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HOUSE BILL 2655

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State of Washington

53rd Legislature

1994 Regular Session

By Representatives Shin, H. Myers and Forner; by request of Department of Community Development

Read first time 01/19/94. Referred to Committee on Trade, Economic Development & Housing.

1 AN ACT Relating to ownership of manufactured homes; amending RCW  
2 33.24.007, 46.12.055, 46.12.290, 46.70.135, 59.22.080, and 61.12.030;  
3 adding a new chapter to Title 64 RCW; repealing RCW 65.20.010,  
4 65.20.020, 65.20.030, 65.20.040, 65.20.050, 65.20.060, 65.20.070,  
5 65.20.080, 65.20.090, 65.20.100, 65.20.110, 65.20.120, 65.20.130,  
6 65.20.900, 65.20.910, 65.20.920, and 65.20.930; and providing an  
7 effective date.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1. PURPOSE.** The legislature recognizes that  
10 while manufactured homes are an important source of affordable housing  
11 in this state, the ownership of these homes has traditionally been  
12 treated in the same manner as vehicles and confusion has existed  
13 regarding when manufactured homes are real or personal property. Over  
14 the past several years, the legislature began a process to gradually  
15 treat manufactured homes as housing, such as providing for the  
16 department of community, trade, and economic development's division of  
17 housing to administer titling of manufactured homes in RCW 46.12.295.  
18 Recognizing that manufactured home owners often are excluded from  
19 conventional financing under the present systems, a home owner may

1 elect to have his or her property classified as real property enabling  
2 that owner a greater accessibility to the lending markets. The purpose  
3 of this chapter is to also establish a process to obtain and transfer  
4 ownership of and to protect security interests in manufactured homes  
5 and to treat manufactured homes as housing and not vehicles.

6 NEW SECTION. **Sec. 2. DEFINITIONS.** Unless the context clearly  
7 requires otherwise, the definitions in this section apply throughout  
8 this chapter.

9 (1) "Authorized agent" means the county auditor in each of the  
10 counties of the state.

11 (2) "Certificate" means a manufactured housing certificate of  
12 ownership issued under this chapter.

13 (3) "Dealer" means any person, firm, partnership, corporation, or  
14 association licensed under the laws of this state to engage in the  
15 business of buying, selling, exchanging, or otherwise trading in  
16 manufactured homes.

17 (4) "Department" means the department of community, trade, and  
18 economic development.

19 (5) "Director" means the director of the department of community,  
20 trade, and economic development.

21 (6) "Manufactured home" or "home" means a structure designed and  
22 constructed to be transportable in one or more sections and is built on  
23 a permanent chassis and designed to be used as a dwelling with or  
24 without a permanent foundation when connected to the required utilities  
25 that include plumbing, heating, and electrical systems contained within  
26 the home. The structure must comply with the national mobile home  
27 construction and safety standards act of 1974 as adopted by chapter  
28 43.22 RCW if applicable. "Manufactured home" does not include a  
29 modular home. A structure that met the definition of a "manufactured  
30 home" at the time of manufacture is still considered to meet this  
31 definition notwithstanding that it is no longer transportable.

32 (7) "Manufacturer" means a person, firm, partnership, corporation,  
33 or association engaged in the manufacture of new manufactured homes.

34 (8) "Owner" means any person, association of persons, firm, or  
35 corporation in whose name the certificate is issued.

36 (9) "Person" means a natural person, association of persons, firm,  
37 partnership, or corporation.

1 (10) "State" includes the territories and the federal districts of  
2 the United States.

3 (11) "Title" means a vehicle certificate of ownership issued under  
4 chapter 46.12 RCW.

5 NEW SECTION. **Sec. 3. APPLICATION.** This chapter applies to  
6 manufactured homes sold or transferred after June 30, 1995.

