

HOUSE BILL REPORT

HB 2306

As Reported By House Committee On:
Economic Development, Housing & Trade

Title: An act relating to mobile home parks.

Brief Description: Making mobile home parks available.

Sponsors: Representatives Van Luven, Kastama, Voloria, Boldt, Kenney, McDonald, Eickmeyer, Radcliff, Ballasiotes, Miloscia, K. Schmidt, Haigh, Skinner, Hankins, Wolfe and Ruderman.

Brief History:

Committee Activity:

Economic Development, Housing & Trade: 1/18/00, 1/25/00 [DPS].

Brief Summary of Substitute Bill

- Makes violations of the Mobile Home Landlord-Tenant Act subject to the remedies of the Consumer Protection Act and limits enforcement to the Office of the Attorney General.
- Gives qualified tenant organizations a 90 day right of first refusal on the purchase of a mobile home park and allows if the mobile home park owner plans to sell the mobile home park.
- Requires local governments to adopt ordinances that: (i) provides for an adequate supply of land for mobile ; (ii) provides an expedited permit process for the development of mobile homes; (iii) prohibits the imposition of impact fees on the development of replacement mobile home parks; and (iv) requires that new mobile home parks be zoned as a mobile home park for a 30 year period.
- Requires the removal of all mobile homes to other locations or demolished before a city, code city, or county can issues a permit to convert the use of the land from a mobile home park to another use.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Van Luven, Republican Co-Chair; Veloria, Democratic Co-Chair; Eickmeyer, Democratic Vice Chair; Ballasiotes; Miloscia; Radcliff; Skinner and Wolfe.

Minority Report: Do not pass. Signed by 4 members: Representatives Dunn, Republican Vice Chair; Gombosky; Morris and D. Sommers.

Staff: Kenny Pittman (786-7392).

Background:

The Department of Community, Trade, and Economic Development (DCTED), through the Office of Mobile Home Affairs, serves as a resource and information center on manufactured housing issues. The DCTED is authorized to provide technical assistance to resident organizations desiring to convert a mobile home park to resident ownership.

The Mobile Home Landlord-Tenant Act governs the relationship between the mobile home park owner (landlord) and the mobile home owner (tenant). Violations of the Mobile Home Landlord-Tenant Act are subject to ordinary civil remedies, and the remedies contained in the act itself, such as "repair and deduct" for defective conditions, and voluntary arbitration or mediation.

Qualified tenant organizations, consisting of 60 percent of the tenants in a mobile home park, that provide a written notice to the mobile home park owner of their intention to purchase the park must be notified by the park owner if an agreement to purchase the park is reached with a prospective buyer. The qualified tenant organization then has 30 days after the notice is received from the park owner to present a fully executed purchase and sale agreement to the park owner along with an amount equal to 2 percent of the purchase price. The agreement must be favorable to the park owner as the original agreement. If the above conditions are met, the park owner must sell the mobile home park to the qualified tenant organization.

Summary of Bill Substitute Bill:

Department Technical Assistance

The Department of Community, Trade, and Economic Development (DCTED) must provide technical assistance to help nonprofit organizations develop new mobile home parks. The DCTED cannot act in a representative capacity regarding the acquisition of property or in the drafting of documents affecting legal or property rights between the two parties.

Mobile Home Landlord-Tenant Act

A violation of the Mobile Home Landlord-Tenant Act is subject to the remedies contained in the Consumer Protection Act. Civil actions against a party for a violation under the Consumer Protection Act may only be instituted by the Office of the Attorney General (OAG). The OAG would be able to bring action in the name of the state of Washington to restrain and prevent an unlawful act. The OAG would issue an injunction and further violations would be subject to monetary penalties.

Land Development Regulations

Any city, code city, and county that plans must adopt an ordinance or ordinances no later than December 31, 2000, that: (1) prohibits the issuance of a project permit for the development of land that contains a mobile park into another use, until all mobile homes in the mobile home park have been relocated to other locations or demolished; (2) provides for an adequate supply of land that is zoned for the placement of mobile homes due to increased demand for mobile home parks or as a result of mobile home park closures and conversion to another use; (3) prohibits a change in the zoning classification of land zoned for the placement of mobile home parks for a period of 30 years after the date the permit is issued to develop the mobile home park; and (4) provides for an expedited permit process for the development of mobile home parks.

Any person that develops a mobile home park to replace mobile home park spaces that were lost due to conversion to another use are not required to pay an impact fee imposed by a city, town, or county to finance public facilities or system improvements.

Mobile Home Financing

The legislative authority of a county or city is authorized to impose a regular property tax levy upon each building or structure that is constructed on land where a change of use from a mobile home park to another use has occurred. The locally imposed regular property tax levy on the improvements is credited against the state's regular property tax levy. The revenue generated from the local regular property tax levy must be used solely for mobile home relocation assistance or construction of new mobile home parks.

Right of First Refusal

The notification period that qualified tenant organizations have for a right of first refusal to provide written notice to the mobile home park owner of their intent to purchase the mobile home park is extended from 30 days to 90 days. The 2 percent "earnest money" required from the qualified tenant organization with the offer to

purchase the mobile home park must be refunded if the qualified tenant organization cannot obtain financing for the purchase of the mobile home park.

Substitute Bill Compared to Original Bill:

The substitute bill: (1) deletes the revision to the Mobile Home Park Purchase Account that would allow the funding of mobile home park developments; (2) deletes the revision that would allow funds in the Mobile Home Relocation Assistance Fund to be used for demolition cost of a single-wide or double-wide mobile home; (3) limits actions against a party, for violations of the Mobile Home Landlord-Tenant Act, under the Consumer Protection Act only to those actions brought by the Office of the Attorney General; (4) deletes the prohibition against excluding the entry of a single-wide mobile home into a park; (5) deletes the ability of a mobile home park tenant to terminate the rental agreement upon 20 days written notice, after receipt of a notice from the park owner of a change of use to another use; (6) deletes the requirement that the mobile home park owner is responsible for demolition costs of mobile homes abandoned by the mobile home tenant; and (7) deletes the requirement that the mobile home park owner provide the tenant with an informational brochure that explains the rights and responsibilities under the Mobile Home Landlord-Tenant Act.

Appropriation: None.

Fiscal Note: Requested on January 26, 2000.

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

Testimony For: Many tenants of mobile home parks are seniors and people on fixed incomes. These tenants need the protection against unfair practices that impact their lives. The consumer protection is vital and levels the playing field between the landlord and tenant. Most of the problems under consumer protection would be resolved before they go to court. The bill helps protect tenants in the case of mobile home park closures.

There is a need to develop more mobile home park spaces. The bill provides the necessary mechanisms to help in that area.

Testimony Against: We already have a process in place to address problems between landlords and tenants. The existing mediation process provides the best process to address problems between the tenant and park owner. The consumer protection provisions will not add any protection to tenants or park owners.

Testified: (In support) Ray Munson, Mobile Home Owners of America; Ray Glenn, Elmer Arenot, and Robert Cooke, Mobile Home Tenants Association; Majken Ryherd, Washington Low-Income Housing Congress; and Doug Hobkirk, Manufactured Housing Community Preservationist.

(Opposed) Nancy Hurst, Martin Fevaluke and Ray Burhen, Manufactured Housing Communities of Washington; and James Lee.