



# Manufactured Homes

Presenter: Renee Bridges  
Division of Property  
Taxation



# History

- 1908) Montgomery Ward, Sears Roebuck, Alladin Homes, and Hodgson Co. started selling pre-cut homes from 1908-1940 at prices ranging from \$146.00 to \$5,140.00.
- 1936) The industry lobbied to have trailers taxed trailers as personal property rather than real property.  
First issue of Trailer Travel Magazine was published.
- 1946) Mid-States Corporation, a leading manufacturer, coined the term “Mobile Home” in its promotional material.
- 1953) Trailer Coach Manufacturers Assoc. changed its name to Mobile Home Manufacturers Assoc.
- 1976) June 15, 1976, National Manufactured Housing Construction and Safety Standards went into effect.  
(HUD CODE)

# History

- 1978) Mobile Homes (Manufactured Homes) are subject to ad valorem taxation rather than being taxed as licensed vehicles.
- 1980) The Housing Act officially mandates the use of the term “manufactured homes” in place of “mobile homes”.
- 1992) The TABOR Amendment mandates the use of the market approach to value all residential property for property taxation purposes.
- 2003) HB 04-1157 states that manufactured homes are taxed and valued separately from the land until title to the manufactured home is purged.
- 2008) HB 08-1260 brings about the Manufactured Home Transfer Declaration and other new forms that must be recorded.
- 2009) SB 09-040 cleans up issues that were raised by implementation of HB 08-1260.

# Terminology

## Manufactured Home

- Built to HUD Standards
- Built on steel undercarriages which are generally permanent
- Can be titled or never titled
- HUD label and a data plate attached
- Self-contained structures with fully functioning heating, plumbing, and electrical systems installed
- May be single or multi-sectional. Multi-sectional homes have a marriage wall

AS EVIDENCED BY THIS LABEL NO. [REDACTED]

THE MANUFACTURER CERTIFIES TO THE BEST OF THE MANUFACTURER'S KNOWLEDGE AND BELIEF THAT THIS MANUFACTURED HOME HAS BEEN INSPECTED IN ACCORDANCE WITH THE REQUIREMENTS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND IS CONSTRUCTED IN CONFORMANCE WITH THE FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS IN EFFECT ON THE DATE OF MANUFACTURE. SEE DATA PLATE.



# Terminology

## Mobile Home / Trailer

- Manufactured prior to 1976.
- Some homes were built to ANSI standards (HUD did not exist prior to 1976)
- Mobile homes/trailers manufactured between 1971 and 1976, might be labeled with a State of Colorado Mobile Home Certification
- Many park regulations no longer allow these type of homes unless they are brought to current building codes

# STATE OF COLORADO

DIVISION OF HOUSING



MOBILE HOME CERTIFICATION

THIS MOBILE HOME COMPLIES WITH THE  
FACTORY BUILT CONSTRUCTION STANDARDS  
OF THE STATE OF COLORADO

DATE

0302-MH-7

MH

CERTIFICATION NO.

# Terminology

## Modular / Factory Built

- Perimeter-based support; therefore, the steel undercarriage is generally not permanent
- Modular homes are transported to a site and are joined on a permanent foundation
- Modular homes are finished three-dimensional sections and typically contain multi-sections
- Modular homes are built to local IRC/IBC building codes (UBC used prior to 2003) and are not titled
- Mechanical systems are installed after the home is set on the foundation
- Silver plate located under kitchen sink



THIS INSIGNIA IS THE PROPERTY OF THE  
**STATE OF COLORADO**  
DIVISION OF HOUSING

**FACTORY BUILT UNIT CERTIFICATION**

THIS UNIT COMPLIES WITH THE  
**FACTORY BUILT CONSTRUCTION STANDARDS**  
OF THE STATE OF COLORADO

MFGR. CERTIFIES ROOF LOAD FOR \_\_\_\_\_ PSF  
LIVE LOAD

MFGR. CERTIFIES WIND DESIGN PRESSURE OF \_\_\_\_\_ PSF

PLAN APPROVAL NO. \_\_\_\_\_

DATE \_\_\_\_\_ CERTIFICATION NO. FB 20990



# Terminology

## Panelized Homes

- Consist of packaged, factory built components that are assembled on site
- Must conform to local IRC/IBC or UBC building codes, and are not titled
- Plumbing and electrical is designed for easy connection at the site
- Baths and kitchens may come as core units or in a box
- Panelized homes are also referred to as “kit” homes

# Terminology

## **Park Trailer / Park Model**

- Approximately 400 square feet in size
- Typically used as temporary living quarters
- May be built to ANSI standards but are not inspected by the Division of Housing
- May have a RVIA (recreational vehicle) sticker
- Can also be built to IRC/IBC/UBC or HUD codes
- Not titled or plated



