

HOUSE RESEARCH

940396

Background Materials

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Manufactured Homes and Manufactured Home Parks

Treatment in Minnesota Law

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Manufactured Homes and Manufactured Home Parks

The policy issues of manufactured housing and manufactured home parks are:

- ▶ affordable housing issues,
- ▶ public safety issues,
- ▶ administration, regulation, and enforcement issues, and
- ▶ equity issues.

Equity issues include the treatment of residents of manufactured homes relative to other residents and may involve taxes, zoning, financing, and landlord tenant relationships.

Affordable Housing

Manufactured homes are found throughout Minnesota and represent an affordable owner-occupied housing option.

Definitions

Under Minnesota law, a **manufactured home** is defined as a structure that can be transported in sections, is built on a permanent chassis, is designed to be used as a dwelling, or a structure that meets the construction standards established by the Department of Administration, which conform to national standards established by the Department of Housing and Urban Development (HUD). *Minn. Stat. § 327.31, subd. 6.*

A **manufactured home park** is defined as a site with two or more occupied manufactured homes. *Minn. Stat. 1992, § 327.14, subd. 3.*

Other terms, such as mobile home, are not defined in Minnesota law.

Numbers of Homes

A manufactured home can be located either in a manufactured home park, or on privately owned property.

| |
|---|
| <p>In 1990, according to the 1990 census, Minnesota had</p> <ul style="list-style-type: none">▶ 67,496 occupied manufactured homes▶ 59,174 owner-occupied manufactured homes <p>88% are owner-occupied</p> |
|---|

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Manufactured Homes in Minnesota Counties -- 1990

Number of Mobile Homes or Trailers

-----Occupied-----

| AREA NAME | Total | Owner | Renter | Total |
|--------------------------|-------|-------|--------|-------|
| Aitkin County | 2,159 | 631 | 63 | 694 |
| Anoka County | 4,565 | 4,195 | 114 | 4,309 |
| Becker County | 1,895 | 1,027 | 177 | 1,204 |
| Beltrami County | 2,236 | 1,513 | 244 | 1,757 |
| Benton County | 1,354 | 1,097 | 179 | 1,276 |
| Big Stone County | 308 | 140 | 12 | 152 |
| Blue Earth County | 1,466 | 1,157 | 184 | 1,341 |
| Brown County | 535 | 399 | 94 | 493 |
| Carlton County | 1,152 | 800 | 134 | 934 |
| Carver County | 1,055 | 927 | 52 | 979 |
| Cass County | 2,570 | 896 | 183 | 1,079 |
| Chippewa County | 199 | 109 | 32 | 141 |
| Chisago County | 1,061 | 790 | 108 | 898 |
| Clay County | 1,131 | 849 | 143 | 992 |
| Clearwater County | 571 | 360 | 53 | 413 |
| Cook County | 258 | 105 | 11 | 116 |
| Cottonwood County | 111 | 77 | 21 | 98 |
| Crow Wing County | 2,772 | 1,163 | 246 | 1,409 |
| Dakota County | 3,781 | 3,373 | 211 | 3,584 |
| Dodge County | 414 | 318 | 49 | 367 |
| Douglas County | 1,436 | 591 | 154 | 745 |
| Faribault County | 178 | 106 | 24 | 130 |
| Fillmore County | 467 | 334 | 81 | 415 |
| Freeborn County | 469 | 311 | 93 | 404 |
| Goodhue County | 1,171 | 855 | 140 | 995 |
| Grant County | 251 | 83 | 12 | 95 |
| Hennepin County | 1,411 | 1,231 | 107 | 1,338 |
| Houston County | 551 | 433 | 65 | 498 |
| Hubbard County | 1,284 | 696 | 106 | 802 |
| Isanti County | 594 | 416 | 91 | 507 |
| Itasca County | 2,739 | 1,495 | 253 | 1,748 |
| Jackson County | 108 | 57 | 10 | 67 |
| Kanabec County | 1,157 | 728 | 152 | 880 |
| Kandiyohi County | 1,189 | 667 | 177 | 844 |
| Kittson County | 232 | 145 | 34 | 179 |
| Koochiching County | 891 | 604 | 98 | 702 |
| Lac qui Parle County | 147 | 90 | 26 | 116 |
| Lake County | 421 | 251 | 12 | 263 |
| Lake of the Woods County | 909 | 284 | 17 | 301 |
| Le Sueur County | 546 | 350 | 59 | 409 |
| Lincoln County | 123 | 43 | 21 | 64 |
| Lyon County | 489 | 243 | 146 | 389 |
| McLeod County | 731 | 586 | 118 | 704 |
| Mahnomen County | 343 | 172 | 23 | 195 |
| Marshall County | 548 | 366 | 40 | 406 |
| Martin County | 268 | 193 | 28 | 221 |