7 NEW SECTION. **Sec. 4. ADMINISTRATION.** The director is charged  
8 with the duty of administering this chapter. For that purpose the  
9 director is vested with the power to make such reasonable rules,  
10 prepare, prescribe, and require the use of such forms and provide such  
11 procedures as may be reasonably necessary or essential to the efficient  
12 administration of this chapter.

13 NEW SECTION. **Sec. 5. AUTHORIZED AGENTS.** The county auditor in  
14 each of the counties of the state is designated to be the authorized  
15 agent of the director and, under the direction of the director, is  
16 charged with the administration of the terms and provisions of this  
17 chapter and the rules which may from time to time be adopted for the  
18 administration of this chapter in the county in which such authorized  
19 agent holds office.

20 NEW SECTION. **Sec. 6. SALE OR TRANSFER OF MANUFACTURED HOME.** (1)  
21 After June 30, 1995, all sales or transfers of an interest in a  
22 manufactured home shall take place on a form prescribed by the director  
23 and must be recorded in the official records at the county auditor's  
24 office in the county where the manufactured home is located.

25 (2) All sales or transfers prior to July 1, 1995, are governed by  
26 chapter 46.12 or 65.20 RCW.

27 NEW SECTION. **Sec. 7. FORMS CONTENT.** (1) After June 30, 1995,  
28 all sales and transfers of manufactured housing must take place on a  
29 form prescribed by the director containing, at a minimum, the following  
30 information: The description of the manufactured home including the  
31 model and manufacturer thereof, the model year, a description of any  
32 other distinguishing mark, number or symbol placed on the home by the  
33 manufacturer for identification purposes, the dimensions of the home,  
34 the name of the seller or sellers, the name of the buyer or buyers, and

1 any known lien or security interest. The certificate shall be the  
2 document used as the instrument of conveyance of interest from the  
3 seller to the buyer with any and all lien or security interests  
4 disclosed.

5 (2) After June 30, 1995, all manufactured homes that are physically  
6 moved from one location to another, either within the same county or  
7 across county lines, must complete and record that relocation on a  
8 transfer in location form. The transfer in location form shall be on  
9 a form prescribed by the director, containing at a minimum the name of  
10 the owner, the lien or security interests of record, the tax account  
11 number or numbers (either real, personal, or both) of the land on which  
12 the home is being removed, the tax account number or numbers (either  
13 real, personal, or both) of the land onto which the home is being  
14 moved, the model year and manufacturer of the home, the new site permit  
15 number, and any related dealer information as required if sold from a  
16 dealer's inventory.

17 NEW SECTION. **Sec. 8. RECORDING REQUIREMENTS.** After June 30,  
18 1995, all certificates, transfer in location forms, and any other  
19 related documents which may be required by the director or under this  
20 chapter must be recorded in the official records of the county auditor  
21 in the county where the manufactured home is located. Fees shall be  
22 imposed for this recording process as prescribed by RCW 65.04.130 and  
23 36.18.010.

24 NEW SECTION. **Sec. 9. EXCISE TAX/USE OR SALES TAX REQUIREMENTS.**

25 (1) For manufactured homes sold on location, all certificates must have  
26 affixed the excise tax stamp or equivalent from the county treasurer's  
27 office in the county where the manufactured home is located prior to  
28 recording that document. Requirements for excise tax shall be governed  
29 by RCW 84.04.080 and 84.04.090 and this chapter does not change those  
30 requirements or criteria. Proof that property taxes are current on  
31 personal property transfers is still required under this chapter.

32 (2) Any manufactured home that has been sold from a dealer's  
33 inventory or sold or transferred and physically moved from one location  
34 to another shall be subject to sales or use tax as prescribed by RCW  
35 82.08.020 and 82.12.020.

36 (3) The fee shall be paid, or proof of payment of the fee shall be  
37 delivered, at the time of recording and such fees may be collected by

1 the authorized agent or the department of revenue. A receipt shall be  
2 issued by the authorized agent or the department of revenue as proof of  
3 tax collected unless previously collected for the transaction by the  
4 department of revenue. The certificate shall be marked or stamped by  
5 the authorized agent indicating that sales or use tax was collected and  
6 will not require the county treasurer's excise stamp or equivalent for  
7 recording.

