

SENATE BILL REPORT

SB 5354

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, February 6, 2002

Title: An act relating to mobile home relocation assistance.

Brief Description: Modifying mobile home relocation assistance.

Sponsors: Senators Patterson, Prentice, Winsley, Fraser, Fairley, Costa, Regala and McAuliffe; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/13/01, 2/27/01 [DPS]; 2/6/02 [DP2S].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: That Second Substitute Senate Bill No. 5354 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Keiser, Vice Chair; Benton, Fairley, Franklin, Gardner, Honeyford, Rasmussen, Regala, West and Winsley.

Staff: David Cheal (786-7576)

Background: Redevelopment pressures have led to the closure of many mobile home parks in recent years, particularly in the most populous regions of the state. This trend seems likely to continue.

The impact of park closure on a mobile home owner is severe. Some older mobile homes are not moveable, and the owner's equity is lost. The cost of moving a mobile home, if a place can be found, is approximately \$3,000 to \$7,500.

The Washington Supreme Court invalidated the Mobile Home Relocation Assistance Act in 1993. However, a fund still exists, made up of fees collected prior to the court decision.

Park owners must give at least 12 months notice to tenants before a park may be closed.

Summary of Second Substitute Bill: The Mobile Home Relocation Assistance Act is amended to cover demolition and replacement expenses in cases where the home cannot be successfully moved. Assistance is limited to actual expenses up to \$7,500 for a double wide, and \$3,500 for a single wide home. Mobile home owners that cannot move their home are eligible for assistance in purchasing a replacement.

A fee of 1 percent of the first \$50,000 of the purchase price is imposed on the purchaser of a used mobile home located in a mobile home park. Homes with a sale price of less than \$1,000 and mobile homes less than five years old are excluded from the fee. The fees

collected are forwarded to the State Treasurer for deposit into the mobile home park relocation fund. The Department of Revenue is authorized to retain 2 percent of the fees collected to cover its administrative cost. The Department of Community, Trade, and Economic Development is entitled to deduct up to 5 percent of the fees collected to cover its administrative costs.

Second Substitute Bill Compared to Original Bill: The second substitute bill expands the types of activities that qualify for relocation assistance. Disposal of a home and removal from a park entitles the owner to assistance in purchasing a new manufactured home. The funding source is modified. A fee is imposed on the transfer of title for homes located in parks, and the home is five years old or older, equal to 1 percent of the first \$50,000 of the sale price. The effective date is changed from October 1, 2001, to January 1, 2003.

Appropriation: None.

Fiscal Note: Available.

Effective Date: January 1, 2003.

Testimony For: Several parks have been identified as being at risk of closure, which places tenants in danger of becoming homeless unless a source of funds for relocation assistance can be found. This vital assistance can be provided by those who are likely to use it, without cost to the taxpayers.

Testimony Against: New homes in parks should be exempt from the transfer fee. A flat fee assessed on all mobile home owners in parks would be preferable to a percent of sale price system.

Testified: Mike Ryherd, WA Mfg. Housing Assn. (con as is); Ken Spencer, MHCW (pro); Teri Ramsauer, CTED, Office of Man. Hsg (pro); Ray Munson, MHOA (pro); Nick Federici, Low-Income Housing Congress (pro).