

HOUSE BILL REPORT

HB 2576

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to manufactured or mobile homes.

Brief Description: Negotiating land transfers involving manufactured or mobile homes.

Sponsors: Representatives Honeyford, Hatfield, Mulliken, Grant, Conway, O'Brien,
Bush, Boldt, Mielke, Delvin, Backlund, Ogden and Koster.

Brief History:

Committee Activity:

Commerce & Labor: 1/26/98, 1/28/98 [DPS].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives McMorris, Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

Staff: Pam Madson, (786-7166).

Background: A licensed real estate broker may negotiate a sale or transfer of a used mobile home as part of a real estate transaction involving property on which the mobile home is located. The transaction must be on behalf of the legal or registered owner of the used mobile home. This transaction does not subject the real estate broker to licensing requirements of the vehicle dealer licensing law unless the broker is acting as an agent of the vehicle dealer.

The real estate broker licensing law prohibits real estate brokers from sharing a commission with a person who not a licensed broker.

Summary of Substitute Bill: A licensed real estate broker is authorized to negotiate the sale, lease or other transfer of a new mobile or manufactured home in conjunction with the sale of real property. A licensed real estate broker may share a commission with a licensed manufactured home retailer for transactions involving the sale or lease of a manufactured home in conjunction with the sale or lease of land.

Substitute Bill Compared to Original Bill: Real estate brokers are allowed to share commissions with licensed manufactured home retailers for transactions involving the sale or lease of a manufactured home in conjunction with the sale or lease of land.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill allows real estate licensees to list and sell new manufactured housing in conjunction with an interest in land. Manufactured housing is an important means of addressing the state's critical housing needs for affordable housing. It also allows consumers additional choices in the housing market. Manufactured homes are considered vehicles until placed on land, and only vehicle dealers can market and sell these homes. Many were surprised to find that the real estate licensees may not sell manufactured homes. This practice was occurring. In 1997, a little more than 20 percent of all new housing starts represented manufactured homes. In some counties the percentage was much higher. A licensed manufactured home retailer, who carries several legal obligations including proper installation, remains obligated to make the sale and be part of the transaction. Washington Manufactured Housing Association supports adding an amendment that would allow real estate agents to share commissions with licensed vehicle dealers selling manufactured homes. Real estate license law prevents licensed real estate agents from sharing commissions with non licensed individuals.

Testimony Against: None.

Testified: Bryan Wahl, Washington Association of Realtors; Dewayne Granacki, Prudential Real Estate; Joan Brown, Washington Manufactured Housing Association; Mike Ryherd, Washington Manufactured Housing Association; and Bob Mitchell, Department of Licensing, Real Estate Program.