8 (4) The county auditor in each county of the state is hereby  
9 appointed as an authorized agent for the department of revenue for the  
10 purposes of collecting and remitting to the department of revenue sales  
11 and use tax collected on manufactured home transactions under RCW  
12 82.08.020 and 82.12.020.

13 (5) The authorized agent shall pay over and account to the state  
14 treasurer for all use tax revenue collected under this section, after  
15 first deducting a collection fee in the sum of two dollars for each  
16 manufactured home upon which the tax has been collected. All revenue  
17 received by the state treasurer under this section shall be credited to  
18 the general fund. The authorized agent's collection fee shall be  
19 deposited into the county current expense fund. A duplicate of the  
20 authorized agent's transmittal report to the state treasurer shall be  
21 forwarded forthwith to the department of revenue.

22 (6) Any applicant who has paid use tax to an authorized agent under  
23 this section may apply to the department of revenue for a refund  
24 thereof if he or she has reason to believe that such tax was not  
25 legally due and owing. This chapter shall be construed as cumulative  
26 of other methods prescribed in chapters 82.04 through 82.32 RCW for the  
27 collection of tax imposed under this section.

28 NEW SECTION. **Sec. 10. CLASSIFICATION AS PERSONAL OR REAL**  
29 **PROPERTY.** The owner or buyer of a manufactured home may elect to have  
30 the home classified as real property provided the following criteria  
31 are met:

32 (1) The owner or buyer of the manufactured home has an interest in  
33 land upon which the manufactured home is located, either in fee simple,  
34 as a purchaser under a real estate contract, or as a lessee having a  
35 leasehold interest of no less than thirty-five years.

36 (2) The owner or buyer of a manufactured home may elect to have the  
37 home classified as personal property even though it is situated on real  
38 estate owned, leased, or being purchased by such owner or buyer.

1 (3) A manufactured home that is situated in a manufactured home  
2 park, located on land not owned or being purchased by the owner or  
3 buyer, or on property where such owner or buyer has a leasehold  
4 interest of less than thirty-five years must be classified as personal  
5 property. All subsequent sales or transfers will take place on a  
6 certificate as prescribed in sections 6, 7, and 8 of this act.

7 NEW SECTION. **Sec. 11. LOST CERTIFICATES OF OWNERSHIP.** In the  
8 event of the loss of the original recorded certificate, a certified  
9 copy of that document may be obtained, for a fee as prescribed by RCW  
10 65.04.130 and 36.18.010, from the county auditor in the county where  
11 the original document was recorded. This document shall be as legal or  
12 valid as the original document and may used in the same manner.

13 NEW SECTION. **Sec. 12. NEW MANUFACTURED HOMES--PURCHASE ORDER,**  
14 **BILL OF SALE, MANUFACTURER'S STATEMENT OF ORIGIN REQUIREMENTS.** Upon  
15 the sale or transfer by a dealer of a new manufactured home, such  
16 dealer shall, upon the delivery thereof, make, execute, and deliver to  
17 the purchaser or transferee a good and sufficient bill of sale or  
18 purchase order together with the manufacturer's statement of origin and  
19 a completed certificate. The manufacturer's statement of origin shall  
20 then be recorded with the certificate in the county where the  
21 manufactured home is to be located as described in sections 6, 7, and  
22 8 of this act.

23 NEW SECTION. **Sec. 13. RESALE BY DEALERS--CERTIFICATE NOT ISSUED**  
24 **UNTIL TIME OF RESALE.** (1) For those manufactured homes that are  
25 classified as personal property, upon the sale or transfer to a dealer  
26 of a used manufactured home for which a Washington certificate or a  
27 title has been issued, formal transfer of the certificate from the  
28 seller shall not be necessary while the dealer holds the manufactured  
29 home in inventory for resale purposes. The dealer shall be required to  
30 hold the certificate and a transfer in location form, if required,  
31 signed by the seller or sellers. Such documents shall be completed by  
32 the dealer upon the sale or transfer of the home to the new buyer or  
33 owner.

