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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1459

February 26, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to property taxation; exempting certain modular homes from the property
1.3 tax; amending Minnesota Statutes 2006, section 272.02, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2006, section 272.02, is amended by adding a
1.6 subdivision to read:

1.7 Subd. 85. **Modular homes used as models by dealers.** (a) A modular home
1.8 is exempt if it:

1.9 (1) is owned by a modular home dealer and is located on land owned or leased
1.10 by that dealer;

1.11 (2) is a single-family model home;

1.12 (3) is not available for sale and is used exclusively as a model;

1.13 (4) is not permanently connected to any utilities except electricity; and

1.14 (5) is situated on a temporary foundation.

1.15 (b) The exemption under this subdivision is allowable for up to five assessment
1.16 years after the date it becomes located on the property, provided that the modular home
1.17 continues to meet all of the criteria under this subdivision each year. The owner of a
1.18 modular model home must notify the county assessor within 60 days that it has been
1.19 constructed or located on the property and must again notify the assessor if the modular
1.20 home ceases to meet any of the criteria. If more than one modular home is constructed or
1.21 situated on a property, the owner must notify the assessor within 60 days for each of the
1.22 models placed on the property.

1.23 (c) For purposes of this subdivision, a "modular home" means a building or
1.24 structural unit that has been in whole or substantial part manufactured or constructed

2.1 at an off-site location to be wholly or partially assembled on-site as a single family
2.2 dwelling. Construction of the modular home must comply with applicable standards
2.3 adapted in Minnesota State Rules authorized under Minnesota Statutes, chapter 16B. A
2.4 modular home does not include a structure subject to the requirements of the National
2.5 Manufactured Home Construction and Safety Standards Act of 1974 or prefabricated
2.6 buildings, as defined in Minnesota Statutes, section 327.31, subdivision 6.

2.7 **EFFECTIVE DATE.** This section is effective for assessment year 2007 and
2.8 thereafter, for taxes payable in 2008 and thereafter. The five-year assessment time period
2.9 begins with the 2007 assessment for a modular model home currently situated provided
2.10 it meets all of the criteria and the county assessor is notified within 90 days of the day
2.11 following final enactment.