STATE OF MINNESOTA

DEPARTMENT OF ADMINISTRATION

In the Matter of the Proposed Adoption of Amendments To The Manufactured Home Building Code Rules. STATEMENT OF NEED AND REASONABLENESS

The above-captioned proposed rules are amendments to the existing Manufactured Home Building Code. Minn. Stat., Chapter 365 of the 1981 Session Laws amended the Manufactured Building Code. These amendments bring the manufactured building code rules into line with the statute changes.

Further, the Commissioner of Administration is charged with the responsibility of promulgating rules pursuant to Minn. Stat. 327.33 Subds. 2, 3, 4, 5 and 6.

The Commissioner of Administration is charged with the adoption, administration, and enforcement of Manufactured Home Construction and Safety Standards consistent with rules and regulations promulgated by the U.S. Department of Housing and Urban Development. These rules insofar as practicable, conform to this requirement.

The following is the evidence and argument which supports the Need for and Reasonableness of the Proposed Rules:

A page titled "Composition of the Manufactured Home Building Code" has been added to indicate the dates within which various codes were or are in effect.

<u>Section 1.90101</u> - Additional language references new state laws and federal regulations. The word "mobile" is replaced by "manufactured" throughout the text to conform with Chapter 365 of the 1981 Session Laws.

Section 1.90102 - Deleted portions are replaced with new terminology to reflect changes in definitions. Editorial change is made to clarify. Addition expands authority to inspect all parts of an installation.

Section 1.90103 - Deleted portions eliminate nonapplicable references and old definitions. Other deletions needed to comply with law changes or to simplify. Some definitions used in the federal regulations are added to conform thereto. Other added language is explanatory.

Section 1.90201 A.3 - Addition needed to indicate effective date for labeling required by federal regulation of manufactured home construction.

<u>Section 1.90201 C.1</u> - Deleted language no longer needed and/or no longer applicable. Added portions reflect new definitions and the change effected by Chapter 365 of the 1981 Session Laws which exempts manufactured homes installed on a foundation system from requiring an installation seal.

Section 1.90201 D - Deletions are obsolete, not applicable or meaningless.

<u>Section 1.90202</u> - Change amplifies coverage of title to include HUD labels & installer registration.

Section 1.90202 A & B - These additions are needed to show the different ways to acquire HUD (Federal) labels and state construction seals.

<u>Section 1.90202 C</u> - Addition and deletion together limit the acquisition of accessory structure seals to only the manufacturer of those structures.

Section 1.90202 D & E - The reference to "dealer" is omitted as it is unnecessary.

Section 1.90204 - By deleting the word "construction" in the title, all types of seals are covered.

<u>Section 1.90204 A.1</u> - These requirements no longer apply and are therefore deleted. Federal regulations preempt.

Section 1.90205 A - These requirements no longer apply and are therefore deleted. Federal regulations preempt.

Section 1.90205 B - Reference to dealer is unnecessary.

Section 1.90206 A - Added language provides protection to consumers by allowing the state to remove the federal construction label from a manuactured home, if in violation of the code, after it is once sold. Prior to full federal certification of the State of Minnesota as a State Administrative Agency, the federal regulations only applied to new homes up to the first sale.

Section 1.90207 - The word "construction" is unnecessary.

Section 1.90207 A. 1 - The word "voided" added to clarify.

<u>Section 1.90207 A. 2</u> - Deleted portions limit placement of construction seal to one location only.

<u>Section 1.90207 B</u> - Adding the word "label" includes manufactured homes built after June 14, 1976. Last sentence specifies that the correct type of installation seal be affixed.

Section 1.90207 C_2 - Deleted portions are either unnecessary, redundant or previously mentioned under C_1 of same section.

Section 1.90209 A - Deleted, not applicable because of federal regulations.

Section 1.90209 B - Letter B deleted, now is letter A.

Section 1.90209 C - Letter C deleted, now is letter B.

Section 1.90201 A - Deleted, not applicable because of federal regulations.

Section 1.90210 B - Letter B deleted, now is letter A.

Section 1.90210 C - Letter C deleted, now is letter B.