| Manufactured Homes in Minnesota Counties -- 1990 | | | | |
|--|--------|--------------------|-------|--------|
| Number of Mobile Homes or Trailers | | | | |
| | | -----Occupied----- | | |
| Meeker County | 833 | 483 | 85 | 568 |
| Mille Lacs County | 1,383 | 756 | 93 | 849 |
| Morrison County | 1,187 | 798 | 123 | 921 |
| Mower County | 460 | 335 | 70 | 405 |
| Murray County | 256 | 79 | 11 | 90 |
| Nicollet County | 631 | 512 | 67 | 579 |
| Nobles County | 253 | 164 | 49 | 213 |
| Norman County | 216 | 130 | 13 | 143 |
| Olmsted County | 2,344 | 1,950 | 190 | 2,140 |
| Otter Tail County | 3,170 | 1,271 | 269 | 1,540 |
| Pennington County | 672 | 448 | 97 | 545 |
| Pine County | 2,974 | 979 | 142 | 1,121 |
| Pipestone County | 112 | 77 | 12 | 89 |
| Polk County | 1,138 | 744 | 95 | 839 |
| Pope County | 560 | 187 | 39 | 226 |
| Ramsey County | 3,276 | 3,086 | 78 | 3,164 |
| Red Lake County | 231 | 178 | 18 | 196 |
| Redwood County | 350 | 264 | 36 | 300 |
| Renville County | 416 | 289 | 51 | 340 |
| Rice County | 1,294 | 980 | 195 | 1,175 |
| Rock County | 115 | 92 | 8 | 100 |
| Roseau County | 1,495 | 1,142 | 101 | 1,243 |
| St. Louis County | 5,052 | 3,041 | 572 | 3,613 |
| Scott County | 816 | 671 | 91 | 762 |
| Sherburne County | 470 | 331 | 31 | 362 |
| Sibley County | 257 | 210 | 12 | 222 |
| Stearns County | 2,181 | 1,456 | 221 | 1,677 |
| Steele County | 529 | 409 | 65 | 474 |
| Stevens County | 191 | 111 | 49 | 160 |
| Swift County | 259 | 161 | 34 | 195 |
| Todd County | 1,340 | 611 | 162 | 773 |
| Traverse County | 131 | 60 | 8 | 68 |
| Wabasha County | 1,078 | 664 | 145 | 809 |
| Wadena County | 551 | 325 | 110 | 435 |
| Waseca County | 366 | 225 | 101 | 326 |
| Washington County | 1,475 | 1,357 | 57 | 1,414 |
| Watonwan County | 188 | 77 | 49 | 126 |
| Wilkin County | 248 | 176 | 32 | 208 |
| Winona County | 1,084 | 844 | 142 | 986 |
| Wright County | 2,564 | 2,133 | 179 | 2,312 |
| Yellow Medicine County | 154 | 112 | 23 | 135 |
| | 90,546 | 59,174 | 8,322 | 67,496 |

Source: 1990 U.S. Census of Population STF-3A

Number of Parks

The census has no information on how many homes are in parks. In fact, there is no comprehensive source of compiled information on the number, location, and size of parks in Minnesota. The best information comes from the Health Department on the parks they directly license. The Health Department licenses parks in six of the metropolitan counties (all but Ramsey) and in 50 of the counties in Greater Minnesota.

The metropolitan area has fewer but larger parks than Greater Minnesota. Greater Minnesota has over five times as many parks as the seven county metro area. Rural parks tend to be less than half the size of metro parks.

Size of Parks

The **metro area** (including Ramsey county) has

- ▶ 15,970 manufactured homes
- ▶ 92 manufactured home parks

Average park size 172 manufactured homes

- ▶ 60% of manufactured home parks have over 100 homes

In 50 Greater Minnesota counties, there are

- ▶ 18,500 manufactured homes
- ▶ 526 manufactured home parks

Average park size 71 manufactured homes

- ▶ 81% of manufactured home parks have 50 or fewer homes

Profile of Manufactured Home Ownership

The graphs on the next several pages show characteristics of manufactured homeowners and ownership of manufactured homes. The graphs are based on information from the American Housing Survey by the U.S. Department of Commerce. The survey contains 1989 data, published for the Twin Cities metropolitan statistical area.

Residents of manufactured homes on average have higher household incomes than renters but much lower household incomes than other homeowners.

- ▶ The typical household living in a manufactured home has an annual income that is about 60% of other homeowner households

Median household incomes are

- ▶ \$21,632 for all renters
- ▶ \$25,724 for manufactured homeowners
- ▶ \$41,988 for other homeowners

Manufactured homes tend to be affordable to residents who live in the homes. HUD defines housing as affordable if a household spends 30 percent or less of its gross income for housing related costs.

- ▶ Two-thirds of the residents of manufactured homes pay less than 30% of their income for housing.
- ▶ Half of all renters live in unaffordable housing.
- ▶ 80% of owners of site-built housing live in affordable housing.
- ▶ Monthly housing costs for manufactured home residents tend to be less than monthly housing costs for renters and owners of site-built housing.

1989 median monthly cost are

- ▶ \$397 for manufactured homeowners
- ▶ \$480 for all renters
- ▶ \$619 for site-built homeowners

Residents of manufactured homes tend to be first time home buyers.

- ▶ 58% of the owner occupants of manufactured homes are first time owners
- ▶ 45% of site-built owner-occupied housing are first time home buyers

Manufactured homes have affordable purchase prices.

