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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 896

02/08/2021 Authored by Bernardy and Hamilton
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; permitting manufactured homes affixed to certain property to
1.3 be deemed an improvement to real property; amending Minnesota Statutes 2020,
1.4 section 273.125, subdivision 8; proposing coding for new law in Minnesota Statutes,
1.5 chapter 168A.

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

1.7 Section 1. [168A.1411] MANUFACTURED HOME AFFIXED TO REAL PROPERTY
1.8 OWNED BY COOPERATIVE.

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

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

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

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

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

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

2.11 (b) A certified copy of the affidavit must be delivered to the county auditor of the county
2.12 in which the real property to which the manufactured home was affixed is located.

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

2.17 Subd. 2. **Affidavit form; cooperatives.** An affidavit of affixation must be in substantially
2.18 the following form and must contain the following information.

2.19 **MANUFACTURED HOME AFFIDAVIT OF AFFIXATION IN A COOPERATIVE**

2.20 PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1411

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

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

2.23

		<u>Manufacturer's</u>	<u>Model Name or</u>	<u>Manufacturer's</u>	
<u>New/Used</u>	<u>Year</u>	<u>Name</u>	<u>Model No.</u>	<u>Serial No.</u>	<u>Length/Width</u>

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

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

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

2.31

2.32 Street or Route City County State Zip Code

4.1 Notary Stamp or Seal

4.2 (optional)

4.3 Lender's Statement of Intent:

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

4.6

4.7 Lender

4.8 By:

4.9 Authorized Signature

4.10 STATE OF

4.11) ss:

4.12 COUNTY OF

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

4.15

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

4.21

4.22 Notary Signature

4.23

4.24 Notary Printed Name

4.25 Notary Public, State of

4.26 Qualified in the County of

4.27 My commission expires

4.28 Official seal:

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

4.30 The undersigned is the of, a Minnesota [nonprofit
4.31 corporation or cooperative], which owns the land described above. I hereby certify that the
4.32 homeowner described above is a member of the [nonprofit corporation or cooperative]
4.33 whose membership entitles the homeowner to occupy [insert legal description of the

5.1 homeowner's lot or, if the corporation or cooperative has filed a scaled drawing as permitted
5.2 by subdivision 5, below, Lot shown on such scaled drawing].

5.3

5.4 Signature block for nonprofit or cooperative

5.5

5.6 Acknowledgment of officer of nonprofit or
5.7 cooperative

5.8 Subd. 3. **Perfected security interest prevents surrender.** The department may not
5.9 cancel a certificate of title if, under this chapter, a security interest has been perfected on
5.10 the manufactured home. If a security interest has been perfected, the department must notify
5.11 the owner that each secured party must release or satisfy the security interest prior to
5.12 proceeding with surrender of the manufacturer's certificate of origin or certificate of title to
5.13 the department for cancellation. Permanent attachment to real property or the recording of
5.14 an affidavit of affixation does not extinguish an otherwise valid security interest in or tax
5.15 lien on the manufactured home, unless the requirements of subdivisions 1 to 3, including
5.16 the release of any security interest, have been satisfied.

5.17 Subd. 4. **Notice of security interest.** When a perfected security interest exists, or will
5.18 exist, on the manufactured home at the time the manufactured home is affixed to real
5.19 property, and the owner has not satisfied the requirements of subdivision 1, the owner of
5.20 the manufactured home, or its secured party, may record a notice with the county recorder,
5.21 or with the registrar of titles, if the land is registered, stating that the manufactured home
5.22 located on the property is encumbered by a perfected security interest and is not an
5.23 improvement to real property. The notice must state the name and address of the secured
5.24 party as set forth on the certificate of title, the legal description of the real property, and the
5.25 name and address of the record fee owner of the real property on which the manufactured
5.26 home is affixed. When the security interest is released or satisfied, the secured party must
5.27 attach a copy of the release or satisfaction to a notice executed by the secured party containing
5.28 the county recorder or registrar of titles document number of the notice of security interest.
5.29 The notice of release or satisfaction must be recorded with the county recorder, or registrar
5.30 of titles, if the land is registered. Neither the notice described in this subdivision nor the
5.31 security interest on the certificate of title is deemed to be an encumbrance on the real
5.32 property. The notices provided for in this subdivision need not be acknowledged.

5.33 Subd. 5. **Scaled drawing.** (a) If the portion of the land occupied by the homeowner has
5.34 not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded

6.1 against the land a scaled drawing prepared by a licensed professional land surveyor, who
6.2 shall certify that:

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

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

6.7 (b) The scaled drawing shall show:

6.8 (1) the dimensions and location of all existing material structural improvements and
6.9 roadways;

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

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

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

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

6.17 (6) the legal description of the land.

6.18 Sec. 2. Minnesota Statutes 2020, section 273.125, subdivision 8, is amended to read:

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

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

7.1 (1) ~~the owner of the unit holds~~ title to the land on which it is situated is held by: (i) the
7.2 owner of the unit; or (ii) a Minnesota nonprofit corporation or a Minnesota cooperative to
7.3 which the owner is a member;

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

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

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

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

7.16 (2) the unit is affixed to the land by a permanent foundation or is installed at its location
7.17 in accordance with the Manufactured Home Building Code contained in sections 327.31 to
7.18 327.34, and the rules adopted under those sections, or is affixed to the land like other real
7.19 property in the taxing district; and

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

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

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

7.31 (f) A storage shed, deck, or similar improvement constructed on property that is leased
7.32 or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer
7.33 is taxable as provided in this section. In the case of property that is leased or rented as a site

8.1 for a travel trailer, a storage shed, deck, or similar improvement on the site that is considered
8.2 personal property under this paragraph is taxable only if its total estimated market value is
8.3 over \$10,000. The property is taxable as personal property to the lessee of the site if it is
8.4 not owned by the owner of the site. The property is taxable as real estate if it is owned by
8.5 the owner of the site. As a condition of permitting the owner of the manufactured home,
8.6 sectional structure, park trailer, or travel trailer to construct improvements on the leased or
8.7 rented site, the owner of the site must obtain the permanent home address of the lessee or
8.8 user of the site. The site owner must provide the name and address to the assessor upon
8.9 request.