

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 4180

(SENATE AUTHORS: KIFFMEYER)

DATE
03/21/2022

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Introduction and first reading
Referred to Housing Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to state government; changing trust account requirements; amending
1.3 Minnesota Statutes 2020, sections 82.75, subdivision 8; 327C.095, subdivisions
1.4 12, 13, 16.

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

1.6 Section 1. Minnesota Statutes 2020, section 82.75, subdivision 8, is amended to read:

1.7 Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust
1.8 account for deposit of client funds. The interest accruing on the trust account, less reasonable
1.9 transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota
1.10 Housing Finance Agency for deposit in the housing trust fund account created under section
1.11 462A.201 unless otherwise specified pursuant to an expressed written agreement between
1.12 the parties to a transaction.

1.13 (b) For an account created under paragraph (a), each broker shall direct the financial
1.14 institution to:

1.15 (1) pay the interest, less reasonable transaction costs, computed in accordance with the
1.16 financial institution's standard accounting practice, at least quarterly, to the ~~commissioner~~
1.17 ~~of management and budget~~ Minnesota Housing Finance Agency; and

1.18 (2) send a statement to the ~~commissioner of management and budget~~ Minnesota Housing
1.19 Finance Agency showing the name of the broker for whom the payment is made, the rate
1.20 of interest applied, the amount of service charges deducted, and the account balance for the
1.21 period in which the report is made.

2.1 The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall
2.2 credit the amount collected under this subdivision to the housing trust fund account
2.3 established in section 462A.201.

2.4 (c) The financial institution must promptly notify the ~~commissioner~~ Minnesota Housing
2.5 Finance Agency if a draft drawn on the account is dishonored. A draft is not dishonored if
2.6 a stop payment order is requested by an issuer who has a good faith defense to payment on
2.7 the draft.

2.8 Sec. 2. Minnesota Statutes 2020, section 327C.095, subdivision 12, is amended to read:

2.9 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
2.10 If a manufactured home owner is required to move due to the conversion of all or a portion
2.11 of a manufactured home park to another use, the closure of a park, or cessation of use of
2.12 the land as a manufactured home park, the manufactured park owner shall, upon the change
2.13 in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance
2.14 Agency for deposit in the Minnesota manufactured home relocation trust fund under section
2.15 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured
2.16 home approved by the neutral third party and paid by the Minnesota Housing Finance
2.17 Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section
2.18 manufactured home, and \$6,000 for each multisection manufactured home, for which a
2.19 manufactured home owner has made application for payment of relocation costs under
2.20 subdivision 13, paragraph (c). The manufactured home park owner shall make payments
2.21 required under this section to the Minnesota manufactured home relocation trust fund within
2.22 60 days of receipt of invoice from the neutral third party.

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

2.26 (1) the manufactured home park owner relocates the manufactured home owner to
2.27 another space in the manufactured home park or to another manufactured home park at the
2.28 park owner's expense;

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

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

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

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

3.9 (6) the owner of the manufactured home is not a resident of the manufactured home
3.10 park, as defined in section 327C.01, subdivision 9; the owner of the manufactured home is
3.11 a resident, but came to reside in the manufactured home park after the mailing date of the
3.12 closure statement under subdivision 1; or the owner of the manufactured home has not paid
3.13 the \$15 assessment when due under paragraph (c).

3.14 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
3.15 is less than \$2,000,000 as of June 30 of each year, the ~~commissioner of management and~~
3.16 ~~budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park
3.17 owner by mail the total amount of \$15 for each licensed lot in their park, payable on or
3.18 before December 15 of that year. Failure to notify and timely assess the manufactured home
3.19 park owner by July 31 of any year shall waive the assessment and payment obligations of
3.20 the manufactured home park owner for that year. Together with said assessment notice,
3.21 each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency
3.22 shall prepare and distribute to park owners a letter explaining whether funds are being
3.23 collected for that year, information about the collection, an invoice for all licensed lots, a
3.24 notice for distribution to the residents, and a sample form for the park owners to collect
3.25 information on which park residents and lots have been accounted for. In a font no smaller
3.26 than 14-point, the notice provided by ~~management and budget~~ the Minnesota Housing
3.27 Finance Agency for distribution to residents by the park owner will include the payment
3.28 deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE.
3.29 IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A
3.30 MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST
3.31 PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may
3.32 recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than
3.33 \$1.25 collected from park residents together with monthly lot rent as provided in section
3.34 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents
3.35 for the \$15 lump sum, a park owner may adjust payment for lots in their park that are vacant