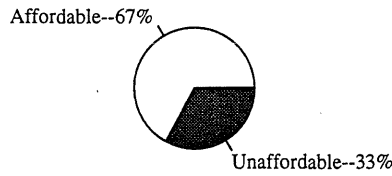
- ▶ \$13,553 is the reported median purchase price paid by residents of manufactured homes
- ▶ One fourth of the residents paid more than \$20,000 for their home

Manufactured homes are modestly sized.

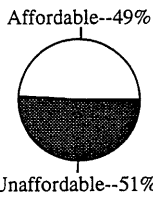
- ▶ Most of the homes have between 750 and 1,500 square feet
- ▶ 7% of the homes have more than 1,500 square feet

Number of Units Affordable to Current Residents

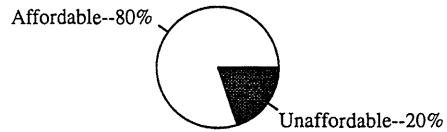
(Housing Costs 30% or less of Income)



21,600 Mobile Homes



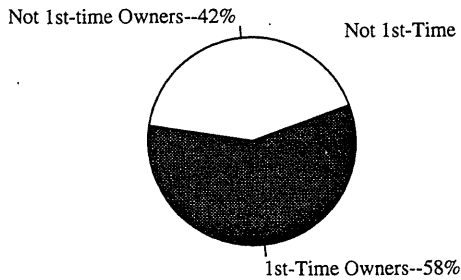
280,100 Rental Units



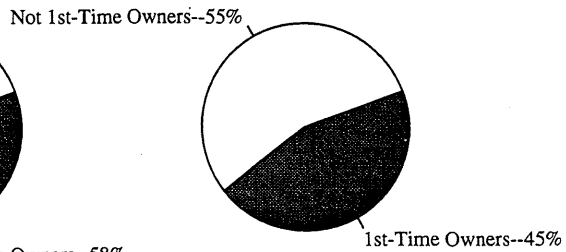
644,100 Owner-Occupied Units

First Time Home Ownership

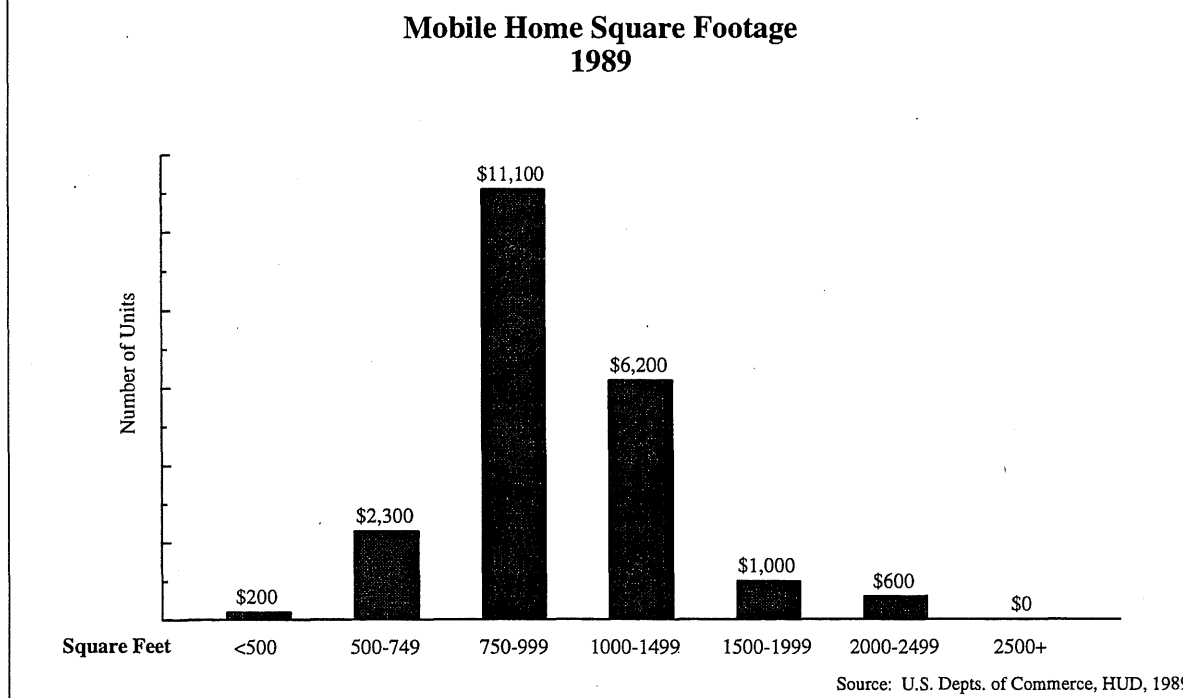
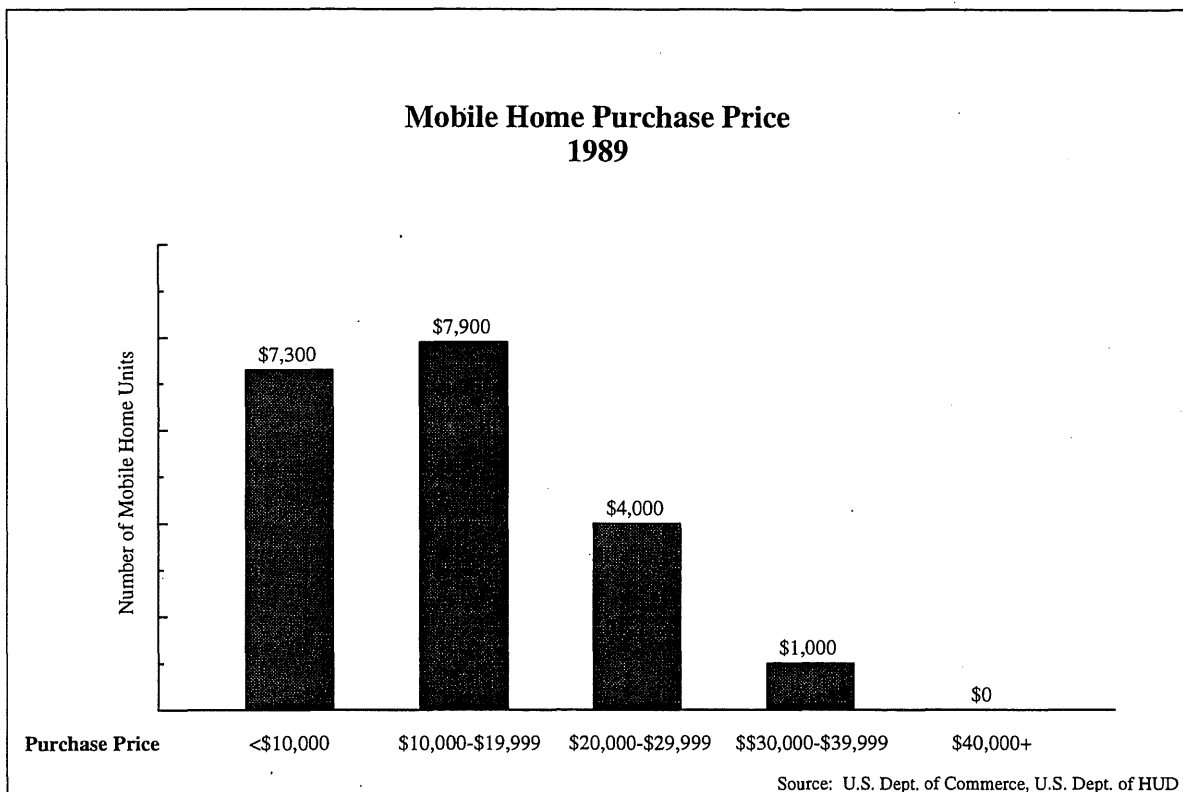
Mobile Homes vs. All Owner-Occupied Units



