
ENGROSSED SUBSTITUTE HOUSE BILL 2872

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives DeBolt, Alexander, Benson and Hatfield)

Read first time 02/04/2000. Referred to Committee on .

1 AN ACT Relating to escrows on the sale of manufactured homes;
2 creating new sections; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that housing is a
5 fundamental need of Washington residents and manufactured homes are the
6 housing choice for a significant number of state residents, often being
7 their largest asset. The legislature also finds that problems with the
8 sale of a manufactured home may cause extreme hardship on purchasers of
9 a manufactured home, sometimes resulting in loss of the home and
10 financial ruin. These problems may be the result of, among other
11 things, a lack of information or knowledge on the part of the
12 purchaser, mistakes by the seller, and, occasionally, fraud or improper
13 business practices on the part of the seller. These issues are
14 complicated by the fact that manufactured homes are titled as vehicles
15 unless they are converted to real property under chapter 65.20 RCW.
16 The legislature intends to explore alternatives to better protect
17 purchasers of manufactured homes, particularly ways to improve the
18 closing of manufactured home sales.

1 NEW SECTION. **Sec. 2.** (1) The joint task force on manufactured

2 home sales shall consist of the following members or their designees:

3 (a) The following four members of the house of representatives
4 appointed by the co-speakers: (i) Two members of the committee on
5 financial institutions and insurance, one from each major caucus; and
6 (ii) two members of the committee on economic development, housing and
7 trade, one from each caucus;

8 (b) The following four members of the senate appointed by the
9 president of the senate: (i) Two members of the committee on commerce,
10 trade, housing and financial institutions, one from each major caucus;
11 and (ii) two other senators, one from each major caucus;

12 (c) The following members appointed by the governor: (i) Three
13 citizens representing purchasers of manufactured homes; (ii) one member
14 each from the following industries: Manufactured home manufacturers,
15 manufactured home dealers, manufactured home installers, lenders, and
16 escrow agents or title companies; and (iii) a representative of local
17 governments; and

18 (d) The co-chairs of the joint task force shall request that a
19 representative of the attorney general, the department of licensing,
20 the department of community, trade, and economic development, and the
21 department of financial institutions serve on the joint task force as
22 nonvoting members, and may appoint other experts and advisors as
23 nonvoting members.

24 (2) The nonlegislative members of the joint task force on
25 manufactured home sales shall serve without compensation, but shall be
26 reimbursed for travel expenses as provided in RCW 43.03.050 and
27 43.03.060. Legislative members of the joint task force shall be
28 reimbursed for travel expenses as provided in RCW 44.04.120. The staff
29 of senate committee services and the office of program research of the
30 house of representatives shall provide administrative and clerical
31 assistance to the joint task force.

32 (3) The joint task force on manufactured home sales shall be co-
33 chaired by one senator, chosen by the task force, and one state
34 representative, chosen by the task force, from opposite parties. A
35 quorum for any meeting or hearing shall be six members. Any final
36 findings, conclusions, or recommendations of the joint task force must
37 be agreed to by at least eight members, however, minority findings,
38 conclusions, or recommendations may be included that are submitted by
39 any member or group of members. The open public meetings act shall

1 apply to all meetings and hearings of the joint task force. Rules of
2 procedure shall be established at the first meeting of the joint task
3 force.

4 (4) The joint task force on manufactured home sales shall review
5 the sales practices, transfer of ownership, land-home packages offered
6 by dealers, installation, and other practices related to the purchase,
7 closing, and installation of a manufactured home, and shall make
8 recommendations for legislation and policy regarding methods to provide
9 better protection for purchasers of manufactured homes. The joint task
10 force shall consider, among other things, the following: (a) What
11 types of complaints are being made by purchasers of manufactured homes?
12 (b) Should the closing of a manufactured home sale be more formal, such
13 as requiring that all manufactured home sales be closed in escrow? (c)
14 Should a notice be designed and provided to purchasers of manufactured
15 homes that provides consumer protection information, including such
16 things as: (i) A summary of the rights of the consumer regarding
17 warranties and installation; (ii) examples of improper sales activities
18 such as secret side agreements, delivering a different home than the
19 one purchased and pressuring the purchaser to accept the delivered
20 home, and providing the seller with a power of attorney? (d) Should
21 funds not be disbursed to the dealer until the terms of the sale have
22 been satisfied, including delivery of the manufactured home? and (e)
23 What other methods should be considered to better protect purchasers of
24 manufactured homes?

25 (5) The co-chairs of the joint task force on manufactured home
26 sales shall convene the first meeting and develop a work plan and
27 meeting schedule. The joint task force shall present a final report,
28 including recommendations and a legislative bill draft, if general
29 consensus is reached on a bill draft, to the legislative committees
30 represented on the joint task force by December 15, 2000.

31 NEW SECTION. **Sec. 3.** This act expires December 31, 2000.

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