.17 provide additional compensation to residents to mitigate the adverse financial impact of the

1.18 park closing upon the residents.

1.19 At the public hearing, the municipality shall appoint a qualified neutral third party, to

1.20 be agreed upon by both the manufactured home park owner and manufactured home owners,

1.21 whose hourly cost must be reasonable and paid from the Minnesota manufactured home

1.22 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with

1.23 decision-making authority to resolve any questions or disputes regarding any contributions

2.1 or disbursements to and from the Minnesota manufactured home relocation trust fund by
2.2 either the manufactured home park owner or the manufactured home owners. If the parties
2.3 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine
2.4 who shall act as the neutral third party.

2.5 The qualified neutral third party shall be familiar with manufactured housing and the
2.6 requirements of this section. The neutral third party shall keep an overall receipts and cost
2.7 summary together with a detailed accounting, for each manufactured lot, of the payments
2.8 received by the manufactured home park owner, and expenses approved and payments
2.9 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
2.10 as a record of all services and hours it provided and at what hourly rate it charged to the
2.11 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
2.12 manufactured home park owner, the municipality, and the Minnesota Housing Finance
2.13 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph
2.14 (h), not later than 30 days after the expiration of the nine-month notice provided in the
2.15 closure statement.

2.16 Sec. 2. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

2.17 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
2.18 an agreement to purchase a manufactured home park, the purchaser must notify the park
2.19 owner, in writing, if the purchaser intends to close the manufactured home park or convert
2.20 it to another use within one year of the execution of the agreement. The park owner shall
2.21 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
2.22 intent to close the park or convert it to another use. The notice must state that the park owner
2.23 will provide information on the cash price and the terms and conditions of the purchaser's
2.24 offer to residents requesting the information. The notice must be sent by first class mail to
2.25 a resident of each manufactured home in the park. The notice period begins on the postmark
2.26 date affixed to the notice and ends 45 days after it begins. During the notice period required
2.27 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
2.28 or a nonprofit organization which has the written permission of the owners of at least 51
2.29 percent of the manufactured homes in the park to represent them in the acquisition of the
2.30 park shall have the right to meet the cash price and execute an agreement to purchase the
2.31 park for the purposes of keeping the park as a manufactured housing community, provided
2.32 that the owners or nonprofit organization will covenant and warrant to the park owner in
2.33 the agreement that they will continue to operate the park for not less than six years from
2.34 the date of closing. The park owner must accept the offer if it meets the cash price and the
2.35 same terms and conditions set forth in the purchaser's offer except that the seller is not

3.1 obligated to provide owner financing. For purposes of this section, cash price means the
3.2 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
3.3 paragraph (d).

3.4 Sec. 3. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

3.5 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
3.6 If a manufactured home owner is required to move due to the conversion of all or a portion
3.7 of a manufactured home park to another use, the closure of a park, or cessation of use of
3.8 the land as a manufactured home park, the manufactured park owner shall, upon the change
3.9 in use, pay to the commissioner of management and budget for deposit in the Minnesota
3.10 manufactured home relocation trust fund under section 462A.35, the lesser amount of the
3.11 actual costs of moving or purchasing the manufactured home approved by the neutral third
3.12 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph
3.13 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each
3.14 multisection manufactured home, for which a manufactured home owner has made
3.15 application for payment of relocation costs under subdivision 13, paragraph (c). The
3.16 manufactured home park owner shall make payments required under this section to the
3.17 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice
3.18 from the neutral third party.

3.19 (b) A manufactured home park owner is not required to make the payment prescribed
3.20 under paragraph (a), nor is a manufactured home owner entitled to compensation under
3.21 subdivision 13, paragraph (a) or (e), if:

3.22 (1) the manufactured home park owner relocates the manufactured home owner to
3.23 another space in the manufactured home park or to another manufactured home park at the
3.24 park owner's expense;

3.25 (2) the manufactured home owner is vacating the premises and has informed the
3.26 manufactured home park owner or manager of this prior to the mailing date of the closure
3.27 statement under subdivision 1;