4.1 or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision
4.2 12, paragraph (b), and for park residents who have not paid the \$15 assessment when due
4.3 to the park owner by October 31, and deduct from the assessment accordingly. The
4.4 ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit
4.5 any payments in the Minnesota manufactured home relocation trust fund and provide to the
4.6 Minnesota Housing Finance Agency by December 31, a record for each manufactured home
4.7 park of the amount received for that park and the number of deductions made for each of
4.8 the following reasons: vacant lots, ineligible lots, and uncollected fees.

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

4.13 Sec. 3. Minnesota Statutes 2020, section 327C.095, subdivision 13, is amended to read:

4.14 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
4.15 manufactured home owner is required to relocate due to the conversion of all or a portion
4.16 of a manufactured home park to another use, the closure of a manufactured home park, or
4.17 cessation of use of the land as a manufactured home park under subdivision 1, and the
4.18 manufactured home owner complies with the requirements of this section, the manufactured
4.19 home owner is entitled to payment from the Minnesota manufactured home relocation trust
4.20 fund equal to the manufactured home owner's actual relocation costs for relocating the
4.21 manufactured home to a new location within a 50-mile radius of the park that is being closed,
4.22 up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection manufactured
4.23 home. The actual relocation costs must include the reasonable cost of taking down, moving,
4.24 and setting up the manufactured home, including equipment rental, utility connection and
4.25 disconnection charges, minor repairs, modifications necessary for transportation of the
4.26 home, necessary moving permits and insurance, moving costs for any appurtenances, which
4.27 meet applicable local, state, and federal building and construction codes.

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

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

- 5.1 (1) a copy of the closure statement under subdivision 1;
- 5.2 (2) a copy of the contract with a moving or towing contractor, which includes the
5.3 relocation costs for relocating the manufactured home;
- 5.4 (3) a statement with supporting materials of any additional relocation costs as outlined
5.5 in subdivision 1;
- 5.6 (4) a statement certifying that none of the exceptions to receipt of compensation under
5.7 subdivision 12, paragraph (b), apply to the manufactured home owner;
- 5.8 (5) a statement from the manufactured park owner that the lot rental is current and that
5.9 the annual \$15 payment to the Minnesota manufactured home relocation trust fund has been
5.10 paid when due; and
- 5.11 (6) a statement from the county where the manufactured home is located certifying that
5.12 personal property taxes for the manufactured home are paid through the end of that year.
- 5.13 (d) The neutral third party shall promptly process all payments for completed applications
5.14 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
5.15 payment within 45 days after receipt of the information set forth in paragraph (c), the
5.16 payment is deemed approved. Upon approval and request by the neutral third party, the
5.17 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
5.18 of the contract price payable to the mover and towing contractor for relocating the
5.19 manufactured home in the amount of the actual relocation cost, plus a check to the home
5.20 owner for additional certified costs associated with third-party vendors, that were necessary
5.21 in relocating the manufactured home. The moving or towing contractor shall receive 50
5.22 percent upon execution of the contract and 50 percent upon completion of the relocation
5.23 and approval by the manufactured home owner. The moving or towing contractor may not
5.24 apply the funds to any other purpose other than relocation of the manufactured home as
5.25 provided in the contract. A copy of the approval must be forwarded by the neutral third
5.26 party to the park owner with an invoice for payment of the amount specified in subdivision
5.27 12, paragraph (a).
- 5.28 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
5.29 relocation trust fund under paragraph (a), the manufactured home owner may collect an
5.30 amount from the fund after reasonable efforts to relocate the manufactured home have failed
5.31 due to the age or condition of the manufactured home, or because there are no manufactured
5.32 home parks willing or able to accept the manufactured home within a 25-mile radius. A
5.33 manufactured home owner may tender title of the manufactured home in the manufactured
5.34 home park to the manufactured home park owner, and collect an amount to be determined

