

MN Manufactured Home Relocation Trust Fund
Frequently Asked Questions by Residents
(2021)

Background

The Manufactured Home Relocation Trust Fund (“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.

As required by Minnesota Statutes, section 327C.095, if the balance in the Trust Fund is less than \$2,000,000 on June 30 of each year, Minnesota Management and Budget must assess each manufactured home park owner a fee of \$15 for each licensed lot in their park. The park owner may, in turn, collect a \$15 fee from each qualifying resident. If the park owner meets the notice and collection requirements described in these materials and residents or homeowners do not pay the fee by October 31, the resident or homeowner would not qualify for relocation compensation.

If a manufactured home park owner intends to close their park, residents must be given at least 12-months written notice in a closure statement prior to the closure or conversion date.

- **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 pay the annual fee 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 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 manufactured 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 manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. The minimum and maximum amounts to be reimbursed would be \$2,000 to \$8,000 for a single-section home or \$4,000 to \$14,500 for a multi-section home.

Homeowners living in communities with a local relocation compensation ordinance in effect on May 26, 2007, may be eligible for additional compensation.

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

Yes, if a modular home meets the definition under Minnesota Statutes, section 327.31, subdivision 23, it is considered a manufactured home for the purposes of the Trust Fund (Minnesota Statutes, section 327.335). The park owner is required to pay the annual fee for the modular home and the modular homeowner is entitled to compensation from the Trust Fund.

- **Do you have other questions about the Trust Fund, park closures, or manufactured housing?**

There are a number of resources available for answering these questions, including:

Minnesota Housing Finance Agency

651-296-3495

All Parks Alliance for Change (APAC)

hotline@allparksallianceforchange.org

(651) 644-5525 or toll free (855) 361-2722

Minnesota Manufactured Housing Association

admin@mfgmodhome.org

(651) 450-4700

Homeowner questions may be directed to the Minnesota Housing Finance Agency, 651-296-3495, or follow links on their website <https://www.mnhousing.gov/sites/lenders/ManufacturedHousing>.