

HOUSE BILL REPORT

HB 1604

As Reported By House Committee On:
Trade & Economic Development

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

Brief Description: Purchasing mobile home parks.

Sponsors: Representatives Johnson and Sheldon.

Brief History:

Committee Activity:

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

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.

Summary of Substitute 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.

Substitute Bill Compared to Original Bill: The substitute bill required the tenant notice of intent to purchase the park to be signed by mobile home owners located on at least 60 percent of the occupied lots. The substitute bill also removed sections that would have: (1) required the qualified tenant organization to be incorporated or a partnership; (2) included three-strike language in the just cause eviction provisions; and (3) applied the bill retroactively to transactions after July 25, 1993.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute 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.