# Parties Involved

- **Assessor**
- **Treasurer**
- **County Motor Vehicle Division**
- **County Clerk and Recorder**
- **Colorado Division of Motor Vehicles (DMV)**
- **Department of Transportation**
- **Division of Housing**
- **Division of Property Taxation**
- **District Attorney**



# Constitutional Provisions

## ■ Exemption

- Federal, state, county, and political entities

## ■ Valuation methods

- Cost, market, income for non-residential
- Market for residential

## ■ Assessment rate

- 29% for non-residential
- Fluctuating rate for residential  
(2009/2010 is 7.96%)

# Assessment Rate Example:

■ Class	<u>Commercial</u>	<u>Residential</u>
■ Value	\$100,000	\$100,000
■ Assm't Rate	<u>x 29%</u>	<u>x 7.96%</u>
■ Ass'd Value	\$29,000	\$7,960
■ Mill Levy-100.0	<u>x .100</u>	<u>x .100</u>
■ Taxes	\$2,900	\$796

# Statutory Provisions

## ■ Exemptions

- Division approved

  - ✓ Religious, private schools, and charitable

  - ✓ Annually filed

- Inventory of dealer, situated on a dealer lot

- Property used by state, political subdivision, or state-supported institution

(HB 09-1365 and HB 08-1398)



# Property Tax Statutes Definitions

§ 39-1-102, C.R.S.

(7.8) Manufactured home

(8) Mobile home

(8.3) Modular home



# Manufactured Home Forms

- [Affidavit of Real Property for a Manufactured Home](#)
- [Certificate of Destruction for a Manufactured Home](#)
- [Certificate of Permanent Location For A Manufactured Home](#)
- [Certificate of Permanent Location For A Manufactured Home Subject to a Long-Term Land Lease](#)
- [Certificate of Removal for a Manufactured Home](#)
- [Manufactured Home Transfer Declaration](#)

<http://dola.colorado.gov/dpt/index.htm>



# New Manufactured Home Permanently Affixed

“Any purchaser of a new manufactured home that is transported to a site and permanently affixed...The purchaser shall file a Certificate of Permanent Location...,”  
§ 38-29-114(2), C.R.S.



# Title Purging

“The owner of any manufactured home for which a Colorado Certificate of Title has been issued, upon its being permanently affixed...shall surrender title thereto...The manufactured home shall become real property upon the filing and recording of the Certificate of Permanent Location...,”  
38-29-118(2), C.R.S.



# **Certificate of Permanent Location & Certificate of Permanent Location, Long- Term Land Lease (new form)**

Recorded for a manufactured home that will be permanently affixed to the ground, and for a manufactured home that occupies real property subject to a long-term lease, with an express term of at least 10 years.

§ 38-29-202, C.R.S.



# Certificate of Removal

Recorded for a manufactured home that will be moved from its permanent location, including manufactured homes subject to a long-term lease.

§ 38-29-203, C.R.S.



# Certificate of Destruction

Recorded for a manufactured home that will be destroyed, dismantled, or sold as salvage.

§ 38-29-204, C.R.S.



# Affidavit of Real Property

Proof that a manufactured home was permanently affixed to the ground prior to July 1, 2008.

§ 38-29-208, C.R.S.




# **Manufactured Home Transfer Declaration (MHTD)**

A Manufactured Home Transfer Declaration must be forwarded to the County Assessor when a titled manufactured home is conveyed and a new title application is submitted.

§ 39-14-103, C.R.S.

# Titled Manufactured Homes Required Documentation

- New manufactured home to park
  - MSO
  - Application of Title
  - Manufactured Home Transfer Declaration (MHTD)
  - Sales Tax Receipt or Sales Tax – if due
  - Title fees
  - Security agreement – if financed
- Used manufactured home transfer
  - Ownership document
  - Title fees
  - Sales tax – if due
  - MHTD
  - Tax Authentication
  - Recording fees
  - Security agreement – if financed




# Moving Titled Homes Required Documentation

- Moving titled manufactured home
  - Verification of title application – if selling
  - Copy of ownership document
  - Authentication form
  - Moving permit

# Manufactured Homes Affixed Required Documentation

- New manufactured home affixed
  - Certificate of Permanent Location
  - Copy of MSO
  - Copy of Bill of Sale
  - Applicable sales tax if required
- Used manufactured home affixed
  - Certificate of Permanent Location
  - Tax Authentication
  - Copy of ownership document (title)
  - Owners request to purge and Lender's request to purge – if applicable



# **Manufactured Homes Affixed Before 7/1/08 Required Documentation**

- Affidavit of Real Property
- Copy of previous title, ownership trail or bond
- VIN verification
- Letter of state record verification (purge letter of advalorem – if applicable)