34 (2) For those manufactured homes that are classified as real  
35 property and are subsequently removed from that classification and held  
36 by a dealer in inventory for resale, a new certificate and a transfer

1 in location form, if required, must be completed by the dealer for the  
2 owner or seller to sign and it shall be held by the dealer until the  
3 manufactured home is resold or disposed of accordingly. The dealer  
4 need not complete and record the certificate as long as that home is  
5 held in inventory for resale.

6 (3) The certificate and the transfer in location form must be  
7 recorded as provided in section 6 of this act.

8 NEW SECTION. **Sec. 14. CONVERSION OF FOREIGN TITLES OR**  
9 **CERTIFICATES TO A WASHINGTON CERTIFICATE.** Where a previous Washington  
10 title or certificate does not exist, the owner must first apply for a  
11 Washington title through the department of licensing before selling the  
12 manufactured home. After the title has been secured, sections 6, 7,  
13 and 8 of this act shall apply to all further transfers of ownership.

14 NEW SECTION. **Sec. 15. CONVERSION FOR MANUFACTURED HOMES WITH NO**  
15 **PREVIOUS WASHINGTON RECORDS.** Where no title or certificate has been  
16 issued previously in any state, the owner or seller must first obtain  
17 a Washington title from the department of licensing and, upon resale,  
18 shall complete the certificate as prescribed in sections 6, 7, and 8 of  
19 this act.

20 NEW SECTION. **Sec. 16. NOTIFICATION OF ASSESSOR.** (1) The home  
21 owner shall notify the county assessor in the county where the home is  
22 located to change the classification from either real to personal  
23 property or from personal to real property.

24 (2) The new classification shall be indicated on the certificate.  
25 Upon recording of the certificate, the authorized agent shall notify  
26 the county assessor in the county where the manufactured home is  
27 located of the change in classification. The manufactured home  
28 classified as real property shall remain part of the real property on  
29 all subsequent transfers or sales of the real property until such time  
30 as the owner or buyer elects to change the status of the home to  
31 personal property or transfer the home to a new location. Sales or  
32 transfers occurring while the manufactured home is classified as real  
33 property shall take place with conventional real property documents.

34 (3) It is the responsibility of the county treasurer to send copies  
35 of the moving permits to the county assessor in the county to which the  
36 manufactured home is being moved to as required by RCW 46.44.173. The

1 owner or seller shall contact the county assessor's office in the  
2 county where the manufactured home is currently located to have the  
3 home removed from the real property tax rolls and a personal property  
4 tax account number assigned if one does not already exist. This  
5 chapter shall not affect any property taxes that may be due at the time  
6 the manufactured home is removed from the land.

7 NEW SECTION. **Sec. 17. COLLECTION OF MISCELLANEOUS FEES BY**  
8 **AUTHORIZED AGENT.** The authorized agent shall be appointed by the  
9 director under this section to act as an agent to collect any fee  
10 required by the department. The authorized agent shall pay over and  
11 account to the state treasurer for all of the revenue collected under  
12 this chapter after first deducting a two dollar fee for each  
13 manufactured home transaction. The authorized agent's collection fee  
14 shall be deposited into the county current expense fund.

15 NEW SECTION. **Sec. 18.** Sections 1 through 17 of this act shall  
16 constitute a new chapter in Title 64 RCW.

17 **Sec. 19.** RCW 33.24.007 and 1989 c 343 s 23 are each amended to  
18 read as follows:

19 Unless the context clearly requires otherwise, "real property"  
20 means improved or unimproved real estate and includes leasehold  
21 interests in improved or unimproved real estate and includes  
22 manufactured housing whether temporarily, semipermanently, or  
23 permanently attached to land and mobile homes and manufactured homes  
24 whose title has been eliminated under chapter ((65.20)) 64.-- RCW  
25 (sections 1 through 17 of this act).

