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SUBSTITUTE HOUSE BILL 3069

State of Washington 59th Legislature 2006 Regular Session

House Committee on Housing (originally sponsored Representatives Morrell, Pettigrew, Miloscia, Springer, Williams, Hunt, O'Brien, Hasegawa and Hudgins)

READ FIRST TIME 02/03/06.

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- AN ACT Relating to resolving manufactured/mobile home landlord and 1
- 2 tenant disputes; amending RCW 59.20.030, 59.22.050, and 59.22.070;
- 3 adding new sections to chapter 59.22 RCW; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. A new section is added to chapter 59.22 RCW to read as follows: 6
- 7 (1) The legislature finds that there are factors unique to the 8 between manufactured/mobile home а owner manufactured/mobile home park owner. Once occupancy has commenced, the 9 10 difficulty and expense in moving and relocating a manufactured/mobile home can affect the operation of market forces, and lead to an 11 12 inequality of the bargaining position of the parties. Once occupancy has commenced, a homeowner may be subject to violations of the 13 manufactured/mobile home landlord-tenant act or unfair practices 14 15 without a timely and cost-effective conflict resolution process. Although a homeowner, landlord, or park owner may take legal action as 16 prescribed in the manufactured/mobile home landlord-tenant act, the
- judicial process is often time and cost prohibitive. This act is 18

created for the purpose of protecting the public, fostering fair and honest competition, and regulating the factors unique to the relationship between the manufactured/mobile home owner and park owner.

- (2) The legislature finds that taking legal action against a park owner for violations of the manufactured/mobile home landlord-tenant act can be a costly and lengthy process, and that many people cannot afford to pursue a court process to vindicate statutory rights. Park owners similarly are impacted by legal fees and lengthy proceedings resulting from pursuing a remedy through the legal system and would also, therefore, benefit from having access to an appropriate, effective process that resolves disputes quickly and efficiently.
- (3) Therefore, it is the intent of the legislature to provide a less costly and more efficient way for manufactured/mobile home owners and park owners to resolve disputes, and to provide a mechanism for state authorities to quickly locate owners of manufactured housing communities. The legislature further intends to authorize the department of community, trade, and economic development to:
 - (a) Register mobile home parks or manufactured housing communities;
- (b) Maintain and update its current ombudsman program by retaining or securing the necessary staffing level of hired or contracted persons used to operate and implement the program under chapter 429, Laws of 2005;
- 23 (c) Take complaints, conduct investigations, and resolve disputes 24 through the ombudsman complaint resolution program; and
- 25 (d) Collect and report upon data related to conflicts and 26 violations.
- **Sec. 2.** RCW 59.20.030 and 2003 c 127 s 1 are each amended to read 28 as follows:

For purposes of this chapter:

- (1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;
- 36 (2) "Department" means the department of community, trade, and economic development;

1 (3) "Director" means the director of the department of community, 2 trade, and economic development;

- (4) "Landlord" or "park owner" means the owner of a mobile home park or a manufactured housing community and includes the agents of a landlord;
- ((\(\frac{(3)}{)}\)) (5) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and forty feet long when transported, or when installed on the site is three hundred twenty square feet or greater;
- ((4)) (6) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;
- ((+5)) (7) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;
- $((\frac{1}{2}))$ (9) "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas

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are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;