# Manufactured Homes Destroyed Required Documentation

- Manufactured home destroyed on site
  - Certificate of Destruction
  - Tax Authentication or Certificate of Taxes Due
  - Destruction permit depending on Jurisdiction
- Manufactured home destroyed off site
  - Certificate of Destruction
  - Tax Authentication or Certificate of Taxes Due
  - Ownership Document
  - Transport Permit



# Manufactured Homes Moved Required Documentation

- Manufactured home removed from permanent location
  - Certificate of Taxes Due or Authentication
  - Certificate of Removal
  - VIN verification
  - Application of Title
  - MHTD if sold
  - Copy of Certificate of Permanent Location or Affidavit of Real Property with ownership history



# **Manufactured homes on Long-term Leased Land - Removal Required Documentation**

- Certificate of Removal
- Certificate of Taxes Due
- Recorded Copy of Certificate of Permanent Location LTL
- Ownership history
- Verification of title application
- Copy of long-term lease
- VIN verification
- MHTD – if sold

# Manufactured Homes on Long-term Leased Land – Affixed Required Documentation

- Certificate of Permanent Location, LTL
- Tax Authentication – if applicable
- Ownership document or MSO w/Bill of Sale
- Owner and/or Lender Request to Purge Ad Valorem – if titled
- Copy of long-term lease



# Discovery

The process of discovering and collecting data pertaining to manufactured homes can be difficult; however, the provisions of HB 08-1260 has greatly improved the discovery and data collection process.

Including:

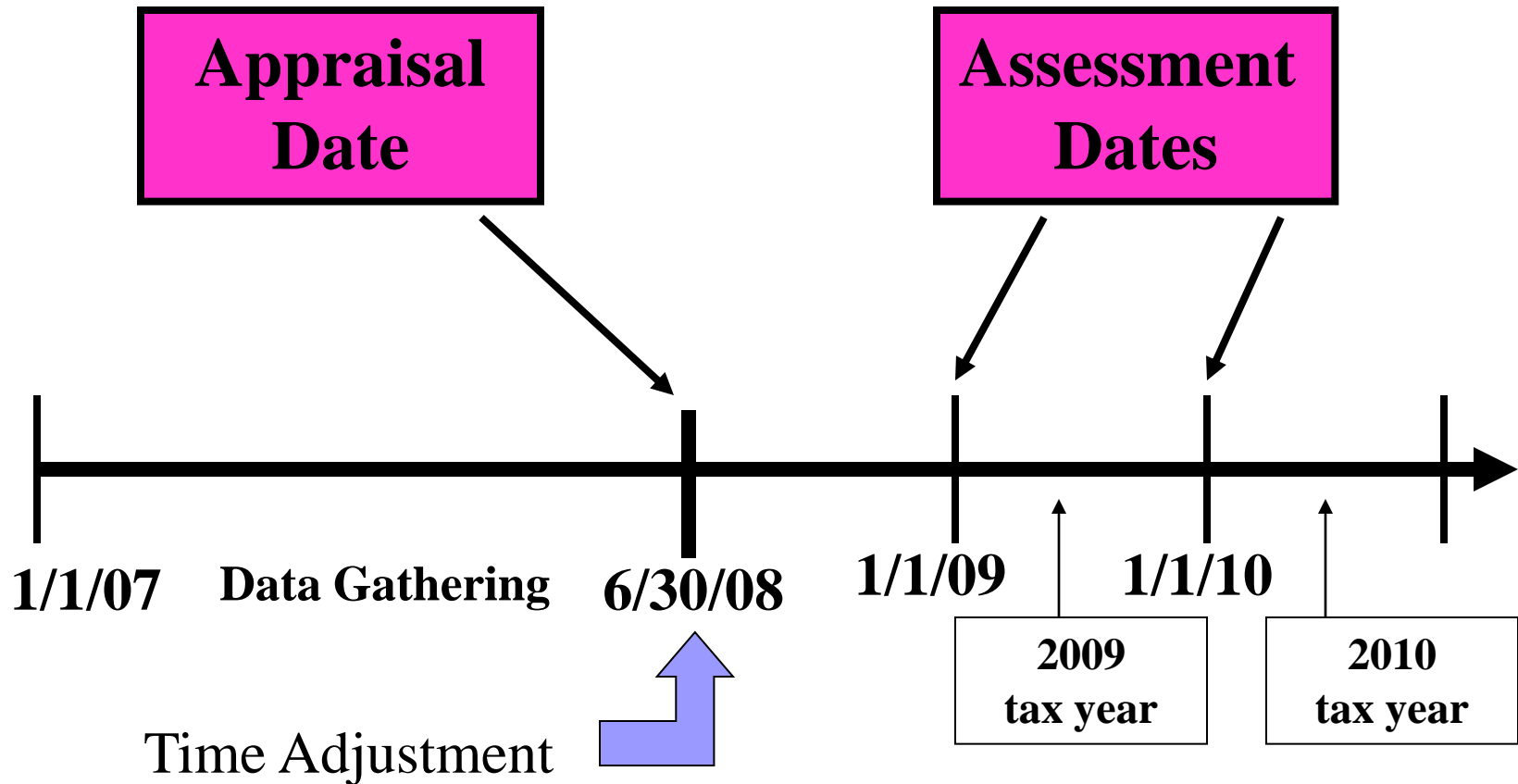
- Manufactured Home Transfer Declaration (MHTD)
- Real Property Transfer Declaration (TD 1000)



