

HOUSE BILL REPORT

HB 1630

As Reported by House Committee On:
Local Government & Housing
Appropriations

Title: An act relating to mobile home relocation assistance.

Brief Description: Modifying mobile home relocation assistance.

Sponsors: Representatives Dunn (co-prime sponsor), Fromhold (co-prime sponsor), Rockefeller, Edmonds, Edwards and Conway; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity:

Local Government & Housing: 1/23/02, 1/31/02 [DPS];
Appropriations: 2/7/02, 2/9/02 [DPS(LGH)].

Brief Summary of Substitute Bill

- Amends the Mobile Home Relocation Assistance Act to allow the payment of relocation expenses to a mobile home owner that (1) must dispose of their mobile/manufactured home because it cannot be reinstalled at another site; or (2) that demolishes it and purchases another mobile/manufactured home that is constructed to federal construction standards.
- Funds the state's mobile home relocation assistance fund by imposing a 1 percent fee of the lesser of the sale price or the first \$50,000 of the sale price on every transfer of title issued on a mobile manufactured home where (1) the ownership changes; (2) the mobile/manufactured home is located within a mobile home park; (3) the sale price of the mobile/manufactured home is greater than \$1,000; and (4) the mobile/manufactured home is five years old or more.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Dunshee, Chair; Edwards, Vice Chair; Berkey, Dunn, Hatfield, Kirby, Mielke and Sullivan.

Minority Report: Without recommendation. Signed by 2 members: Representatives Mulliken, Ranking Minority Member; and Crouse.

Staff: Amy Wood (786-7127).

Background:

The Mobile Home Relocation Assistance Act, enacted in 1989, provides relocation assistance to owners of mobile homes (tenants) that are located in mobile home parks scheduled for closure or conversion to another use. A tenant that is required to move their mobile home to another mobile home lot is eligible to receive relocation assistance from the state's mobile home park relocation assistance fund (fund). The grant amount is determined by the size of the mobile home. An owner of a double-wide mobile home may receive up to \$7,500 and an owner of a single-wide mobile home may receive up to \$3,500. The amount of relocation assistance is limited to actual costs submitted by the mobile home owner, minus any relocation assistance received from other sources.

The state's mobile home park relocation assistance fund was originally funded through two sources. In 1990 a \$50 fee was imposed on the transfer or elimination of a mobile home title. In 1991 an annual \$5 fee was imposed on mobile home park owners for each occupied lot in their mobile home park. However, a lawsuit filed at the time the annual \$5 fee was imposed caused the state to withhold the collection of this fee, pending outcome of the suit. In 1993 the Washington Supreme Court held that the monetary payment required from mobile home park owners was unconstitutional. The remainder of the act was also invalidated by the court decision. The money in the state's mobile home relocation assistance fund is from fees that were collected on the transfer or elimination of mobile home titles before the court invalidated the collection of the fees in 1993.

Summary of Substitute Bill:

The Mobile Home Relocation Assistance Act is amended to expand the type of activities that qualify for relocation assistance when a mobile home park is being closed or converted to another use.

A mobile home owner (tenant) that disposes a mobile home that cannot be relocated to a new site is eligible for relocation assistance. An individual may use state relocation assistance funds, along with other public and private funds, for mobile/manufactured home ownership expenses, that includes down payment assistance. This option is available to mobile home owners that cannot relocate their mobile home to another site, but the original mobile home must be removed from the mobile home park. The mobile/manufactured home that is purchased, using state relocation assistance funds, must meet the federal construction standards for manufactured homes.

A mobile home owner who removes or disposes of their mobile/manufactured home is entitled to reimbursement of actual expenses up to \$7,500 for a double-wide mobile/manufactured home and up to \$3,500 for a single-wide mobile/manufactured home.

Mobile Home Relocation Assistance Fund “ Funding Source

A fee of 1 percent of the sale price is imposed on every transfer of title issued on a mobile/manufactured home. This fee is paid by the purchaser where (1) the ownership of the mobile/manufactured home changes; and (2) the mobile/manufactured home is located in a mobile home park. A transfer of title does not include the addition or deletion of a spouse co-owner or of a secured interest. The 1 percent fee does not apply to transfers of mobile/manufactured homes where the sale price is less than \$1,000.

The proceeds generated by the fee must be deposited into the state’s mobile home relocation assistance fund. The Department of Licensing may retain up to 2 percent of the proceeds to cover expenses associated with collection of the fee. The Department of Community, Trade, and Economic Development may deduct up to 5 percent of the funds generated by the fee and deposited into the mobile home relocation assistance fund to cover administrative expenses.

Substitute Bill Compared to Original Bill:

The effective date of the bill is changed from October 1, 2001, to January 1, 2003. The fee imposed on every transfer of title issues on a mobile home is limited from 1 percent of the total cost to 1 percent of the first \$50,000. The fee imposed on every transfer of title issued on a mobile home is limited to mobile homes that are five years old or more.

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 assists persons who are being displaced. It allows those persons who would otherwise be unable to afford to move to share the burden and cost with other tenants. Persons who are being put out of their homes need help now.

Testimony Against: None.

Testified: Representative Dunn, prime sponsor; Ray Price, Office of Community Development; Ishbel Dickens, Mobile Home Tenants Association, Nick Federici,

Washington Low Income Housing Congress; and Ray Munson, Mobile Home Owners Association.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Local Government & Housing be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Lisk, Mastin, McIntire, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

Staff: Linda Brooks (786-7153).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Local Government & Housing:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Requested on February 5, 2002.

Effective Date of Substitute Bill: The bill takes effect on January 1, 2003.

Testimony For: This bill would provide needed revenues to help people relocate their homes when a mobile home park closes. We have a real situation today with a mobile home park closing in Wenatchee, requiring all residents in that park to move by March 1, of this year. The proposed fee structure is fair, and it would generate sufficient revenues to help provide relocation assistance. This bill is an agreed-upon bill that has been worked with all the various stakeholders. Many mobile home park owners are low-income seniors, and this bill provides some help to residents who have to move.

Testimony Against: None.

Testified: Ray Price, CTED - Office of Community Development; and Nick Federici, Washington Low-Income Housing Congress.