

# HOUSE BILL REPORT

## ESHB 1604

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**As Passed House:**

March 14, 1995

**Title:** An act relating to the purchase of mobile home parks by qualified tenant organizations.

**Brief Description:** Purchasing mobile home parks.

**Sponsors:** By House Committee on Trade & Economic Development (originally sponsored by Representatives Johnson and Sheldon).

**Brief History:**

**Committee Activity:**

Trade & Economic Development: 2/15/95, 2/22/95, 2/23/95 [DPS].

**Floor Activity:**

Passed House: 3/14/95, 94-4.

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### HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Ballasiotes; Hatfield; Mason; Sherstad; Skinner and Valle.

**Minority Report:** Do not pass. Signed by 1 member: Representative Hickel.

**Staff:** Kenny Pittman (786-7392).

**Background:** A qualified tenant organization, consisting of 60 percent of the tenants in a mobile home park, is given the option to purchase the mobile home park should it become available for sale. The tenant organization must present a fully executed purchase and sale agreement to the park owner within 30 days of an offer to purchase the park by a third party. The offer must be as favorable to the park owner as the original agreement. If these conditions are met, the park owner must sell the mobile home park to the qualified tenant organization.

Mobile home landlords may not terminate or refuse to renew a tenant's lease without cause. A list of specific reasons that a mobile home park owner can use to terminate the lease of a mobile home tenant include repeated failure to comply with the rental

agreement or late payment of rent. Disputes that involve violations of park rules are subject to mediation.

**Summary of Bill:** A qualified tenant organization must give written notice of its intent to purchase the mobile home park to the park owner before any execution of sale documents, earnest money agreement, or purchase or sale agreement, to a third party. The tenant notice must be signed by owners of mobile homes located on at least 60 percent of the occupied lots in the park.

The just cause eviction provisions are revised to allow a mobile home park owner to evict a tenant immediately upon issuance of: (1) the third 15-day notice, within a 12-month period, for failure to comply with the rental agreement or park rules, without mediation and further notice to comply or regardless of compliance with previous notices; and (2) the third notice, within a 12-month period, for late payment of rent, regardless of compliance with previous notices to pay rent or vacate.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Original bill) The bill provides protection to both tenants and park owners. The tenant eviction process is very confusing and costly to both parties. The bill clarifies the tenant eviction process and makes it easier to evict a bad tenant. The bill clarifies the tenant purchase procedures for a mobile home park. This will make it easier for tenants to purchase their mobile home park.

**Testimony Against:** (Original bill) This is a case where both the park owners and the mobile home owners are property owners that want to protect their interest. The just cause eviction provisions were negotiated two years ago. While there is some need for clarification, there has been no success after nine months of negotiation. The provisions in the bill are an additional barrier to tenant groups wanting to purchase a mobile home park.

**Testified:** (Pro) Representative Johnson, Sponsor; and John Woodring, Ron Hess, and Wendell Verduin, Manufactured Housing Communities of Washington. (Con) Nikki Phillips-Baker and Fred Miller, Mobile Home Owners of America; Majken Ryherd Keira, Low-Income Housing Congress; and Ray Munson.