20,900 Owner-Occupied
Homes



644,100 Owner-Occupied
Units



Public Safety

Several state agencies, federal agencies and local government set safety standards for manufactured homes and parks.

Housing Standards

Minnesota has a separate building code for manufactured homes which incorporates federal standards of the **Department of Housing and Urban Development**. The code applies to all homes **manufactured or sold in Minnesota**, is administered by the **Department of Administration**, and enforced in areas that have adopted the state building code.

Installation

The **Department of Administration** has rules on the installation of manufactured homes including stabilizing and anchoring systems. Installers are licensed by the **Department of Commerce**.

Housing Sales

All homes, manufactured after 1972, that are offered for sale in Minnesota must have a seal from the **Department of Administration**.

Park residents selling their homes must provide buyers with a safety disclosure form. No agency has responsibility for enforcing the requirement.

Licensing and Inspection

Parks are licensed by the **Health Department**, either directly or through local boards of health. All parks must be licensed and must be inspected at least once every two years. Local governments cannot require a local park license.

The **Department of Administration** has authority to inspect homes in Minnesota manufactured after 1972. An inspection may be requested by an owner. Again, inspectors are most likely to be available in areas that enforce the state building code.

Emergency Weather

To be licensed, a park must have either an emergency weather evacuation plan or an on-site shelter. **Local governments** are responsible for approving the park's plan or the shelter.

- ▶ Parks with ten or fewer sites must have an evacuation plan
- ▶ Parks licensed before March 1988 with ten or more sites must have either a plan or a shelter
- ▶ Parks licensed after March 1988 with ten or more sites must have an approved on-site shelter.

Shelter Standards

Shelters constructed after March 1988 must meet the standards in **Department of Administration** rules which incorporate storm shelter guidelines of the Federal Emergency Management Agency. **Local governments** must approve the shelter's design and construction.

Administration, Regulation, and Enforcement

Several state agencies are involved in administering and enforcing state laws on manufactured homes and manufactured home parks. The primary agencies are:

Administration with responsibility for

- ▶ Park shelter design standards
- ▶ Manufactured home construction standards
- ▶ Manufactured home installation standards
- ▶ Licensing manufacturers, dealers and agents
- ▶ Administration of standards through local jurisdictions

Commerce

- ▶ Licenses manufactured home installers

Health

- ▶ Licenses manufactured home parks
- ▶ Rules to protect the health and safety of residents
- ▶ Enforcement of licensing requirements

Attorney General

- ▶ Enforcement of park rental laws
- ▶ Publishes information brochure on resident rights and responsibilities