Section 1.90301 A - Deleted, not applicable because of federal regulations.

Section 1.90301 B - Letter B deleted, now is letter A. Other stricken language is not applicable because of federal regulations.

<u>Section 1.90301 C</u> - Letter C deleted, now is letter B. New language is for installation requirements.

<u>Section 1.90302</u> - Deletion refers to mobile homes and no longer applies. Addition changes title to refer to manufactured home accessory structures only.

<u>Section 1.90302 B.8</u> - New language provides for installation details and instruction for manufactured home accessory structures to be submitted to the Building Codes & Standards Division for approval.

Section 1.90302 C & Cl - Deleted. Obsolete because of federal regulations.

Section 1.90303 - Deletion supports new definition.

Section 1.90303 A - Additional wording necessary to agree with new definition and to require test reports and installation instructions for all support and anchoring systems based on Section 1.90450 C, D & E. Words deleted no longer apply.

Section 1.90303 B - Addition clarifies and specifies. Deleted portion no longer applies.

Section 1.90303 C 1, 2, & 3 - Deleted portions not needed as support and anchoring systems are covered under Section 1.90450.

<u>Section 1.90308</u> - Deleted portion pertains to manufactured home in-plant construction which no longer applies. Added words to include accessory structures.

Section 1.90309 - Deleted portions no longer apply.

Section 1.90310 - Deleted portions no longer apply.

Section 1.90402 - Deleted words which no longer apply.

<u>Section 1.90403</u> - The added language is necessary to comply with federal requirements with regard to the handling of consumer complaints by manufacturers of manufactured homes.

<u>Section 1.90450 A</u> - Added sentence provides that foundation systems for manufactured homes comply with requirements of the State Building Code.

Section 1.90450 B - Additions allow inclusion of foundation systems in this section. The last addition specifies minimum clearance when manufactured home is installed on a support system.

<u>Section 1.90450 D.2</u> - Deleted words which are no longer required. Addition refers to requirements of Section 1.90303.

<u>Section 1.90460</u> - This new section is required to cover connections to water, sewer, gas and electrical utilities.

Section 1.90700 - Added language to include Consumer Complaint Handling.

Section 1.90701 B5 a. & b. - Deleted portions improperly located and not intended to be in this Section orginally. Terms are not obsolete.

<u>Section 1.90701 C</u> - Added "or label" to cover manufactured homes built to federal standards, since June 15, 1976.

Section 1.90702 - Chapter 365 of the State of Minnesota 1981 Session Laws requires the Commissioner to apply to the Secretary (of H.U.D.) for approval as a State Administrative Agency - (SAA). A requirement for full certification as an SAA is that the State provide rules for the handling of citizen complaints. Essentially, insofar as practicable, and except for minor modifications such as lettering and numbering, the requirements and procedures of this section are identical to and consistent with the rules and regulations for consumer complaint handling as promulgated by the U.S. Department of Housing & Urban Development.

Section 1.90803 - As previously stated in the justifications for Section 1.90702, in order for the State to qualify for full certification as a SAA, this section on hearings and presentation of views is required. The language is nearly identical with the H.U.D. rules & regulations in all respects.

Section 1.90904 - Minnesota Statute Chapter 365 1981 Session Laws expanded seal requirements to include utilities connections. Because support work and utility connections are usually installed together and require more work, the seal cost is greater than for anchoring which is usually done at a later date. Seal costs have been the same since 1974. The increased cost reflects the inflation factor since then and is necessary to cover costs incurred by the Building Codes & Standards Division. The H.U.D. Monitoring Label fee is added to indicate state participation in the federal program.

Section 1.90904 A - Annual registration fee for installers, though doubled, show rising costs by this divison incurred by increased handling costs and by providing necessary educational seminars given throughout the State yearly, relative to manufactured home installations.

Section 1.90904 B & C - These portions are deleted because they no longer apply.

<u>Section 1.90905</u> - For various other work relating to inspections, the fees are raised to cover increased costs such as labor, travel, meals, motels, and other operational costs.

James J. Hiniker, Jr.

Commissioner

<u>y-27-P2</u> Date