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- ((\(\frac{(10)}{8}\))) (10) "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;
- 10 $((\frac{(9)}{)})$ (11) "Owner" means one or more persons, jointly or 11 severally, in whom is vested:
- 12 (a) All or part of the legal title to the real property; or
- (b) All or part of the beneficial ownership, and a right to present use and enjoyment of the real property;
- 15 <u>(12)</u> "Park model" means a recreational vehicle intended for 16 permanent or semi-permanent installation and is used as a ((primary)) 17 permanent residence;
 - ((\(\frac{(10)}{10}\))) (13) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily ((\(\frac{designed}{and}\))) used ((\(\frac{as temporary living quarters}{is either self propelled or mounted on or drawn by another vehicle, is transient, is not occupied)) as a ((\(\frac{primary}{primary}\))) \(\frac{permanent}{permanently affixed to}\)) \(\frac{located in}{pormanently}\) a mobile home ((\(\frac{lot}{lot}\))) \(\frac{park or}{park or}\)
 - $((\frac{11}{11}))$ <u>(14)</u> "Tenant" <u>or "homeowner"</u> means any person, except a transient, who rents <u>or occupies</u> a mobile home lot;
- $((\frac{12}{12}))$ (15) "Transient" means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence;
- 30 (((13))) <u>(16)</u> "Occupant" means any person, including a live-in care 31 provider, other than a tenant, who occupies a mobile home, manufactured 32 home, or park model and mobile home lot;
- 33 (17) "Unfair practice" means any act that would constitute an unfair or deceptive act or practice under chapter 19.86 RCW;
- 35 (18) "Complainant" means a landlord, park owner, tenant, or 36 homeowner, who has a complaint alleging an unfair practice or violation 37 of this chapter;

- 1 (19) "Respondent" means a landlord, park owner, tenant, or
- 2 homeowner, alleged to have committed an unfair practice or violation of
- 3 this chapter.
- 4 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 59.22 RCW 5 to read as follows:
- 6 (1) A complainant has the right to file a complaint with the 7 department alleging an unfair practice or a violation of chapter 59.20 8 RCW.
- 9 (2) Upon receiving a complaint under this chapter, the department 10 shall utilize the ombudsman complaint resolution program and must:
- 11 (a) Inform the complainant of the time frame to remedy the 12 complaint under RCW 59.20.080 for tenant violations or RCW 59.20.200 13 for landlord violations; and
- 14 (b) Encourage the complainant to notify the respondent of the 15 complaint.
- 16 (3) After receiving a complaint under this chapter, the department 17 may:
- 18 (a) Investigate the alleged violations at its discretion upon 19 receipt of a complaint alleging unfair practices or violations of 20 chapter 59.20 RCW;
- 21 (b) Utilize investigative ombudsman staff or contractors to 22 investigate and evaluate complaints alleging unfair practices or 23 violations of chapter 59.20 RCW;
- (c) Discuss the issues surrounding or relating to the complaint with the complainant, respondent, or any witnesses, either individually or jointly;
- 27 (d) Explain options available to the complainant or respondent, 28 including the involvement of other agencies; and
- 29 (e) Negotiate an agreement that is agreed upon by both the 30 complainant and the respondent.
- 31 (4) The department may require or permit any person to file a 32 complaint or statement in writing or otherwise as the department 33 determines, as to the facts and circumstances concerning a matter to be 34 investigated.
- 35 (5) The department has the power to employ investigative, 36 administrative, and clerical staff as necessary for administration of 37 this chapter.

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- 1 (6)(a) Complainants and respondents shall cooperate with the 2 department in the course of an investigation by:
 - (i) Furnishing any papers or documents requested;

- (ii) Furnishing in writing an explanation covering the matter contained in a complaint when requested by the department; and
- (iii) Allowing authorized access to department representatives for inspection of mobile home parks/manufactured housing community facilities relevant to the alleged violation being investigated.
- (b) Failure to cooperate with the department in the course of an investigation is a violation of this chapter.
- (7) After the department has completed its investigation and other duties, the department shall provide the interested parties to the dispute with documentation of the complaint process and documentation on the resolution of the complaint investigation. The department may make or issue written findings, conclusions, decisions, or rulings on whether there was a violation of chapter 59.20 or 19.86 RCW.
- (8) The department shall (a) provide notice of the ombudsman complaint resolution program to each mobile/manufactured home landlord or park owner upon completed registration or (b) to the best of its ability, provide such notice even if a mobile/manufactured home park or housing community has failed to register. The landlord shall post an easily visible notice in all common areas of mobile/manufactured home communities, including in each clubhouse, summarizing mobile home park tenant rights and responsibilities, in a style and format to be determined by the department, and including information on how to file a complaint with the office of manufactured housing and a toll-free telephone number that mobile home park owners and tenants can use to seek additional information and communicate complaints.
- (9) The department shall review all unresolved complaints from the previous twelve-month period and make or issue findings, conclusions, decisions, or rulings on whether there was a violation of chapter 59.20 or 19.86 RCW. The department shall provide interested parties to the dispute with documentation of these findings, conclusions, decisions, or rulings.
- (10) This section is not exclusive and does not limit the right of landlords or tenants to take legal action against another party as provided in chapter 59.20 RCW or otherwise. Exhaustion of this ombudsman complaint resolution program is not required before bringing