# Discovery as of January 1 or Later

- Titled manufactured homes are assessed on the date they enter the county from out of state or on the date of a change in taxable status.
- Most property in Colorado is assessed based on its condition on January 1.
- All real property in Colorado is valued using data from the 18-month period preceding the June 30<sup>th</sup> appraisal date.

# Assessment Time Line



# Assessment Classification

## ■ Is the property real or personal?

- Per 39-5-202, C.R.S., manufactured homes are subject to taxation as if they were real property. The collection of taxes for titled manufactured homes falls under the provisions of article 10 as if they were personal property, §§ 39-5-202 and 39-10-111(10), C.R.S.

## ■ Is the home titled or untitled?

- If untitled and situated on a permanent foundation-assess the following January 1 with proper recorded documents
- If titled and situated on a temporary foundation-assessed for the current year when the home:
  - Comes from dealer inventory
  - Was owned by tax exempt entity
  - Was moved into the county from out-of-state



# Foundations

- **What constitutes a permanent foundation?**
  - Concrete perimeter (poured concrete)
  - Concrete block used as foundation perimeter
  - Basement
  - Crawl space
- **How is the unit permanently affixed to the land?**
  - Perimeter foundations
  - Concrete ribbon or footings
  - Permanent attachments
- **Local building codes**

# Physical Inspection

## ■ Exterior

Outside walls (2x3, 2x4, 2x6 wall studs)

Siding (wood, metal, vinyl, etc.)

Gable, hip, or bow roof

Asphalt shingle or metal/tin rolled roofing

Aluminum or vinyl windows

Vinyl, tin, wafer board, Celotex or stucco skirting

Foundation (block, concrete)

Size (exterior measurements w/out tongue)



# Physical Inspection

## ■ Identification:

- Make and model (manufacturer name)
- Serial Number or VIN

Where to find the serial number

Importance of the number

Identify how conveyed



# Physical Inspection

## ■ Interior

Wood panels, decorative panels, drywall

Textured ceilings or ceiling panels

A/C, evaporative cooler, fireplace

Floor coverings

Room count

Bathroom count



# Overall

- Age
- Quality
- Condition



# Homes Held in Storage

- **Classify and assess as residential or specified use**
- **Exception:**
  - Located on dealer lot and held as inventory, § 39-5-203(3)(a), C.R.S.

# Inventory of Dealer, Value

- Value is prorated by the day, based on the date ownership and location change
- Requirements—
  - Manufactured home must be,
    - Listed as inventory by a dealer
    - Located on a dealer's sales lot (39-5-203(3)(a), C.R.S.)
  - New homes
  - Used homes taken in trade



# **Value of Titled Home, IS Prorated when the Home:**

- Moves out of the state
- Moves into the state
- Demolished or destroyed
- Changes taxable status
- Moves out of/into inventory of a dealer and located on a sales display lot



# **Value of Titled Home, IS NOT Prorated when the Home:**

- Moves within the county or to another Colorado county

# Change in Taxable Status

## ■ Value is prorated by the day, based on—

- Date of deed delivery or date of purchase shown on the title
- Notice from Division

## ■ Taxable to Exempt

- When untitled homes are conveyed to an exempt entity, the home is exempt as of the date of delivery.
- When titled homes are conveyed to an exempt entity, the home is exempt as of the date of purchase shown on the title.

## ■ Exempt to Taxable

- When untitled homes are conveyed to a non-exempt entity, the home is taxable as of the date of delivery.
- When titled homes are conveyed to a non-exempt entity, the home is taxable as of the date of purchase shown on the title.



# Taxpayer Rights

- Notice of Valuation or Special Notice of Valuation
- Notice of Determination
- County Board of Equalization
- Board of Assessment Appeals
- District Court
- Binding Arbitration
- Abatements



# Tax Deferral Programs

## ■ Senior homestead exemption

- Funding suspended until 2012 (SB 10-190)

For tax year 2003 state reimbursed in 2004 \$61,491,800

For tax year 2008 state reimbursed in 2009 \$85,549,362

## ■ Disabled veteran exemption

- Currently effective

## ■ Tax deferral