



MANUFACTURED & MODULAR HOME ASSOCIATION OF MINNESOTA

Opening doors to better living.

March 25, 2025

Dear Members of the Judiciary and Public Safety Committee,

Re: SF2373/HF2441 DLI Budget Bill and Manufactured Home Provisions

On behalf of the members of the Manufactured & Modular Home Association of Minnesota, thank you for the opportunity to offer comments on the Department of Labor and Industry's Budget Bill

Briefly, the MMHA was formed in 1951 and is the statewide umbrella organization representing manufactured home and modular home builders and speaks for nearly 1,000 privately owned manufactured home communities in Minnesota. Most of these communities, with over 40,000 homes, are located in Greater Minnesota. Manufactured homes are Minnesota's largest source of non-subsidized workforce housing with four plants building both new manufactured and modular homes, employing about 1,000 workers, and an additional eleven plants exclusively building new modular homes. There are four plants in the State of Minnesota building manufactured homes and around fifteen plants building modular homes. In Minnesota, 85-percent of all new manufactured homes sold are sited and affixed to real property with conventional type financing or mortgages. The remainder are placed on leased land in a community.

MMHA appreciates the Department reaching out prior to the bill's formal introduction for comments; we are continuing the dialogue in suggesting improvements to the bill. The Department has stated that certain provisions will be removed from the bill at some point in the process, including the proposed salesperson licensing program and proposed shipment fee.

While have several concerns overall with the bill, mostly in Article 2, below are concerns most relative to the Committee's interest;

- Proposed shipment label and fee of \$75 added to each section of a new manufactured or modular home. MMHA expressed its concerns in opposing the new fee and label for several reasons. While not transportation related, the shipment label and fee would require a State of Minnesota Shipment decal be placed on every section of a new manufactured or modular home prior to leaving any of Minnesota's fifteen plants as well as placed on all new homes produced in other states that are shipped to Minnesota for sale. Aside from this being an administrative nightmare for compliance by plants and the likelihood that plants in other states would simply not comply, along with concerns about a violation of the Commerce Clause, the Department has indicated it will be removing this provision from the bill.
- Another concern with the bill is the new requirement that every used manufactured home, prior to sale, being offered for sale, or leased, secure a State of Minnesota used manufactured home compliance decal. This repealing current statute within the Minnesota State Building Code MS§327.32 subd.1a, Notice of Compliance Form for the Sale of Used Manufactured Homes, that allows a seller and buyer to negotiate which party is responsible for making any compliance repairs and signing the Notice Form, which becomes part of the purchase agreement and is subject to a local building official's inspection for compliance. No other property types or single-family homes are required to comply with mandatory code compliance inspections.

- The Notice of Compliance Form is currently in MS§327.32 subd.1a; the bill repeals statutory placement and moves the creation of a new Notice Form under administrative rulemaking. MMHA asks that this remains in statute and clearly defined with Legislative input.
 - The bill repeals current law that a monetary penalty is not to exceed \$1,000 for a violation of selling a used manufactured home and replaces this with federal civil and/or criminal penalties, under 24CFR 3282.10. After expressing concerns to the Department, they indicated a willingness to review the provision. This would apply to homeowners, licensed manufactured home retailers, and licensed real estate brokers who list used manufactured homes for sale on behalf of homeowners.
 - The used manufactured home decal inspection program does not address in statute, but rather leaves to the rulemaking process and undefined, important issues to homeowners who may need to sell their homes quickly for a job change, family emergency, or a prospective buyer wanting a quick closing date;
1. How quickly will decals be issued so that homeowners with tight closing dates don't lose financing, interest rate locks, or potential buyers?
 2. How will Minnesota's approximately 100,000 owners of used manufactured homes be made aware of the legal requirement?
 3. How will this be enforced for both manufactured homes on leased land, and those on permanent foundations and affixed to real property? For manufactured homes affixed to real property, other than a homeowner, only a licensed real estate broker can sell a used manufactured home with land, knowing the difference between a modern manufactured home and a site-built or modular home, can be difficult to differentiate. Will this cloud title transfers of real property transactions?
 4. Another concern with the bill is in Sec. 43, that changes the current definition of a manufactured home dealer or retailer to include any person who engages in the leasing of a manufactured home. Currently, licensed manufactured home dealers or retailers only sell manufactured homes, they do not lease them. Others, including the nearly 1,000 privately owned manufactured home communities, may lease a manufactured home to a resident, but they do not sell manufactured homes, yet would need a sales license if offering rental homes. The Department expressed a willingness to clarify this unintended expansion of the dealer licensing requirement. As drafted, the bill also captures homeowners who might sublease their manufactured home.

Thank you for the opportunity to comment on provisions in the bill that we believe are most relevant to the Committee's jurisdiction, we would be glad to provide additional comments or clarifications.

Sincerely,



Mark Brunner

President

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