26 **Sec. 20.** RCW 46.12.055 and 1989 c 343 s 19 are each amended to  
27 read as follows:

28 The certificate of ownership for a manufactured home may be  
29 eliminated or not issued when the manufactured home is registered  
30 pursuant to chapter ((65.20)) 64.-- RCW (sections 1 through 17 of this  
31 act). When the certificate of ownership is eliminated or not issued  
32 the application for license shall be recorded in the county property  
33 records of the county where the real property to which the home is  
34 affixed is located. All license fees and taxes applicable to mobile



1 homes under this chapter are due and shall be collected prior to  
2 recording the ownership with the county auditor.

3 **Sec. 21.** RCW 46.12.290 and 1993 c 154 s 2 are each amended to read  
4 as follows:

5 (1) The provisions of chapter 46.12 RCW insofar as they are not  
6 inconsistent with the provisions of chapter 231, Laws of 1971 ex. sess.  
7 or chapter ((65.20)) 64.-- RCW (sections 1 through 17 of this act)  
8 apply to mobile or manufactured homes: PROVIDED, That RCW 46.12.080  
9 and 46.12.250 through 46.12.270 shall not apply to mobile or  
10 manufactured homes.

11 (2) In order to transfer ownership of a mobile home, all registered  
12 owners of record must sign the title certificate releasing their  
13 ownership.

14 (3) The director of licensing shall have the power to adopt such  
15 rules as necessary to implement the provisions of this chapter relating  
16 to mobile homes.

17 **Sec. 22.** RCW 46.70.135 and 1989 c 343 s 22 are each amended to  
18 read as follows:

19 Mobile home manufacturers and mobile home dealers who sell mobile  
20 homes to be assembled on site and used as residences in this state  
21 shall conform to the following requirements:

22 (1) No new manufactured home may be sold unless the purchaser is  
23 provided with a manufacturer's written warranty for construction of the  
24 home in compliance with the Magnuson-Moss Warranty Act (88 Stat. 2183;  
25 15 U.S.C. Sec. 47 et seq.; 15 U.S.C. Sec. 2301 et seq.).

26 (2) No new manufactured home may be sold unless the purchaser is  
27 provided with a dealer's written warranty for all installation services  
28 performed by the dealer.

29 (3) The warranties required by subsections (1) and (2) of this  
30 section shall be valid for a minimum of one year from the date of sale  
31 and shall not be invalidated by resale by the original purchaser to a  
32 subsequent purchaser or by the certificate of ownership being  
33 eliminated or not issued as described in chapter ((65.20)) 64.-- RCW  
34 (sections 1 through 17 of this act). Copies of the warranties shall be  
35 given to the purchaser upon signing a purchase agreement and shall  
36 include an explanation of remedies available to the purchaser under  
37 state and federal law for breach of warranty, the name and address of

1 the federal department of housing and urban development and the state  
2 departments of licensing and labor and industries, and a brief  
3 description of the duties of these agencies concerning mobile homes.

4 (4) Warranty service shall be completed within forty-five days  
5 after the owner gives written notice of the defect unless there is a  
6 bona fide dispute between the parties. Warranty service for a defect  
7 affecting health or safety shall be completed within seventy-two hours  
8 of receipt of written notice. Warranty service shall be performed on  
9 site and a written work order describing labor performed and parts used  
10 shall be completed and signed by the service agent and the owner. If  
11 the owner's signature cannot be obtained, the reasons shall be  
12 described on the work order. Work orders shall be retained by the  
13 dealer or manufacturer for a period of three years.