- 1 legal action. This section does not apply to unlawful detainer actions
- 2 initiated under chapters 59.20, 59.12, and 59.18 RCW; however, a tenant
- 3 is not precluded from seeking relief under this chapter if the
- 4 complaint claims the notice of termination violates RCW 59.20.080.
- 5 Filing a complaint with the department is not a defense nor shall it in
- 6 any way delay or otherwise affect an unlawful detainer action.
- 7 Department-written reports documenting the process and resolution of
- 8 the complaint investigation, any written explanation covering the
- 9 matter requested by the department, any other documents or papers
- 10 requested or produced by the department, or any other record of the
- 11 complaint may be admissible for any reason, including for purposes of
- 12 impeachment, in accordance with the rules of evidence in any unlawful
- 13 detainer or other administrative or legal action in regard to chapter
- 14 59.20 or 19.86 RCW.
- NEW SECTION. Sec. 4. A new section is added to chapter 59.22 RCW to read as follows:
- 17 The director or individuals acting on the director's behalf are
- 18 immune from suit in any action, civil or criminal, based upon any
- 19 disciplinary actions or other official acts performed in the course of
- 20 their duties under this chapter, except their intentional or willful
- 21 misconduct.
- NEW SECTION. Sec. 5. A new section is added to chapter 59.22 RCW to read as follows:
- 24 (1) All mobile home parks and manufactured housing communities must 25 be registered annually with the department.
- 26 (2) To apply for registration, the owner of a mobile home park or 27 manufactured housing community must file with the department an
- 28 application for registration on a form prescribed by the department.
- 29 The application must include, but is not limited to:
- 30 (a) The name and address of the owner of the mobile home park or 31 manufactured housing community;
- 32 (b) The name and address of the mobile home park or manufactured 33 housing community;
- 34 (c) The name and address of the manager of the mobile home park or 35 manufactured housing community; and

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- 1 (d) The number of lots within the mobile home park or manufactured 2 housing community that are subject to chapter 59.20 RCW.
 - (3) Registration is effective on the date determined by the department. All registrations must be assigned an expiration date by the department. The department must:
- 6 (a) Establish a process for the annual renewal of registrations; 7 and
- 8 (b) Mail annually a letter with the effective registration and 9 expiration date to each owner of a mobile home park or manufactured 10 housing community, who has been registered by the department.
- 11 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 59.22 RCW 12 to read as follows:
- The department must continually maintain and update a data base, in which the following information is contained at a minimum:
- 15 (1) The number and names of all mobile home parks and manufactured 16 communities, and their owners, in the state;
 - (2) The number of complaints received;
 - (3) The nature and extent of the complaints received;
- 19 (4) The violation of law or unfair practice complained of; and
- 20 (5) The outcomes of resolution program complaints.
- A summary analysis of this data base shall be provided to the appropriate committees of the legislature by December 31st of each year.
- NEW SECTION. Sec. 7. A new section is added to chapter 59.22 RCW to read as follows:

