

MN Manufactured Home Relocation Trust Fund
Frequently Asked Questions by Residents
(2020)

Background

The Manufactured Home Relocation Trust Fund was established in 2007 and provides manufactured homeowners compensation for reasonable relocation expenses in the event that all or part of their manufactured home park closes. Under current law, residents or homeowners who pay the \$15 fee to their park owner, would qualify for relocation compensation; those residents or homeowners who do not pay the fee by October 31, assuming the park owner has met the notice and collection requirements described in these materials, would not qualify for relocation compensation.

As required by Minnesota Statutes, Section 327C.095, if the balance in the Manufactured Home Relocation Trust Fund is less than \$2,000,000 million on June 30 of each year, the State of Minnesota will assess each manufactured home park owner a fee of \$15 for each licensed lot in their park. The owner may, in turn, collect a \$15 fee from each qualifying resident.

- **What if a resident only lives in their manufactured home seasonally; is the resident required to pay the \$15 fee to the community owner?**
Yes. There is no exemption from paying the annual \$15 fee based on the length of a resident's occupancy within a given year or being a "snowbird." All homeowners who pay the \$15 fee are entitled to compensation if their manufactured home park were to close.
- **Are manufactured home park owners allowed to recoup the \$15 annual fee from each resident?**
Yes. There are two options for doing this: (1) as a lump sum payment of \$15 added to a single month's rent and separately labeled Minnesota Manufactured Home Relocation Trust Fund Fee; or (2) by adding a \$1.25 fee to each month's rent, so long as the \$1.25 is separately labeled on the statement as Minnesota Manufactured Home Relocation Trust Fund Fee.
- **Is the owner of a seasonal RV Park or campground required to pay into the Trust Fund?**
No, seasonal campgrounds and RV parks are not required to comply unless they also hold a dual manufactured home park license, in which case they would pay only on lots containing a manufactured home.
- **What if the manufactured home park owns manufactured homes and leases them to the occupants; is the resident required to pay the \$15 annual fee?**
No; since the occupant of a leased or rented manufactured home would not qualify for relocation compensation from the Manufactured Home Relocation Trust Fund.
- **How much compensation would a homeowner receive if their community were to close?**
This would be determined by the neutral third party who would administer the claims and decide what costs are acceptable. A homeowner is entitled to payment from the Trust Fund equal to the actual relocation costs of the home within a 50-mile radius of the community. The maximum is \$7,000 for a single-section home and \$12,500 for a multi-section home. In lieu of collecting a relocation payment from the Trust Fund, the homeowner may collect an amount from the Fund, after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no other manufactured home communities willing or able to accept the home within a 25-mile radius. The minimum and maximum amounts to be reimbursed would be \$2,00 to \$8,000 for a single-section home or \$4,000 to \$14,500 for a multi-section home. If a manufactured home park owner intends to close their park, residents must be given at least 12-months legal written notice in a closure statement prior to the

closure or conversion date. (Note: Homeowners living in cities with a local relocation compensation ordinance in effect on May 26, 2007 may be eligible for additional compensation.)

MS§327C.095 Subdivision 1.

- **If a modular home is placed in a manufactured home park, is the owner required to pay the \$15 annual fee?**

To clarify, recent law changes now allow single-family and duplex modular homes, as well as tiny homes, to be placed in a manufactured home park when constructed to MN Chapter 1360 or MN Chapter 1361. A modular home placed in a manufactured home park is a manufactured home for purposes of chapters 327, 327C, and 504B, and all rights, obligations, and duties under those chapters apply. Hence, these resident homeowners are obligated to pay the annual \$15 fee as they do qualify for compensation under the Trust Fund. MS§327.335.

Homeowner questions may be directed to the Minnesota Housing Finance Agency, 651-296-3495, or follow links on their website www.mnhousing.gov/sites/np/communityprograms.