Local governments also have responsibility for parks including

- ▶ Zoning

- ▶ Building permits for parks, park buildings, and park shelters
- ▶ Approval of evacuation or shelter plans
- ▶ Administration of installation rules
- ▶ Public hearings for proposed park closing
- ▶ Enforcement of local laws and ordinances within the park

Administration and Enforcement Issues

The number of agencies involved with administering and enforcing state law on manufactured homes and parks has raised several issues:

- ▶ Coordination between agencies
- ▶ Statewide uniform enforcement of construction and installation standards
- ▶ Viable and realistic penalties for license violations

Revoking a license to operate a manufactured home park penalizes park residents by forcing them to find another park in which to locate their homes. The Health Department has new authority (provided by the 1993 Legislature) to develop administrative penalty orders intended to induce corrective actions on the part of businesses in industries that are regulated by the department, including manufactured home parks. This enforcement mechanism was put in place in December 1993. *Minn. Stat. §§ 144.989 to 144.993.*

Zoning for Manufactured Homes and Parks

Minnesota law prohibits municipalities from discriminating against manufactured homes in zoning, but does not require zoning for manufactured home parks.

Manufactured Homes

Three laws authorize cities, towns and counties to plan and zone:

- ▶ Cities and towns—*Minn. Stat. §§ 462.351 to 462.364*
- ▶ Counties—*Minn. Stat. § 394.37*
- ▶ Towns—*Minn. Stat. §§ 366.10 to 366.181*

A municipality is authorized to regulate by ordinance *Minn. Stat. § 462.357*:

- ▶ location
- ▶ width
- ▶ foundation type
- ▶ building size
- ▶ yard size
- ▶ population density
- ▶ use of buildings
- ▶ height
- ▶ bulk
- ▶ number of stories
- ▶ other structure size
- ▶ percentage of lot occupied
- ▶ population distribution
- ▶ standards and procedures for regulating use

Municipalities may not discriminate against manufactured homes if:

- ▶ they conform to the manufactured home building code *Minn. Stat. §§ 327.31 to 327.35*, and
- ▶ they comply with all other local zoning ordinances.

Counties have a similar provisions for manufactured homes. *Minn. Stat. § 394.25*.

Manufactured Home Parks

Manufactured home parks are not specifically addressed in the planning and zoning laws. A municipality may provide for parks through a zoning ordinance. In 1993, the legislature placed a moratorium on municipalities adopting any ordinance that would have the effect of prohibiting replacement of a home in a park with one that conforms to the manufactured home building code standards.

State law prescribes minimum requirements for placing homes within parks. *Minn. Stat. § 327.20*. Homes must:

- ▶ be at least three feet from the park's side lot lines if the property is improved,
- ▶ be at least ten feet from a public street or alley,
- ▶ abut or face a driveway or clear unoccupied space at least 16 feet wide with unobstructed access to a street or alley
- ▶ have at least ten feet of open space between the sides of adjacent homes
- ▶ maintain ten feet between a parked car and the nearest home

Taxes on Manufactured Homes

Manufactured homes are generally subject to personal property taxes on the structure, and real property taxes through rent paid for a park site. This section describes taxes that are applied to manufactured homes.

Motor Vehicle Taxes

Definitions:

For the purposes of motor vehicle taxes, manufactured home is defined in *Minn Stat. 1992, § 327.31, Subd. 6* as follows:

"Manufactured home" means a structure that is:

- ▶ transportable in one or more sections with the minimum dimensions of:
 - eight feet in width when moved, or

- 40 feet in length when moved, or
- 320 square feet when erected

- ▶ built on a permanent chassis

- ▶ designed for use as a dwelling when connected to the required utilities (with or without a permanent foundation)

- ▶ includes any structure which meets the requirements and complies with the standards established under chapter 327

Park trailer is defined in *Minn Stat 1992, § 168.011, Subd. 8, Clause (b)*, as follows:

"Park Trailer" means a trailer that:

- ▶ is more than eight feet in width
- ▶ is no larger than 400 square feet when fully extended, and
- ▶ is used as a temporary living quarters.

"Park trailer" does not include a manufactured home.

Application of Motor Vehicle Taxes

- ▶ **Manufactured homes** are taxed as personal property and are exempt from payment of motor vehicle taxes. *Minn Stat. 1992, § 168.012, Subd. 9.*

- ▶ **Park trailers** are taxed as manufactured homes if they are not used on the road in a calendar year and are occupied as dwellings. *Minn Stat, 1992, § 168.012, Subd. 9.*

- ▶ **Park trailers** are taxed as trailers and pay an annual tax based on gross weight at 30 percent of the scheduled rate with a minimum tax of \$5. *Minn Stat., 1992, § 168.013, Subd. 1j.*

- ▶ Vehicles taxed as personal property that are also subject to motor vehicle taxes are eligible for a reduction or abatement of the ad valorem tax. *Minn Stat., 1992, § 168.013, Subd. 5.*

- ▶ A **manufactured home** must pay a fee to be moved. A \$250 registration fee is required. *Minn Stat 1992, § 168.82.*

Property Taxes

Definition:

For property tax purposes, a manufactured home is defined as a structure that:

- ▶ is transportable in one or more sections,
- ▶ is designed to be used as a dwelling,
- ▶ if present, includes accessory structures. *Minn. Stat. 1993, § 273.125, subd. 8.*

The structure is valued and assessed as **real property** if:

- ▶ the owner has title to land on which it is located,
- ▶ it is permanently affixed to the property or installed according to state installation rules, and
- ▶ it is connected to public utilities, or a well and septic system, or serviced by utilities comparable to other property in the area.

