
SUBSTITUTE SENATE BILL 6362

State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators Winsley, Prentice, Kastama and Rasmussen)

READ FIRST TIME 02/08/2002.

1 AN ACT Relating to investigation, mediation, and arbitration of
2 disputed violations of the manufactured/mobile home landlord-tenant
3 act; amending RCW 59.22.010, 59.22.020, 59.22.050, and 59.20.200;
4 adding new sections to chapter 59.22 RCW; prescribing penalties; and
5 making an appropriation.

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

7 **Sec. 1.** RCW 59.22.010 and 1995 c 399 s 154 are each amended to
8 read as follows:

9 (1) The legislature finds:

10 (a) That manufactured housing and mobile home parks provide a
11 source of low-cost housing to the low income, elderly, poor, and
12 (~~infirm~~) infirm, without which they could not afford private
13 housing; but rising costs of mobile home park development and
14 operation, as well as turnover in ownership, (~~has~~) have resulted in
15 mobile home park living becoming unaffordable to the low income,
16 elderly, poor, and (~~infirm~~) infirm, resulting in increased numbers
17 of homeless persons, and persons who must look to public housing and
18 public programs, increasing the burden on the state to meet the housing
19 needs of its residents;

1 (b) That taking legal action against a landlord or tenant for
2 violations of this chapter can be a costly and lengthy process, and
3 that many people cannot afford to pursue this process;

4 (c) That state government can play a vital role in addressing the
5 problems confronted by mobile home park residents by providing
6 assistance which makes it possible for mobile home park residents to
7 acquire the mobile home parks in which they reside and convert them to
8 resident ownership and by providing assistance which makes it possible
9 for manufactured/mobile home tenants and landlords to resolve disputes
10 in a less costly manner; and

11 ~~((e))~~ (d) That to accomplish ((this)) these purposes, information
12 and technical support shall be made available through the department.

13 (2) Therefore, it is the intent of the legislature~~((7))~~:

14 (a) In order to maintain low-cost housing in mobile home parks to
15 benefit the low income, elderly, poor, and ((infirmed)) infirm, to
16 encourage and facilitate the conversion of mobile home parks to
17 resident ownership, to protect low-income mobile home park residents
18 from both physical and economic displacement, to obtain a high level of
19 private financing for mobile home park conversions, and to help
20 establish acceptance for resident-owned mobile home parks in the
21 private market; and

22 (b) In order to provide a less costly and lengthy way for
23 manufactured/mobile home tenants to resolve disputes, to authorize the
24 office of manufactured housing to establish a program to resolve
25 disputed violations of this chapter through mediation and arbitration.

26 **Sec. 2.** RCW 59.22.020 and 1995 c 399 s 155 are each amended to
27 read as follows:

28 The following definitions shall apply throughout this chapter
29 unless the context clearly requires otherwise:

30 (1) "Account" means the mobile home affairs account created under
31 RCW 59.22.070.

32 (2) "Affordable" means that, where feasible, low-income residents
33 should not pay more than thirty percent of their monthly income for
34 housing costs.

35 (3) "Conversion costs" includes the cost of acquiring the mobile
36 home park, the costs of planning and processing the conversion, the
37 costs of any needed repairs or rehabilitation, and any expenditures
38 required by a government agency or lender for the project.

1 (4) "Department" means the department of community, trade, and
2 economic development.

3 (5) "Fee" means the mobile home title transfer fee imposed under
4 RCW 59.22.080.

5 (6) "Fund" or "park purchase account" means the mobile home park
6 purchase account created pursuant to RCW 59.22.030.

7 (7) "Housing costs" means the total cost of owning, occupying, and
8 maintaining a mobile home and a lot or space in a mobile home park.

9 (8) "Individual interest in a mobile home park" means any interest
10 which is fee ownership or a lesser interest which entitles the holder
11 to occupy a lot or space in a mobile home park for a period of not less
12 than either fifteen years or the life of the holder. Individual
13 interests in a mobile home park include, but are not limited to, the
14 following:

15 (a) Ownership of a lot or space in a mobile home park or
16 subdivision;

17 (b) A membership or shares in a stock cooperative, or a limited
18 equity housing cooperative; or

19 (c) Membership in a nonprofit mutual benefit corporation which
20 owns, operates, or owns and operates the mobile home park.

21 (9) "Low-income resident" means an individual or household who
22 resided in the mobile home park prior to application for a loan
23 pursuant to this chapter and with an annual income at or below eighty
24 percent of the median income for the county of standard metropolitan
25 statistical area of residence. Net worth shall be considered in the
26 calculation of income with the exception of the resident's mobile/
27 manufactured home which is used as their primary residence.

28 (10) "Low-income spaces" means those spaces in a mobile home park
29 operated by a resident organization which are occupied by low-income
30 residents.

31 (11) "Mobile home park" means a mobile home park, as defined in RCW
32 59.20.030(~~((4))~~) (6), or a manufactured home park subdivision as
33 defined by RCW 59.20.030(~~((6))~~) (8) created by the conversion to
34 resident ownership of a mobile home park.