14 (5) Before delivery of possession of the home to the purchaser, an  
15 inspection shall be performed by the dealer or his or her agent and by  
16 the purchaser or his or her agent which shall include a test of all  
17 systems of the home to insure proper operation. At the time of the  
18 inspection, the purchaser shall be given copies of all documents  
19 required by state or federal agencies to be supplied by the  
20 manufacturer with the home which have not previously been provided as  
21 required under subsection (3) of this section, and the dealer shall  
22 complete any required purchaser information card and forward the card  
23 to the manufacturer.

24 (6) Manufacturer and dealer advertising which states the dimensions  
25 of a home shall not include the length of the draw bar assembly in a  
26 listed dimension, and shall state the square footage of the actual  
27 floor area.

28 **Sec. 23.** RCW 59.22.080 and 1991 c 327 s 1 are each amended to read  
29 as follows:

30 (1) There is hereby imposed a fee of fifteen dollars on every  
31 transfer of title issued pursuant to chapter 46.12 RCW on a new or used  
32 mobile home where ownership of the mobile home is changed and on each  
33 application for the elimination of title under chapter ((65-20)) 64.--  
34 RCW (sections 1 through 17 of this act). A transfer of title does not  
35 include the addition or deletion of a spouse co-owner or a secured  
36 interest. The department of licensing or its agents shall collect the  
37 fee when processing the application for transfer or elimination of  
38 title. The fee collected under this section shall be forwarded to the

1 state treasurer. The state treasurer shall deposit each fee collected  
2 in the mobile home affairs account created by RCW 59.22.070.

3 (2) The department of licensing and the state treasurer may enact  
4 any rules necessary to carry out this section.

5 **Sec. 24.** RCW 61.12.030 and 1989 c 343 s 21 are each amended to  
6 read as follows:

7 When any real estate in this state is subject to, or is security  
8 for, any mortgage, mortgages, lien or liens, other than general liens  
9 arising under personal judgments, it shall be unlawful for any person  
10 who is the owner, mortgagor, lessee, or occupant of such real estate to  
11 destroy or remove or to cause to be destroyed or removed from said real  
12 estate any fixtures, buildings, or permanent improvements including a  
13 manufactured home whose title has been eliminated under chapter  
14 ~~((65.20))~~ 64.-- RCW (sections 1 through 17 of this act), not including  
15 crops growing thereon, without having first obtained from the owners or  
16 holders of each and all of such mortgages or other liens his or her or  
17 their written consent for such removal or destruction.

18 NEW SECTION. **Sec. 25.** The following acts or parts of acts are  
19 each repealed:

- 20 (1) RCW 65.20.010 and 1989 c 343 s 1;
- 21 (2) RCW 65.20.020 and 1989 c 343 s 2;
- 22 (3) RCW 65.20.030 and 1989 c 343 s 3;
- 23 (4) RCW 65.20.040 and 1989 c 343 s 4;
- 24 (5) RCW 65.20.050 and 1989 c 343 s 5;
- 25 (6) RCW 65.20.060 and 1989 c 343 s 6;
- 26 (7) RCW 65.20.070 and 1989 c 343 s 7;
- 27 (8) RCW 65.20.080 and 1989 c 343 s 8;
- 28 (9) RCW 65.20.090 and 1989 c 343 s 9;
- 29 (10) RCW 65.20.100 and 1989 c 343 s 11;
- 30 (11) RCW 65.20.110 and 1989 c 343 s 12;
- 31 (12) RCW 65.20.120 and 1989 c 343 s 13;
- 32 (13) RCW 65.20.130 and 1989 c 343 s 10;
- 33 (14) RCW 65.20.900 and 1989 c 343 s 14;
- 34 (15) RCW 65.20.910 and 1989 c 343 s 15;
- 35 (16) RCW 65.20.920 and 1989 c 343 s 16; and
- 36 (17) RCW 65.20.930 and 1989 c 343 s 17.

1        NEW SECTION.    **Sec. 26.**    This act shall take effect July 1, 1995.

--- **END** ---