

SENATE BILL REPORT

SB 6362

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, February 7, 2002

Title: An act relating to investigations, citations, and fines for violations of the manufactured/mobile home landlord-tenant act.

Brief Description: Regulating violations of the manufactured/mobile home landlord-tenant act.

Sponsors: Senators Winsley, Prentice, Kastama and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/21/02, 2/7/02 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6362 be substituted therefor, and the substitute bill do pass.

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

Staff: Elizabeth Mitchell (786-7430)

Background: There are several remedies available under current law for someone whose landlord or tenant is violating provisions of the Mobile/Manufactured Home Landlord Tenant Act. Landlords may evict tenants for committing substantial or repeated violations of the act, and tenants can take legal action to recover damages from a landlord. Landlords and tenants may also agree to resolve their disputes through mediation or arbitration, or they may use the informal dispute resolution ombudsman service provided by the Office of Manufactured Housing.

There is concern that some of the remedies available under current law may be too costly and time consuming for some mobile/manufactured home park landlords and tenants.

Summary of Substitute Bill: In addition to going to court, landlords and tenants have the option of free mediation and arbitration to resolve their disputes. Mediation is a first option for landlords and tenants, but if either party chooses to, they can enter into binding arbitration. If one party chooses arbitration, the other party must comply. If an arbitrator issues a decision against a landlord, and the landlord does not comply with the decision in a required amount of time, tenants may place a lien against the landlord's property for any monetary amount rewarded.

The manufactured/mobile home mediation and arbitration account is created. Park owners are required to register with the department. All park owners either registered or otherwise identified by the Office of Community Development (OCD) are required to pay an annual fee to be set by the department and not to exceed \$10 per lot. Fees collected go into the newly

created account to fund the program. Park owners can pass the lot fee on to tenants. If an owner does not pay OCD within 30 days of the annual deadline, the owner's tenants can pay the fee directly to OCD and place a lien against the owner's property in the amount of the fee.

OCD works with stakeholders until June 30, 2003, to work out the logistics of the program and set up the park registration process. If there is no agreed-upon solution by that time, OCD sets up a program by December 2003. OCD gives the Legislature a preliminary report on the program by December 2004, and a final report in December 2005.

There is a \$49,900 appropriation to cover OCD's startup costs.

Substitute Bill Compared to Original Bill: The investigation, citation and fine system is eliminated, and a mediation/arbitration system is created. A \$49,900 appropriation is added.

Appropriation: \$49,900.

Fiscal Note: Available.

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

Testimony For: This bill gives more equity to tenants and gives them more remedies to resolve disputes. The mediation option currently available to tenants is ineffective because it is voluntary for landlords.

Testimony Against: The current system gives tenants ample remedies to resolve their disputes. Mediation and arbitration already exist, and mobile/manufactured tenants already have just eviction. The program will be costly.

Testified: Gordon Blase, retired, MHOA (pro); Ray Munson, MHCA (pro); Kim Herman, WSHFC (con); Ray Price, Office of Community Dev., Housing Division (con); Ken Spencer, John Woodring, MHCW (con); Bob Mitchell, WA Assn. of Realtors (pro); Nick Federici, WA Low-Income Housing Congress (pro); Ishbel Dickens, MTA (pro).