35 (12) "Resident organization" means a group of mobile home park
36 residents who have formed a nonprofit corporation, cooperative
37 corporation, or other entity or organization for the purpose of
38 acquiring the mobile home park in which they reside and converting the
39 mobile home park to resident ownership. The membership of a resident

1 organization shall include at least two-thirds of the households
2 residing in the mobile home park at the time of application for
3 assistance from the department.

4 (13) "Resident ownership" means, depending on the context, either
5 the ownership, by a resident organization, as defined in this section,
6 of an interest in a mobile home park which entitles the resident
7 organization to control the operations of the mobile home park for a
8 term of no less than fifteen years, or the ownership of individual
9 interests in a mobile home park, or both.

10 (14) "Landlord" shall have the same meaning as it does in RCW
11 59.20.030.

12 (15) "Manufactured housing" means residences constructed on one or
13 more chassis for transportation, and which bear an insignia issued by
14 a state or federal regulatory agency indication compliance with all
15 applicable construction standards of the United States department of
16 housing and urban development.

17 (16) "Mobile home" shall have the same meaning as it does in RCW
18 46.04.302.

19 (17) "Mobile home lot" shall have the same meaning as it does in
20 RCW 59.20.030.

21 (18) "Tenant" means a person who rents a mobile home lot for a term
22 of one month or longer and owns the mobile home on the lot.

23 (19) "Office" means the office of manufactured housing.

24 **Sec. 3.** RCW 59.22.050 and 1991 c 327 s 3 are each amended to read
25 as follows:

26 (1) In order to provide general assistance to mobile home resident
27 organizations, park owners, and landlords and tenants, the department
28 shall establish an office of (~~mobile home affairs~~) manufactured
29 housing which will serve as the coordinating office within state
30 government for matters relating to mobile homes or manufactured
31 housing.

32 This office will provide an ombudsman service to mobile home park
33 owners and mobile home tenants with respect to problems and disputes
34 between park owners and park residents and to provide technical
35 assistance to resident organizations or persons in the process of
36 forming a resident organization pursuant to chapter 59.22 RCW. The
37 office will keep records of its activities in this area.

1 (2) The office shall establish a program to resolve disputed
2 violations of this chapter through mediation and arbitration as
3 provided in section 5 of this act. The office may develop rules to
4 implement the mediation and arbitration program provided in this act.
5 The office shall disseminate information and promote the program to
6 manufactured/mobile home tenants and landlords.

7 (3) The office shall perform all the consumer complaint and related
8 functions of the state administrative agency that are required for
9 purposes of complying with the regulations established by the federal
10 department of housing and urban development for manufactured housing,
11 including the preparation and submission of the state administrative
12 plan.

13 (~~(3)~~) (4) The office shall administer the mobile home relocation
14 assistance program established in chapter 59.21 RCW, including
15 verifying the eligibility of tenants for relocation assistance.

16 **Sec. 4.** RCW 59.20.200 and 1984 c 58 s 6 are each amended to read
17 as follows:

18 If at any time during the tenancy the landlord fails to carry out
19 the duties required by RCW 59.20.130 or any other provision in this
20 chapter that results in substantial endangerment or impairment of the
21 health or safety of a tenant, the tenant may, in addition to pursuit of
22 remedies otherwise provided the tenant by law, deliver written notice
23 to the landlord, which notice shall specify the property involved, the
24 name of the owner, if known, and the nature of the defective condition.
25 For the purposes of this chapter, a reasonable time for the landlord to
26 commence remedial action after receipt of such notice by the tenant
27 shall be, except where circumstances are beyond the landlord's control;

28 (1) Not more than twenty-four hours, where the defective condition
29 is imminently hazardous to life;

30 (2) Not more than forty-eight hours, where the landlord fails to
31 provide water or heat;

32 (3) Subject to the provisions of subsections (1) and (2) of this
33 section, not more than seven days in the case of a repair under RCW
34 59.20.130(3);

35 (4) Not more than thirty days in all other cases.

36 In each instance the burden shall be on the landlord to see that
37 remedial work under this section is completed with reasonable
38 promptness.

1 Where circumstances beyond the landlord's control, including the
2 availability of financing, prevent the landlord from complying with the
3 time limitations set forth in this section, the landlord shall endeavor
4 to remedy the defective condition with all reasonable speed.

5 NEW SECTION. **Sec. 5.** A new section is added to chapter 59.22 RCW
6 to read as follows:

7 (1) The department shall work with representatives of tenants in
8 manufactured/mobile home parks, representatives of manufactured/mobile
9 home park landlords, the administrator for the courts, the Washington
10 state association of counties, the association of Washington cities,
11 and other interested parties to develop a program for resolving
12 disputed violations of chapter 59.20 RCW. The department and
13 interested parties shall develop an agreed-upon program consistent with
14 this section by June 30, 2003. If the department and interested
15 parties cannot agree on a program by then, the department shall develop
16 the program by December 31, 2003.