3.28 (3) a manufactured home owner has abandoned the manufactured home, or the
3.29 manufactured home owner is not current on the monthly lot rental, personal property taxes;

3.30 (4) the manufactured home owner has a pending eviction action for nonpayment of lot
3.31 rental amount under section 327C.09, which was filed against the manufactured home owner
3.32 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery
3.33 has been ordered by the district court;

4.1 (5) the conversion of all or a portion of a manufactured home park to another use, the
 4.2 closure of a park, or cessation of use of the land as a manufactured home park is the result
 4.3 of a taking or exercise of the power of eminent domain by a governmental entity or public
 4.4 utility; or

4.5 (6) the owner of the manufactured home is not a resident of the manufactured home
 4.6 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
 4.7 is a resident, but came to reside in the manufactured home park after the mailing date of
 4.8 the closure statement under subdivision 1.

4.9 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
 4.10 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of
 4.11 management and budget shall assess each manufactured home park owner by mail the total
 4.12 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November
 4.13 15 of that year. Failure to notify and budget shall deposit
 4.14 any payments in the Minnesota ~~timely assess the manufactured home relocation trust fund.~~
 4.15 ~~On or before July 15 of~~ park owner by August 30 of any year shall waive the assessment
 4.16 and payment obligations of the manufactured home park owner for that year. Together with
 4.17 said assessment notice, each year; the commissioner of management and budget shall prepare
 4.18 and distribute to park owners a letter explaining whether funds are being collected for that
 4.19 year, information about the collection, an invoice for all licensed lots, and a sample form
 4.20 for the park owners to collect information on which park residents have been accounted
 4.21 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
 4.22 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
 4.23 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
 4.24 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
 4.25 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),
 4.26 and deduct from the assessment accordingly. The commissioner of management and budget
 4.27 shall deposit any payments in the Minnesota manufactured home relocation trust fund.

4.28 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
 4.29 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
 4.30 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
 4.31 attorney fees, court costs, and disbursements.

4.32 Sec. 4. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

4.33 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
 4.34 manufactured home owner is required to relocate due to the conversion of all or a portion

5.1 of a manufactured home park to another use, the closure of a manufactured home park, or
5.2 cessation of use of the land as a manufactured home park under subdivision 1, and the
5.3 manufactured home owner complies with the requirements of this section, the manufactured
5.4 home owner is entitled to payment from the Minnesota manufactured home relocation trust
5.5 fund equal to the manufactured home owner's actual relocation costs for relocating the
5.6 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being
5.7 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection
5.8 manufactured home. The actual relocation costs must include the reasonable cost of taking
5.9 down, moving, and setting up the manufactured home, including equipment rental, utility
5.10 connection and disconnection charges, minor repairs, modifications necessary for
5.11 transportation of the home, necessary moving permits and insurance, moving costs for any
5.12 appurtenances, which meet applicable local, state, and federal building and construction
5.13 codes.

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

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

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

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

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

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

5.28 (5) a statement from the manufactured park owner that the lot rental is current and that
5.29 the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust
5.30 fund ~~have~~ has been paid when due; and

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

6.1 (d) The neutral third party shall promptly process all payments for completed applications
6.2 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
6.3 payment within 45 days after receipt of the information set forth in paragraph (c), the
6.4 payment is deemed approved. Upon approval and request by the neutral third party, the
6.5 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
6.6 of the contract price payable to the mover and towing contractor for relocating the
6.7 manufactured home in the amount of the actual relocation cost, plus a check to the home
6.8 owner for additional certified costs associated with third-party vendors, that were necessary
6.9 in relocating the manufactured home. The moving or towing contractor shall receive 50
6.10 percent upon execution of the contract and 50 percent upon completion of the relocation
6.11 and approval by the manufactured home owner. The moving or towing contractor may not
6.12 apply the funds to any other purpose other than relocation of the manufactured home as
6.13 provided in the contract. A copy of the approval must be forwarded by the neutral third
6.14 party to the park owner with an invoice for payment of the amount specified in subdivision
6.15 12, paragraph (a).

