

HOUSE BILL REPORT

HB 1061

As Reported by House Committee On: Housing

Title: An act relating to allowing reimbursement limits under the mobile home relocation assistance act to be set by rule.

Brief Description: Allowing reimbursement limits under the mobile home relocation assistance act to be set by rule.

Sponsors: Representatives Dunn and Miloscia; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity:

Housing: 1/25/05, 2/8/05 [DPA].

Brief Summary of Amended Bill

- Removes mobile home relocation reimbursement limits from statute and instead authorizes the Department of Commerce, Trade, and Community Development to adopt the reimbursement limits in rule one time each year, to take effect July 1. The limit applies equally to all eligible applicants.

HOUSE COMMITTEE ON HOUSING

Majority Report: Do pass as amended. Signed by 5 members: Representatives Miloscia, Chair; Springer, Vice Chair; Ormsby, Pettigrew and Sells.

Minority Report: Do not pass. Signed by 4 members: Representatives Holmquist, Ranking Minority Member; Dunn, Assistant Ranking Minority Member; McCune and Schindler.

Staff: Robyn Dupuis (786-7166).

Background:

Under current law, low-income owners of mobile homes that are located in mobile home parks scheduled for closure or conversion to another use are eligible for relocation reimbursement assistance. The assistance is limited to actual costs submitted by the mobile homeowner minus any assistance received from other sources. There is also a statutory cap of \$3,500 for a single-wide home and \$7,000 for a double-wide home.

Summary of Amended Bill:

The Department of Commerce, Trade and Economic Development (DCTED) will adopt mobile home relocation reimbursement assistance limits in rule, rather than having the limits established in statute. The DCTED may set a new limit only one time each year, to take effect July 1, and this limit must apply equally to all eligible applicants.

Amended Bill Compared to Original Bill:

An amended RCW 59.21.025 is added to the bill to strike its reference to the relocation reimbursement limit and replace that with a statement that establishes the DCTED's authority to set reimbursement limits by rule. The bill adds a statement which authorizes the DCTED to establish a new reimbursement limit only one time each year, to take effect July 1, and states that this limit will apply equally to all applicants

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Reimbursement limits set by rules, instead of RCW, provide the Department of Community, Trade and Economic Development (DCTED) with the ability to be more responsive to meet the changing economic conditions and costs that impact low-income citizens displaced as a result of closing mobile home parks. Costs of relocating mobile homes change quickly as, for example, regulations change, permit fees are raised, and home disposal fees are altered. Cost for relocating homes have increased dramatically over the years, but limits, set in 1989, have not changed. Some displaced homeowners have had to abandon their homes because the \$3,500 or \$7,000 limit cap was not enough to cover their relocation expenses. Sixty three percent of eligible applicants over the life of the Mobile Home Relocation Assistance program submitted eligible relocation receipts that exceeded the limit cap. Thirty percent of other eligible applicants reported that their costs did exceed the cap, however, they did not submit receipts which would cause their total to exceed the cap. The DCTED does not typically spend down the Mobile Home Park Relocation Assistance fund and does not anticipate doing so, even given an anticipated elevation of the reimbursement limit if this bill is passed.

Instead of establishing a permanent rule, the Legislature should consider mandating that the DCTED request re-authorization of the bill every biennium, following a program progress report by the DCTED to the Legislature. The Legislature should also consider raising the income criteria.

(With Concerns) If the DCTED is given full discretion to set reimbursement limits by rule, this fund could feasibly be depleted more quickly which could prevent some manufactured/mobile home owners from receiving any assistance at all. There may also not be enough

money through this fund to assist individuals who need to both demolish their current home and purchase a new one. The bill is unclear as to whether or not the DCTED can determine the amount of relocation assistance granted on a case-by-case basis, or if there will be one set limit which applies to all.

Testimony Against: This bill is a "blank check" for DCTED. The bill should include some sort of a cap in order for the Legislature to retain some control. The WAC rule making procedure is fine, but few from the public ever show up. If this bill passes, it will take time to go into effect and will delay the disbursement of program funding. If the Legislature strikes this bill and just raises the financial cap instead, then displaced mobile home owners can access this funding much sooner. Another issue that should be looked at is raising the income limits to include median income populations.

Persons Testifying: (In support) Representative Dunn, prime sponsor; Ken Spencer, President, Manufactured Housing Community of Washington; Bob Hobkirk, Manufactured Housing Community Preservationists; and Nick Federici, Washington Low Income Housing Alliance.

(With concerns) Bruce Neas, Columbia Legal Services.

(Opposed) Ray Munson, Mobile Home Owners of America 153.

Persons Signed In To Testify But Not Testifying: None.