The structure is treated as **personal property** and assessed at the real property rate if:

- ▶ the owner leases the land on which it is located,
- ▶ it is permanently affixed to the property or installed according to state installation rules, and
- ▶ it is connected to public utilities, or a well and septic system, or serviced by utilities comparable to other property in the area.

Homestead Treatment of Manufactured Homes and Parks

A manufactured home is treated and taxed as homestead property if:

- ▶ it is affixed to property that the owner has title to, and
- ▶ it is used as a homestead by the owner, who must be a Minnesota resident.

Cooperatively owned manufactured home parks are eligible for homestead treatment if:

- ▶ each shareholder is entitled to occupy a lot within the park,
- ▶ park lots are one half acre or less,
- ▶ park lots are designated by legal description or number,
- ▶ the occupant must use the property as a permanent residence, and
- ▶ ad valorem property taxes, and assessments are paid directly or indirectly through dues to the corporation. *Minn. Stat. 1992, § 273.124.*

Property Tax Rates Applicable to Manufactured Homes and Parks

Homestead property is class 1(a) with a net class rate of:

- ▶ one percent of market value based on the value of house, garage and land up to a market value of \$72,000, and
- ▶ two percent on market value over \$72,000. *Minn. Stat. § 273.13, subd. 22.*

Owner-occupied manufactured homes in manufactured home parks are treated as homestead property and taxed at the one percent rate.

Non homestead manufactured homes are classified 4(b) with a net class rate of:

- ▶ **2.5 percent** of market value for taxes payable in 1993
- ▶ **2.3 percent** of market value for taxes payable in 1994

Manufactured homes that are rented are classified 4(b).

Other property classified 4(b) includes residential real estate with fewer than four units. *Minn. Stat. § 273.13, subd. 25.*

Manufactured home parks are classified 4(c) with a net class rate of:

- ▶ **two percent** of market value for taxes payable in 1993, 1994, and 1995.

Other property classified 4(c) has a tax rate of **2.3 percent** of market value, and includes:

- Title II structures (federally assisted rental housing),
- Other subsidized low income housing,
- Neighborhood real estate property,
- Seasonal and recreational property,
- Non profit community service property, and
- Post-secondary student housing. *Minn. Stat. § 273.13, subd. 25.*

Local governments receive manufactured home homestead and agricultural credit aid. *Minn. Stat. 1992, § 274.20.*

Property Tax Refunds for Manufactured Homes

Residents of manufactured homes are eligible to apply for property tax refunds as home owners. For property refund purposes, the homestead definition includes manufactured homes. *Minn. Stat. 290A.03, subd. 6.*

Residents of manufactured homes in parks are also eligible for **property tax refund as renters.**

- ▶ for the amount of space rent attributable to property taxes. *Minn. Stat. 290A.03, subd. 13.*

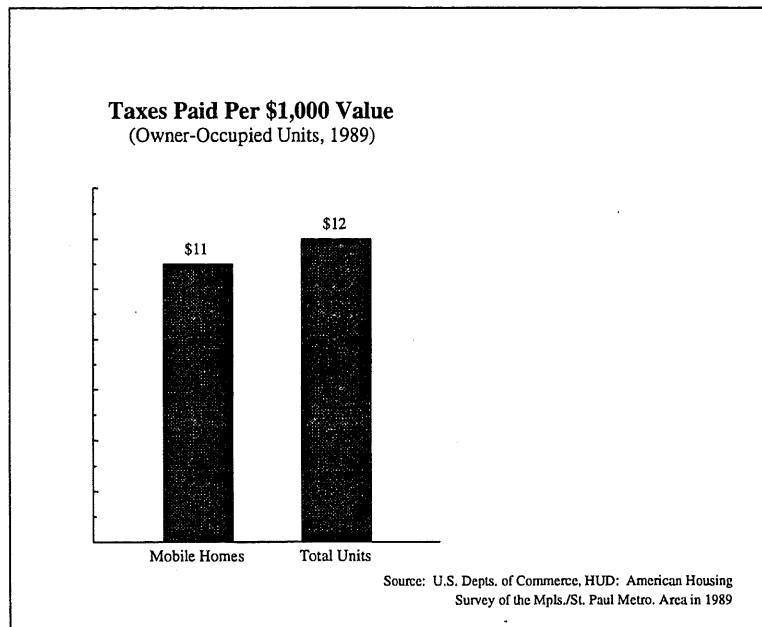
- ▶ with a rent certificate from the park owner

Minnesota law does not specifically require park owners to provide park residents with a rent certificate although the Department of Revenue interprets the rent certificate law to include manufactured home parks. *Minn. Stat. 290A.19.*

Residents of manufactured homes are also eligible for **targeted property tax refunds**.

