

SENATE BILL REPORT

SB 6364

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, January 31, 2002

Title: An act relating to the recommendations of the joint legislative task force on mobile/manufactured home alteration and repair.

Brief Description: Implementing recommendations of the joint legislative task force on mobile/manufactured home alteration and repair.

Sponsors: Senators Winsley, Prentice, Hargrove, Fairley, Kastama and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 1/21/02, 1/31/02 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6364 be substituted therefor, and the substitute bill do pass.

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

Staff: Elizabeth Mitchell (786-7430)

Background: Some alterations to mobile/manufactured homes require a permit from the Department of Labor and Industries. Other alterations require a permit from local building authorities, and some alterations do not require a permit at all. There is concern that mobile/manufactured home alteration permit requirement rules are confusing and inconvenient for homeowners.

Engrossed Substitute Senate Bill 5703, which passed the Legislature in 2001, created a joint legislative task force to review the regulation of mobile/manufactured home alteration and repair. The task force met several times during the fall of 2001 and included legislators, homeowners, real estate brokers and mortgage lenders, housing manufacturers and retailers, plumbing and electrical business and labor representatives, and state agency representatives.

The task force participants agreed to create a pilot project to make the alteration permitting process more convenient and understandable for homeowners. Under the pilot project, a homeowner can go to either the department or a local building authority and receive a permit for all mobile/manufactured home alterations. The task force also agreed to give the department authority to assess civil penalties for violations of alteration permit laws, to allow the department to adopt a rule regarding conditional sales of mobile/manufactured homes, and to revise the definition of residential real property to include mobile/manufactured homes that are personal property.

Summary of Substitute Bill: The Department of Labor and Industries may adopt a temporary fee schedule to implement the interagency mobile/manufactured home alteration pilot project. Fees for the pilot project may be waived for indigent permit applicants. Fees for in-factory plan review and inspection services may be increased beyond the fiscal growth factor specified by Chapter 43.135 RCW if the increases are necessary to fund the cost of administering the department's mobile/manufactured home and factory assembled structure programs. Fees for mobile/manufactured home alteration permits may be decreased. When the new fee schedule expires on April 1, 2004, the department must adopt the fee schedule that was in place prior to the pilot program, adjusted by fiscal growth factors for the time that the program was in effect.

If businesses do not obtain a permit before altering a mobile/manufactured home, the department may assess a civil penalty of not more than \$1000 per day and not more than \$5000 cumulatively for a given violation. For subsequent violations within two years, the penalty per day must be double the amount for the prior penalty or \$1000, whichever is greater. The department must adopt a schedule of civil penalties giving consideration to the gravity of the violation and the history of previous violations.

The department may issue a notice of correction before issuing a civil penalty assessment. The notice must include a description of the violation, a statement of what is required to correct the violation, and the date by which the department requires the correction to be made before penalties are assessed.

The department must issue written notices of civil penalties. If a party desires to contest a civil penalty issued under this section, he or she must file a notice of appeal with the department within 20 days of the date that the department mails the notice. An administrative law judge of the Office of Administrative Hearings hears the appeal.

The department can audit contractors' records to determine compliance with permitting requirements for mobile/manufactured home alterations.

The definition of residential real property is revised to include mobile/manufactured homes which are personal property, so that persons selling their mobile/manufactured home will need to fill out a residential real property disclosure form.

The department may adopt a rule allowing parties to enter into a conditional sale of an altered mobile or manufactured home. Under such an agreement, the parties involved must comply with the department's alteration requirements prior to the sale of the home.

Substitute Bill Compared to Original Bill: Changes in the Department of Labor and Industries' fee schedules are specified; fees are to be decreased for mobile/manufactured home alteration permits, and are to be increased for in-factory plan review. Civil penalties will only apply to contractors, not homeowners.

Appropriation: None.

Fiscal Note: Requested on January 17, 2002.

Effective Date: Sections 1, 2, and 4 through 9 take effect immediately. The remaining sections of the bill take effect 90 days after adjournment of session in which bill is passed.

Testimony For: Many different stakeholders worked on the task force. The permit process for mobile home alterations is confusing; the pilot project would simplify the process for consumers. The pilot project is already being developed.

Testimony Against: None.

Testified: PRO: Bob Mitchell, WA Assn. of Realtors; Mark Triplett, WABO; Patrick Woods, Mike Ratke, Labor and Industries; Ray Munson, Bob McKee, MHOA.