

SENATE BILL REPORT

E2SHB 1461

As Reported By Senate Committee On:
Consumer Protection & Housing, March 16, 2007

Title: An act relating to manufactured/mobile home community registrations and dispute resolution.

Brief Description: Addressing manufactured/mobile home community registrations and dispute resolution.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Morrell, Miloscia, O'Brien, Ericks, Hunt, Sells, Green, Flannigan, Williams, Kenney, Appleton, Ormsby, Quall, Haigh, Hasegawa and Lantz).

Brief History: Passed House: 3/09/07, 97-0.

Committee Activity: Consumer Protection & Housing: 3/16/07 [DPA, w/oRec].

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Haugen, Jacobsen and Kilmer.

Minority Report: That it be referred without recommendation.

Signed by Senator Honeyford, Ranking Minority Member.

Staff: Jacob White (786-7448)

Background: Currently, the Department of Community, Trade and Economic Development (CTED) handles manufactured/mobile home landlord-tenant complaints through the Manufactured Housing Landlord Tenant program. The purpose of this program is to provide information and resource services to community residents and owners so that they will have the tools available to make well-informed decisions and resolve disputes. The program cannot provide legal assistance or resolve rental payment disputes. It serves as a contact point and referral service for information and resources for manufactured/mobile home communities.

Summary of Engrossed Second Substitute Bill: The Attorney General is authorized to administer a Manufactured/Mobile Home Dispute Resolution Program to attempt to resolve disputes regarding alleged violations of the Manufactured/Mobile Home Landlord-Tenant Act.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Attorney General's Duties: The Attorney General will:

- take complaints from manufactured/mobile home tenants and landlords;
- investigate complaints; and
- attempt to negotiate an agreement.

If no agreement can be reached, the Attorney General may:

- make written determinations about whether a violation has occurred; and
- deliver a citation, if necessary, to any violator. The citation will specify the violation and the corrective action required.

If no corrective action has been taken (as directed by the citation order) and no administrative hearing has been requested within the allowed 15 business day time frame, the Attorney General may issue a fine up to a maximum of \$250 a day per fine until the violation is corrected.

Determinations, citations, fines, other penalties, and orders to cease and desist may be contested through an administrative hearing before an administrative judge.

Other Attorney General responsibilities include:

- create and provide to tenants and landlords educational materials about the Manufactured/Mobile Home Dispute Resolution Program and the Manufactured/Mobile Home Landlord-Tenant Act; and
- maintain a database of complaints and report annually to the Legislature.

Dispute Resolution Program Funding: The Manufactured/Mobile Home Dispute Resolution Program is funded with \$9 of every \$10 of the annual registration assessment for each manufactured/mobile home and any fines collected as a result of the Dispute Resolution Program.

Manufactured/Mobile Home Registration - The Department of Licensing (DOL): The DOL is authorized to:

- register all manufactured/mobile home communities annually and collect a registration assessment of \$10 for each home, subject to the Manufactured/Mobile Home Landlord Tenant Act; and
- maintain a database of communities.

The DOL will charge a \$15 master application fee for the initial registration of a community and a \$9 master application renewal fee. The DOL may charge \$250 for late initial registrations and may charge statutory late fees for failure of a community to renew its registration on time.

Registration Program Funding: The DOL will receive the master application fee, \$1 of every \$10 of the annual home assessment, and all late registration fines.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Consumer Protection & Housing): Registration notifications sent by DOL to manufactured/mobile home community landlords must be delivered by certified mail.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Currently, there is no way of settling disputes, other than hiring a high priced lawyer. It takes years to settle a case; under this bill, it would take 30 days. Under current law, if there is a decision for a resident, most of the money goes to attorneys. Very few of the problems in the park are solved fairly or equitably. The owner of some parks are a part of large corporations and have no idea what is actually taking place in the parks. This bill will only hurt attorneys; it will save money for mobile home residents and owners.

Mobile park owners and attorneys write threatening and intimidating letters to prevent people from pursuing claims. The Attorney General's office is the perfect agency to make sure that frivolous complaints are denied and that real complaints are heard and resolved quickly. Currently, there is a huge imbalance of power between manufactured home owners and residents. In order to get this bill to here, there were many compromises made between both sides.

CON: This will increase lawyers' fees, by making an unnecessary bureaucratic mechanism. The \$250 late registration fine is too high of a penalty. Complaints will increase. It is already in the best interest of mobile home park owners to follow the landlord/tenant act. There are plenty of competent legal services for mobile home park residents, including Columbia Legal Services. This bill makes the Attorney General the judge and jury, which is unfair. There is concern about a chilling effect on landlords and tenants who want to solve problems amicably. Posting a sign saying "Go to this agency if you have a complaint," makes for a negative atmosphere.

Persons Testifying: PRO: Ken Newton, Homestead Homes of America; James Dean, Mobil Homes of America (MHOA)-MTA; Raymond A. Breeden Sr., President, Wonderland Estates Co-op Association; Nell Carlson, Wolfgang Priebe, Fred Jones, MHOA; Susan Doran, Manor Heights Estate; Ishbel Dickens, Columbia Legal Services; Bruce Reeves, Senior Citizens Lobby; Lauren Moughen, American Association of Retired Persons; Nick Federici, Washington Low-Income Housing Alliance.

CON: Troy Neliring, Olsen Law Firm; R.F. Kapela, Tip Top Mobil Home Park; Judy Young, citizen.