For tax year 1990 (taxes payable 1991):

- ▶ 2,252 manufactured home residents received \$292,000 regular property tax refunds (including the renters credit portion)
- ▶ 71 manufactured home residents received an additional \$6,000 in targeted refunds
- ▶ about three percent of the owner-occupied manufactured homes received a property tax refund
- ▶ over 60 percent of the manufactured home residents who file income tax returns, have incomes below \$30,000 cap for property tax refunds



Sales Tax on Manufactured Home Sales

Retail sales of manufactured homes are subject to the state sales tax on 65 percent of the sales price *Minn. Stat. § 297A.02 Subd. 4*. The sales tax in most jurisdictions is 6.5 percent. By comparison, new site built homes pay sales tax on construction materials.

Manufactured homes are subject to sales tax only the first time they are sold, at retail, in Minnesota. *Minn. Stat. 297A.25 Subd. 27*. All resales are exempt from the tax.

Motor Vehicle Excise Tax

Manufactured homes are not subject to the motor vehicle excise tax. *Minn. Stat. 297B.01, Subd. 5*.

Park trailers are subject to the motor vehicle excise tax. *Minn. Stat. 297B.01 Subd. 5*.

Sales

Interest rates on manufactured homes may not exceed 14.5% per year, unless the rate was legal at the time the financing contract was signed. *Minn. Stat., 1992, § 168.72, Subd. 4*.

Licensing

Manufactured home parks must be licensed by the Department of Health.

A park is defined as any property with two or more occupied manufactured homes. The Health Department may delegate its licensing responsibilities to local boards of health which have the option of licensing parks in their area. Not all boards of health choose to be licensing agents for manufactured home parks. Some local boards of health license food, beverage and lodging facilities but not manufactured home parks. Municipalities may not require any local license for manufactured home parks.

The Health Department issues two types of park licenses—primary or first time licenses, and renewal licenses. All licensed parks must meet the standards established by the rules of the Health Department. These rules specify spacing between homes, requirements for safe water, plumbing, and sewage and garbage disposal, and night time lighting standards.

Every park must have a caretaker in charge. A park is licensed for a specific number of sites. Licenses must be renewed each year.

To receive a primary license, the Health Department must approve the plans and specifications for a new park. The department must also review and approve changes to the water and sewer systems of existing parks. Besides approval from the Health Department,

park owners must comply with local ordinances and get local building permits. A park that is located in two municipalities is treated as two separate parks for licensing.

Construction and Installation Standards

Minnesota has a separate building code for manufactured homes, enforced by the Department of Administration.

The building code incorporates federal construction and safety standards for manufactured homes. Since 1976, the U. S. Department of Housing and Urban Development has been responsible for these standards. In Minnesota, any home manufactured after 1972 must be certified by the Department of Administration as meeting federal standards and being in compliance with the state building code. A seal or label from the Department of Administration must be on every manufactured home offered for sale in Minnesota if it was manufactured after 1972.

The Department of Administration is also responsible for manufactured home installation standards, including stabilizing and anchoring systems. The Department of Commerce, beginning in 1993, licenses installers of manufactured homes with annual installation receipts of \$15,000 or more. By rule, the Department of Administration has continuing authority to register all manufactured home installers. Local jurisdictions that enforce the state building code administer and enforce the installation rules of the Department of Administration*.

Inspection

Manufactured home parks are inspected at least once every two years.

The Health Department, or a local board of health as a licensing agent, must inspect a manufactured home park at least once every two years. Under the Health Department rules, large parks (50 or more spaces), parks with swimming pools, and parks that use surface water for their drinking water supply are inspected every year. All other parks are inspected once every two years.

The Department of Administration may inspect any manufactured home in Minnesota that was manufactured after July 1, 1972. An owner of a manufactured home may request the inspection. The Department of Administration may also inspect manufacturing facilities and homes offered for sale by dealers. No inspection is required for the sale of a used manufactured home in a park. Sellers must provide buyers with a safety feature disclosure form that includes a recommendation to have the heating and water heating systems inspected.

Emergency Weather Requirements

Manufactured home parks must have an evacuation plan or a shelter.

The specific evacuation and shelter requirements for a park depend on its size and when it was first licensed. An emergency evacuation plan must address the safe evacuation of residents during severe weather conditions. Severe weather includes tornadoes, high winds, and floods. The specific requirements for a park depend on its size and when it was first licensed.

Parks with less than ten homes must have an emergency plan. The plan must be developed with, and approved by, the municipality in which the park is located. It must:

- ▶ provide for shelter or safe evacuation of residents during severe weather; and
- ▶ be conspicuously posted throughout the park.

No state agency is required to review or approve the plan. Under state law, the Minnesota Department of Health may not take licensing action against a park, if the park owner has made a good faith effort to develop an emergency plan and gain municipal approval.

Parks with ten or more homes, licensed before March 1, 1988, must provide on-site shelter or have an emergency plan. Any park with a primary license issued before March 1, 1988 for ten or more sites, must provide either an evacuation plan or a shelter. The plan must provide for evacuation of residents to a safe shelter within a reasonable distance.

A municipality may require a park owner to build a shelter if no suitable shelter building is available within a reasonable distance of the park. Any shelter constructed after March 1, 1988, must meet standards of design and construction established by the Department of Administration. A park owner must submit a copy of the approved emergency plan to the Minnesota Department of Health.

