

SENATE BILL REPORT

SB 5024

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, January 30, 1997

Title: An act relating to used mobile homes.

Brief Description: Altering the definition of a used mobile home.

Sponsors: Senators Winsley, Swecker, Loveland and Haugen.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/23/97, 1/30/97 [DP-WM].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Winsley, Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

Staff: David Cheal (786-7576)

Background: All sales of real estate are subject to an excise tax. For the purposes of application of this tax, "real estate" includes used mobile homes. Used mobile homes are defined as having been previously sold at retail, and having substantially lost identity as a mobile unit at the time of sale by being fixed to the land owned or leased by the owner of the mobile home, and placed on a foundation with a fixed connection to utilities.

Summary of Bill: The definition of used mobile home in the real estate excise tax chapter is amended by removing the requirement that the mobile home be fixed to the land.

The effect is that mobile homes that still have their axles in place, temporary utility connections, or other nonpermanent installation features, are subject nonetheless to the real estate excise tax.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The tax system should treat manufactured housing the same as site-built housing to the extent possible. Currently, buyers and sellers of used mobile homes can easily beat the sales tax impact with a variety of deceptions. The law should not encourage dishonesty.

Testimony Against: None.

Testified: Mike Ryherd, Washington Manufactured Housing Association; Glen Hudson, Washington Association of Realtors; Rose Bowman, Washington County Treasurers (pro); Doug Lasher, Clark County Treasurer (pro); Allen Martin, Chelan County Treasurer (pro).