

SENATE BILL REPORT

SB 6851

As Reported By Senate Committee On:
Financial Institutions, Housing & Consumer Protection, February 2, 2006

Title: An act relating to closure of mobile home parks and manufactured housing communities.

Brief Description: Revising provisions concerning closure of mobile home parks and manufactured housing communities.

Sponsors: Senators Prentice and Fairley.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection: 1/31/06, 2/2/06 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 6851 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Berkey, Vice Chair; Benton, Ranking Minority Member; Benson, Brandland, Finkbeiner, Keiser, Schmidt and Spanel.

Staff: Jennifer Arnold (786-7471)

Background: Under current law, before a park closure or conversion, at least 12 months written notice must be given to the Department of Community, Trade and Economic Development (CTED) and tenants, and be posted at all park entrances. All tenants entering a month-to-month rental agreement, signed after the park closure notice date, must also be given notice. The notice provided to CTED must include: (1) a good faith estimate of the timeline for removal of the mobile homes and (2) the reason for the closure. This notice is required to be recorded with the county auditor.

In general, rental agreements for mobile home parks are required to contain a covenant providing that, except for acts beyond the landlord's control, the park will not be converted to a use that does not allow the continued use of the mobile home for a period of at least three years from the beginning date of the rental agreement. However, in place of such a covenant, the rental agreement may instead include a statement which provides that the park may be sold or otherwise transferred at any time, resulting in a park closure. This statement must be visually set-off from the other text (e.g. in a box or separated by a blank space).

Summary of Substitute Bill: Notice to CTED. Landlords must meet additional requirements in regards to notice of mobile home park closures or conversions. The notice sent to CTED must also include a list of the names and mailing addresses of the current registered park tenants. This notice must be sent by the landlord to CTED within 10 business days. After

receiving the landlord's notice, CTED is required to send every tenant an application and information on relocation assistance within 10 business days.

Notice to Tenants. In addition to the existing statutory requirements, rental agreements for mobile home tenancies must also include the following statement verbatim: "*The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required notice.*" This statement must be in bold and located directly above the tenant's signature on the rental agreement.

Substitute Bill Compared to Original Bill: The bill as referred to committee was not considered.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: This is a positive bill because park closures are difficult for both owners and tenants. The Office of Manufactured Housing will now be able to know exactly who is living in parks that are planned for closure, which will allow them to get out information on relocation assistance in a fast and efficient manner. The rental agreement changes are beneficial because they serve to attract the tenant's attention to the park closure notice provisions.

Testimony Against: None.

Testimony Other: There needs to be consequences for park owners who don't follow the law, such as those who fail to give the required 12 month notice. There are concerns about how the state's relocation assistance program works for tenants who move into a park after notice of closure has been given.

Who Testified: PRO: John Woodring, Manufactured Housing Communities of Washington.

OTHER: Ishbel Dickens, Columbia Legal Services.