Parks of ten or more sites, licensed after March 1, 1988, need an approved on-site shelter. Any park issued a primary license after March 1, 1988, must provide an on-site shelter that meets the design and construction standards set by the Department of Administration. The municipality in which the park is located is responsible for approving the storm shelter. The Department of Administration enforces design and construction standards through local building inspectors in areas that enforce the state building code*.

*Note: The Department of Administration reports that the state building code is enforced in 44 percent of Minnesota cities and 12.5% of Minnesota townships. Sixteen of Minnesota's 87 counties enforce the building code throughout the county. These counties are: Anoka, Carver, Chisago, Dakota, Freeborn, Goodhue, Hennepin, Isanti, Olmstead, Ramsey, Rice, Scott, Sherburne, Steele, Washington, and Wright. The state does not enforce installation standards in jurisdictions which do not enforce the state building code.

Storm Shelter Design Requirements

New shelters must meet design and construction standards.

Any storm shelter constructed in a manufactured home park after March 1, 1988 must meet the design and construction standards of the Department of Administration. The department rules require a storm shelter to comply with the state building code and the storm shelter guidelines published by the Federal Emergency Management Agency.

The federal guidelines consider the damaging effects of tornadoes, including pressure created by air flowing around the shelter, pressure created by rapid changes in atmospheric pressure, and the impact of air-borne objects hitting the shelter. These guidelines specify location, materials, venting, reinforcement, and anchorage for several types of shelters. Basement room shelters are one of several acceptable shelter designs.

In addition, under Department of Administration rules, shelters may be used exclusively for shelter during emergency weather conditions or may be designed for multiple use. Single purpose and multi purpose shelters must:

- ▶ provide a minimum of four square feet per occupant;
- ▶ have a minimum ceiling height of seven feet over most of the floor area;
- ▶ have two exits; and
- ▶ be accessible to handicapped persons through one exit.

A municipality with a manufactured home park must approve the storm shelter design and construction. State rules require storm shelter plans to be prepared by a registered architect or engineer licensed to work in Minnesota. No state review or inspection of either storm shelter plans or building construction is required. The Department of Health in its licensing capacity, verifies, and may write orders, for storm shelters where they are required by state law.

Agencies Responsible for Manufactured Home Parks

Administrative responsibility for manufactured homes and manufactured home parks is shared by four state agencies and local government.

Other state agencies provide limited financial assistance for manufactured home and park owners and exercise limited authority over the standards for manufactured home parks. At the federal level, the U.S. Department of Housing and Urban Development establishes construction standards for homes and provides some financial assistance. The lists below summarize each agency's responsibility for manufactured homes.

Department of Administration

- √ Regulates manufactured home park shelter design
- √ Regulates manufactured home construction standards
 - administers state building code for manufactured homes
 - issues seals for homes that meet standards
 - may inspect homes and manufacturing facilities
 - oversees consumer construction and safety complaints
 - provides notice to manufacturers of possible defects
 - oversees actions to correct manufacturing defects
- √ Establishes manufactured home installation standards
 - registers manufactured home installers
- √ Licenses manufacturers, dealers, and agents
 - may revoke or suspend licenses
 - may impose penalties for code or licensing violations
- √ Administers shelter, building code, and installation standards through local jurisdictions that have adopted state building code

Department of Commerce

- √ Licenses manufactured home installers with annual receipts of \$15,000 or more

Department of Health

- √ Licenses manufactured home parks
 - issues primary and annual renewal licenses
 - may delegate licensing authority to local boards of health
 - approves plans and specifications for new park construction
 - may revoke or suspend park licenses
 - verifies existence of emergency plan or required shelter
 - may issue construction order where shelter is required
- √ Prescribes rules to protect health and safety of park residents
 - rules have force of law, and any violation is a misdemeanor
 - conducts on-sight inspection and enforcement
 - may request enforcement assistance from county attorney

Agencies Responsible for Manufactured Home Parks (cont.)

Attorney General

- √ Enforces state laws on manufactured home parks
- √ Publishes brochure on rights and duties of park tenants

Minnesota Housing Finance Agency

- √ May provide financial assistance for converting park ownership
- √ May finance energy improvements in manufactured homes

Other State Agencies

- √ **Pollution Control Agency** establishes waste and sewage disposal standards for parks
- √ **Fire Marshall** establishes requirements for fire protection for parks
- √ **Trade and Economic Development** may fund shelter construction through federal program

Local Government

- √ Issues zoning permit for manufactured home park
 - may enforce local zoning provisions within the park
 - may not require a park to have a local license
- √ Issues building permits for park, buildings, and emergency shelters
- √ Approves evacuation and emergency shelter plans
 - may require a shelter in a park with ten or more homes where a reasonable off-site shelter is unavailable
- √ Administers manufactured home installation rules
 - jurisdictions that enforce the state building code
- √ Holds public hearings in conjunction with proposed park closing or conversion of park use
 - may require owners or others to compensate displaced residents
- √ Enforces local laws and ordinances within park

U.S. Department of Housing and Urban Development

- √ Establishes design and construction standards for manufactured homes
- √ May insure loans for purchase of a manufactured home, the lot, or both
- √ May subsidize rents of eligible residents through Section 8 programs