6.16 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
6.17 relocation trust fund under paragraph (a), the manufactured home owner may collect an
6.18 amount from the fund after reasonable efforts to relocate the manufactured home have failed
6.19 due to the age or condition of the manufactured home, or because there are no manufactured
6.20 home parks willing or able to accept the manufactured home within a 25-mile radius. A
6.21 manufactured home owner may tender title of the manufactured home in the manufactured
6.22 home park to the manufactured home park owner, and collect an amount to be determined
6.23 by an independent appraisal. The appraiser must be agreed to by both the manufactured
6.24 home park owner and the manufactured home owner. If the appraised market value cannot
6.25 be determined, the tax market value, averaged over a period of five years, can be used as a
6.26 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
6.27 single-section and \$14,500 for a multisection manufactured home. The minimum amount
6.28 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
6.29 multisection manufactured home. The manufactured home owner shall deliver to the
6.30 manufactured home park owner the current certificate of title to the manufactured home
6.31 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
6.32 of title, and a statement from the county where the manufactured home is located evidencing
6.33 that the personal property taxes have been paid. The manufactured home owner's application
6.34 for funds under this paragraph must include a document certifying that the manufactured
6.35 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
6.36 Minnesota manufactured home relocation trust fund have been paid when due, that the

7.1 manufactured home owner has chosen to tender title under this section, and that the park
7.2 owner agrees to make a payment to the commissioner of management and budget in the
7.3 amount established in subdivision 12, paragraph (a), less any documented costs submitted
7.4 to the neutral third party, required for demolition and removal of the home, and any debris
7.5 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must
7.6 also provide a copy of the certificate of title endorsed by the owner of record, and certify
7.7 to the neutral third party, with a copy to the park owner, that none of the exceptions to
7.8 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
7.9 manufactured home owner, and that the home owner will vacate the home within 60 days
7.10 after receipt of payment or the date of park closure, whichever is earlier, provided that the
7.11 monthly lot rent is kept current.

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

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

7.23 (h) The Minnesota Housing Finance Agency shall post on its Web site and report to the
7.24 chairs of the senate Finance Committee and house of representatives Ways and Means
7.25 Committee by ~~January~~ October 15 of each year on the Minnesota manufactured home
7.26 relocation trust fund, including the aggregate account balance, the aggregate assessment
7.27 payments received, summary information regarding each closed park including the total
7.28 payments to claimants and payments received from each closed park, the amount of any
7.29 advances to the fund, the amount of any insufficiencies encountered during the previous
7.30 ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and
7.31 any itemized administrative charges or expenses deducted from the trust fund balance, all
7.32 of which should be reconciled to the previous year's trust fund balance. If sufficient funds
7.33 become available, the Minnesota Housing Finance Agency shall pay the manufactured home
7.34 owner whose unpaid claim is the earliest by time and date of approval.

8.1 Sec. 5. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision
8.2 to read:

8.3 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
8.4 or, if applicable, local units of government that have entered into a delegation of authority
8.5 agreement with the Department of Health as provided in section 145A.07 shall provide, by
8.6 March 31 of each year, a list of names and addresses of the manufactured home parks
8.7 licensed in the previous year, and for each manufactured home park, the current licensed
8.8 owner, the owner's address, the number of licensed manufactured home lots, and other data
8.9 as they may request for the Department of Management and Budget to invoice each licensed
8.10 manufactured home park in the state of Minnesota.

8.11 Sec. 6. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
8.12 **RELOCATION TRUST FUND.**

8.13 (a) Until June 30, 2020, the Minnesota Housing Finance Agency or Department of
8.14 Management and Budget as determined by the commissioner of management and budget,
8.15 is authorized to advance up to \$400,000 from state appropriations or other resources to the
8.16 Minnesota manufactured home relocation trust fund established under Minnesota Statutes,
8.17 section 462A.35, if the account balance in the Minnesota manufactured home relocation
8.18 trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section
8.19 327C.095, subdivision 13.

8.20 (b) The Minnesota Housing Finance Agency or Department of Management and Budget
8.21 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any
8.22 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment
8.23 to manufactured home owners shall be paid prior to the money being advanced by the agency
8.24 or the department to the fund.