

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Property taxation; manufactured home park cooperatives

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### Overview

HF 3760 modifies the property tax treatment of manufactured home park cooperative land qualifying for homestead treatment. It assigns the land a class rate of 0.75 percent, with no market value homestead credit. Under current law, which has been found to be administratively unworkable, the park land is to be “valued and assessed as if it were homestead property within class 1.”

### Section

- 1** **Manufactured home park cooperative.** Modifies the property tax treatment of land owned by a manufactured home park cooperative that qualifies for homestead treatment. Provides for a special class rate, as specified in section 2. Also provides that this land is not eligible to receive the market value homestead credit. Further provides that taxes on this land are not to be included in the determination of taxes payable for rent paid under the property tax refund program.  
  
Effective for taxes payable in 2011 and thereafter.
- 2** **Class 4.** Provides that manufactured home park cooperative land that qualifies for homestead treatment has a class rate equal to the class rate for class 4d (low-income apartments). Under current law that class rate is 0.75 percent.

*Background: Under current law, the tax treatment of manufactured home park land qualifying for homestead treatment is somewhat ambiguous and difficult to administer. The law envisions that the park land is divided into shares, with each owner's share of the land value added to the value of the owner's manufactured home. This treatment is difficult administratively for a number of reasons, one of which is that the park land is real property (i.e. valued in one year and taxed in the following year), but the manufactured home is personal property (i.e. valued and taxed in the same year). It is also unclear how to apply the market value homestead credit to the park land.*

*HF 3760 is a compromise that keeps the value of the land distinct from the value of the individual homes, with a class rate that is lower than the normal residential homestead rate (0.75 percent versus 1 percent), but without any market value homestead credit on the park land. It also precludes the tax on the land from being included with the owner's home tax for purposes of the property tax refund.*

Effective for taxes payable in 2011 and thereafter.