17 (2) The program shall provide mediation and arbitration services
18 consistent with chapter 59.20 RCW at no cost to the disputants of an
19 alleged violation of chapter 59.20 RCW.

20 (3) The program shall provide for expedient investigations of those
21 violations of chapter 59.20 RCW that result in substantial endangerment
22 or impairment of the health or safety of a tenant.

23 (4) The program shall first provide the option for mediation
24 services to the disputants to resolve an alleged violation of chapter
25 59.20 RCW. To ensure disputes are resolved efficiently, the program
26 shall require mandatory, binding arbitration in the event either of the
27 disputing parties chooses not to participate in mediation or the
28 parties cannot resolve their dispute with the assistance of a mediator.
29 The arbitrator's decision shall set a deadline for compliance with the
30 decision and a hearing for determining compliance subsequent to the
31 deadline. If a tenant prevails in arbitration and the arbitrator finds
32 that a landlord has willfully failed to comply with the arbitration
33 decision by the deadline, the tenant may file the arbitrator's decision
34 and a lien against the title of the manufactured/mobile home park for
35 the amount of any monetary amount awarded in the decision with the
36 clerk of the superior court.

37 (5) Tenants and landlords disputing a violation of chapter 59.20
38 RCW may participate in the program established in this section.

1 Tenants have the right to require a landlord to participate in the
2 program.

3 (6) Notwithstanding subsection (5) of this section, tenants
4 participating in the program have the right at any time to bring their
5 complaint directly to superior court, bypassing the program, consistent
6 with chapter 59.20 RCW.

7 (7) The department shall provide a status report on the mediation
8 and arbitration program created under this section by December 1, 2004,
9 and a final report by December 1, 2005, to the legislature. The
10 reports shall include at a minimum the number of disputants
11 participating in the program, how disputes were resolved, the time it
12 took to resolve disputes, the revenues generated by fees imposed under
13 section 7 of this act, and the costs expended to administer the
14 program.

15 (8) This section does not limit the right of landlords or tenants
16 to take legal action against another party as provided in chapter 59.20
17 RCW.

18 NEW SECTION. **Sec. 6.** A new section is added to chapter 59.22 RCW
19 to read as follows:

20 The manufactured/mobile home mediation and arbitration account is
21 created in the custody of the state treasurer. All fees collected
22 under section 7 of this act must be deposited into the account.
23 Expenditures from the account may be used only for the administrative
24 costs associated with the mediation and arbitration program created in
25 section 5 of this act. Only the director or the director's designee
26 may authorize expenditures from the account. The account is subject to
27 allotment procedures under chapter 43.88 RCW, but an appropriation is
28 not required for expenditures.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 59.22 RCW
30 to read as follows:

31 (1) Each owner of a manufactured/mobile home park shall register
32 with the office and provide information on the ownership, location, and
33 number of lots in the manufactured/mobile home park. Each owner of a
34 manufactured/mobile home park either registered or determined by the
35 office to be an owner of a manufactured/mobile home park shall pay to
36 the office an annual fee to fund the administrative costs of the
37 mediation and arbitration program established by section 5 of this act.

1 The fee shall be determined annually by the office, and may not exceed
2 ten dollars for each lot within a park. The office shall send notice
3 of the amount of the fee and a date payment is due to all
4 manufactured/mobile home park owners known to the office. The owner
5 may collect the cost of the fee from the tenants consistent with the
6 per lot fee determined by the office. If an owner does not pay the fee
7 within thirty days of the due date indicated in the notice, the owner's
8 tenants may pay the fee directly to the office, and may file a lien
9 against the title of the manufactured/mobile home park for the amount
10 of the fee with the clerk of the superior court of the county in which
11 the manufactured/mobile home park is located. The lien may be filed
12 regardless of whether the landlord has already collected the cost of
13 the fee from the tenants.

14 (2) All fees collected by the office under subsection (1) of this
15 section must be deposited into the manufactured/mobile home mediation
16 and arbitration account.

17 NEW SECTION. **Sec. 8.** The sum of forty-nine thousand nine hundred
18 dollars, or as much thereof as may be necessary, is appropriated for
19 the fiscal year ending June 30, 2003, from the general fund to the
20 manufactured/mobile home mediation and arbitration account under
21 section 6 of this act for the administration costs of the mediation and
22 arbitration program under section 5 of this act.

23 NEW SECTION. **Sec. 9.** A new section is added to chapter 59.22 RCW
24 to read as follows:

25 Any time the director determines that expenditures to implement the
26 mediation and arbitration program under section 5 of this act exceed
27 revenues from the fees collected under section 7 of this act, the
28 director may suspend administration of the mediation and arbitration
29 program under section 5 of this act by the office. Administration of
30 the mediation and arbitration program remains suspended until the
31 director determines that sufficient revenues have been generated by the
32 fees collected under section 7 of this act to administer the program.

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