26 The department must:

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- (1) Compile, update, and maintain the most accurate list possible of all the mobile home parks or manufactured housing communities in the state, the number of lots subject to chapter 59.20 RCW located in each mobile home park or manufactured housing community, and the names and addresses of the owners of these parks. The department is encouraged to work with groups including, but not limited to: Mobile homeowners' associations, tenant advocacy groups, park owners' associations, and county assessors to generate the list;
- 35 (2) Send out notifications to all known mobile home park owners or 36 manufactured housing community owners regarding the due date of the

- assessment under section 8 of this act. These notifications must include information about late fees and passing costs on to tenants; and
- 4 (3) Collect the registration assessment due from all mobile home 5 park owners or manufactured housing community owners, and allow ninety 6 days to pass before sending notices of late fees to noncomplying owners 7 as provided in this chapter.
- 8 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 59.22 RCW 9 to read as follows:

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- (1) The owner of each mobile home park or manufactured housing community shall annually pay to the department a registration assessment of five dollars for each mobile home or manufactured home that is subject to chapter 59.20 RCW within a park or community to fund the costs associated with administering this chapter. Manufactured housing community owners or mobile home park owners may pass on no more than two dollars and fifty cents of this assessment to tenants.
- (2) If an owner fails to pay the assessment before the registration expiration date, a late fee shall be assessed, as provided in this subsection for each mobile home or manufactured home that is subject to chapter 59.20 RCW. The owner is not entitled to any reimbursement of this fee from the tenants.
- 22 (a) A late fee shall be assessed at fifty percent of the total 23 amount due for registration, if the fee is received by the department 24 more than thirty, but less than sixty days after the registration fee 25 due date.
- 26 (b) A late fee shall be assessed at one hundred percent of the 27 total amount due for registration, if the fee is received by the 28 department more than sixty days late.
- 29 **Sec. 9.** RCW 59.22.050 and 1991 c 327 s 3 are each amended to read 30 as follows:
- 31 (1) In order to provide general assistance to mobile home resident 32 organizations, park owners, and landlords and tenants, the department 33 shall establish an office of ((mobile home affairs)) manufactured 34 housing which will serve as the coordinating office within state 35 government for matters relating to mobile homes or manufactured 36 housing.

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This office will provide an ombudsman ((service)) complaint resolution program to assist mobile home park owners and mobile home tenants ((with respect to)) resolve problems and disputes ((between park owners and park residents and to)). The office will also provide technical assistance to resident organizations or persons in the process of forming a resident organization pursuant to chapter 59.22 RCW. The office will keep records of its activities in this area.

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- (2) The office shall perform all the consumer complaint and related functions of the state administrative agency that are required for purposes of complying with the regulations established by the federal department of housing and urban development for manufactured housing, including the preparation and submission of the state administrative plan.
- (3) The office shall administer the mobile/manufactured home community registration program including the collection of assessments, associated late fees, and the compilation of data related to the number of communities and number of lots within the community that are subject to chapter 59.20 RCW.
- 19 <u>(4)</u> The office shall administer the mobile home relocation 20 assistance program established in chapter 59.21 RCW, including 21 verifying the eligibility of tenants for relocation assistance.
- 22 **Sec. 10.** RCW 59.22.070 and 1995 c 399 s 156 are each amended to 23 read as follows:
- 24 <u>(1)</u> There is created in the custody of the state treasurer a 25 special account known as the ((mobile home affairs)) office of 26 manufactured housing account.
 - ((Disbursements from this special account shall be as follows:
 - (1) For the two year period beginning July 1, 1988, forty thousand dollars, or so much thereof as may be necessary for costs incurred in registering landlords and collecting fees, and thereafter five thousand dollars per year for that purpose.
- 32 $\frac{(2)}{(2)}$) All ((remaining)) amounts shall be remitted to the department 33 for the purpose of implementing RCW 59.22.050 ((and 59.22.060)).
- 34 (2) All funds collected by the department under section 8 of this
 35 act shall be transferred to the state treasurer for deposit into the
 36 office of manufactured housing account.

(3) Expenditures from the account may be used only for the costs associated with administering this chapter. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

<u>NEW SECTION.</u> **Sec. 11.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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