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State of Minnesota
HOUSE OF REPRESENTATIVES
First Division Engrossment

NINETY-FIRST SESSION

H. F. No. 282

01/22/2019 Authored by Noor, Fischer, Theis and Koznick
The bill was read for the first time and referred to the Committee on Ways and Means

Division Action

Referred by Chair to the Jobs and Economic Development Finance Division

01/31/2019 *Division action, return to the Committee on Ways and Means*

Referred by Chair to the Housing Finance and Policy Division

02/20/2019 *Division action, to adopt as amended and return to the Committee on Ways and Means*

03/20/2019 *Referred by Chair to the Jobs and Economic Development Finance Division*

1.1 A bill for an act

1.2 relating to housing; modifying provisions related to manufactured and modular

1.3 homes; amending Minnesota Statutes 2018, sections 326B.815, subdivision 1;

1.4 327.31, by adding a subdivision; 327B.041; 327C.095, subdivision 6, by adding

1.5 a subdivision; proposing coding for new law in Minnesota Statutes, chapter 327.

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

1.7 Section 1. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

1.8 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,

1.9 an initial or renewed residential contractor, residential remodeler, or residential roofer license

1.10 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured

1.11 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

1.12 (b) All initial and renewal licenses, except for manufactured home installer licenses,

1.13 shall be effective for two years and shall expire on March 31 of the year after the year in

1.14 which the application is made.

1.15 (c) The commissioner shall in a manner determined by the commissioner, without the

1.16 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,

1.17 residential remodeler, and residential roofer licenses from one year to two years. By June

1.18 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer

1.19 licenses shall be two-year licenses.

2.1 Sec. 2. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
2.4 construction that has been substantially manufactured or constructed, in whole or in part,
2.5 at an off-site location, with the final assembly occurring on site alone or with other units
2.6 and attached to a foundation designed to the State Building Code and occupied as a
2.7 single-family dwelling. Modular home construction must comply with applicable standards
2.8 adopted in Minnesota Rules, chapter 1360 or 1361.

2.9 Sec. 3. **[327.335] PLACEMENT OF MODULAR HOMES.**

2.10 A modular home may be placed in a manufactured home park as defined in section
2.11 327.14, subdivision 3. A modular home placed in a manufactured home park is a
2.12 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
2.13 duties under those chapters apply. A modular home may not be placed in a manufactured
2.14 home park without prior written approval of the park owner. Nothing in this section shall
2.15 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
2.16 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
2.17 and manufactured home parks. A modular home placed in a manufactured home park under
2.18 this section shall be assessed and taxed as a manufactured home.

2.19 Sec. 4. Minnesota Statutes 2018, section 327B.041, is amended to read:

2.20 **327B.041 MANUFACTURED HOME INSTALLERS.**

2.21 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
2.22 the requirements of sections 326B.802 to 326B.885, except for the following:

2.23 (1) manufactured home installers are not subject to the continuing education requirements
2.24 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
2.25 requirements established in rules adopted under section 327B.10;

2.26 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
2.27 home installers shall be satisfied by successful completion of a written examination
2.28 administered and developed specifically for the examination of manufactured home installers.
2.29 The examination must be administered and developed by the commissioner. The
2.30 commissioner and the state building official shall seek advice on the grading, monitoring,
2.31 and updating of examinations from the Minnesota Manufactured Housing Association;

3.1 (3) a local government unit may not place a surcharge on a license fee, and may not
3.2 charge a separate fee to installers;

3.3 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
3.4 from licensure under sections 326B.802 to 326B.885;

3.5 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
3.6 and

3.7 (6) manufactured home installers are not subject to the contractor recovery fund in
3.8 section 326B.89.

3.9 (b) The commissioner may waive all or part of the requirements for licensure as a
3.10 manufactured home installer for any individual who holds an unexpired license or certificate
3.11 issued by any other state or other United States jurisdiction if the licensing requirements of
3.12 that jurisdiction meet or exceed the corresponding licensing requirements of the department
3.13 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
3.14 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
3.15 ~~installer is a business license.~~

3.16 Sec. 5. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

3.17 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
3.18 an agreement to purchase a manufactured home park, the purchaser must notify the park
3.19 owner, in writing, if the purchaser intends to close the manufactured home park or convert
3.20 it to another use within one year of the execution of the agreement. The park owner shall
3.21 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
3.22 intent to close the park or convert it to another use. The notice must state that the park owner
3.23 will provide information on the cash price and the terms and conditions of the purchaser's
3.24 offer to residents requesting the information. The notice must be sent by first class mail to
3.25 a resident of each manufactured home in the park. The notice period begins on the postmark
3.26 date affixed to the notice and ends 45 days after it begins. During the notice period required
3.27 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
3.28 or a nonprofit organization which has the written permission of the owners of at least 51
3.29 percent of the manufactured homes in the park to represent them in the acquisition of the
3.30 park shall have the right to meet the cash price and execute an agreement to purchase the
3.31 park for the purposes of keeping the park as a manufactured housing community, provided
3.32 that the owners or nonprofit organization will covenant and warrant to the park owner in
3.33 the agreement that they will continue to operate the park for not less than six years from
3.34 the date of closing. The park owner must accept the offer if it meets the cash price and the

4.1 same terms and conditions set forth in the purchaser's offer except that the seller is not
4.2 obligated to provide owner financing. For purposes of this section, cash price means the
4.3 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
4.4 paragraph (d).

4.5 Sec. 6. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
4.6 to read:

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

4.15 Sec. 7. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
4.16 **RELOCATION TRUST FUND.**

4.17 (a) The Minnesota Housing Finance Agency or Department of Management and Budget
4.18 as determined by the commissioner of management and budget, is authorized to advance
4.19 up to \$400,000 from state appropriations or other resources to the Minnesota manufactured
4.20 home relocation trust fund established under Minnesota Statutes, section 462A.35, if the
4.21 account balance in the Minnesota manufactured home relocation trust fund is insufficient
4.22 to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

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