6.1 by an independent appraisal. The appraiser must be agreed to by both the manufactured
6.2 home park owner and the manufactured home owner. If the appraised market value cannot
6.3 be determined, the tax market value, averaged over a period of five years, can be used as a
6.4 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
6.5 single-section and \$14,500 for a multisection manufactured home. The minimum amount
6.6 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
6.7 multisection manufactured home. The manufactured home owner shall deliver to the
6.8 manufactured home park owner the current certificate of title to the manufactured home
6.9 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
6.10 of title, and a statement from the county where the manufactured home is located evidencing
6.11 that the personal property taxes have been paid. The manufactured home owner's application
6.12 for funds under this paragraph must include a document certifying that the manufactured
6.13 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
6.14 Minnesota manufactured home relocation trust fund have been paid when due, that the
6.15 manufactured home owner has chosen to tender title under this section, and that the park
6.16 owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota
6.17 Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less
6.18 any documented costs submitted to the neutral third party, required for demolition and
6.19 removal of the home, and any debris or refuse left on the lot, not to exceed \$1,500. The
6.20 manufactured home owner must also provide a copy of the certificate of title endorsed by
6.21 the owner of record, and certify to the neutral third party, with a copy to the park owner,
6.22 that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b),
6.23 clauses (1) to (6), apply to the manufactured home owner, and that the home owner will
6.24 vacate the home within 60 days after receipt of payment or the date of park closure,
6.25 whichever is earlier, provided that the monthly lot rent is kept current.

6.26 (f) Notwithstanding paragraph (a), the manufactured home owner's compensation for
6.27 relocation costs from the fund under section 462A.35, is the greater of the amount provided
6.28 under this subdivision, or the amount under the local ordinance in effect on May 26, 2007,
6.29 that is applicable to the manufactured home owner. Nothing in this paragraph is intended
6.30 to increase the liability of the park owner.

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

7.1 (h)(1) By October 15, 2019, the Minnesota Housing Finance Agency shall post on its
 7.2 website and report to the chairs of the senate Finance Committee and house of representatives
 7.3 Ways and Means Committee on the Minnesota manufactured home relocation trust fund,
 7.4 including the account balance, payments to claimants, the amount of any advances to the
 7.5 fund, the amount of any insufficiencies encountered during the previous calendar year, and
 7.6 any itemized administrative charges or expenses deducted from the trust fund balance. If
 7.7 sufficient funds become available, the Minnesota Housing Finance Agency shall pay the
 7.8 manufactured home owner whose unpaid claim is the earliest by time and date of approval.

7.9 (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website
 7.10 and report to the chairs of the senate Finance Committee and house of representatives Ways
 7.11 and Means Committee by October 15 of each year on the Minnesota manufactured home
 7.12 relocation trust fund, including the aggregate account balance, the aggregate assessment
 7.13 payments received, summary information regarding each closed park including the total
 7.14 payments to claimants and payments received from each closed park, the amount of any
 7.15 advances to the fund, the amount of any insufficiencies encountered during the previous
 7.16 fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any
 7.17 itemized administrative charges or expenses deducted from the trust fund balance, all of
 7.18 which should be reconciled to the previous year's trust fund balance. If sufficient funds
 7.19 become available, the Minnesota Housing Finance Agency shall pay the manufactured home
 7.20 owner whose unpaid claim is the earliest by time and date of approval.

7.21 Sec. 4. Minnesota Statutes 2020, section 327C.095, subdivision 16, is amended to read:

7.22 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
 7.23 or, if applicable, local units of government that have entered into a delegation of authority
 7.24 agreement with the Department of Health as provided in section 145A.07 shall provide, by
 7.25 March 31 of each year, a list of names and addresses of the manufactured home parks
 7.26 licensed in the previous year, and for each manufactured home park, the current licensed
 7.27 owner, the owner's address, the number of licensed manufactured home lots, and other data
 7.28 as they may request for the ~~Department of Management and Budget~~ Minnesota Finance
 7.29 Agency to invoice each licensed manufactured home park in Minnesota.