

SENATE BILL REPORT

SHB 2118

As Reported By Senate Committee On:
Consumer Protection & Housing, March 29, 2007

Title: An act relating to transferring responsibilities related to mobile and manufactured home installation from the department of community, trade, and economic development to the department of labor and industries.

Brief Description: Transferring responsibilities related to mobile and manufactured home installation from the department of community, trade, and economic development to the department of labor and industries.

Sponsors: House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Conway, Wood and Ormsby).

Brief History: Passed House: 3/13/07, 93-3.

Committee Activity: Consumer Protection & Housing: 3/20/07, 3/29/07 [DPA-WM].

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Haugen, Jacobsen, Kilmer and Tom.

Staff: Vanessa Firnhaber-Baker (786-7471)

Background: Department of Community, Trade and Economic Development (CTED) houses the Office of Mobile/Manufactured Housing (OMH). One function of the OMH is the Mobile and Manufactured Home Installation Certification Program (Certification Program), created by the Legislature in 1994. The Certification Program is a function of the State Administrative Agency for Washington's federal Housing and Urban Development dollars for enforcing federal management housing standards. The intent of the Certification Program is to ensure that all mobile and manufactured homes are installed by certified manufactured home installers in accordance with the state installation code in order to provide consumers with greater protections and make the warranty requirement easier to achieve. Since 1995, Washington has required that certified installers supervise all mobile or manufactured home installations. There must be at least one certified installer on the installation site whenever installation work is being performed.

To receive a certificate of manufactured home installation, individuals must apply to CTED. This application must include documentation of six months experience under the direct supervision of a certified manufactured home installer. The Director (Director) of CTED then

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determines whether the applicant is eligible for the training course and examination necessary for certification. The Director may allow other persons to take the training course and examination on manufactured home installation without certification.

The examination for the Certification Program evaluates whether the applicant: possesses the general knowledge necessary for mobile and manufactured home installation; is familiar with the federal and state codes and administrative rules pertaining to mobile and manufactured homes; and is familiar with the local government regulations as related to mobile and manufactured home installations.

CTED issues certificates of mobile and manufactured home installation to applicants who have taken the training course, passed the examination, paid the fees, and in all other respects, meet the qualifications. The certificate bears the date of issuance and an identification number. Certificates must be renewed three years through application and completion of a continuing education program as determined by CTED. If a person fails to renew a certificate by the renewal date, the person must retake the examination and pay the examination fee.

Certificates may be revoked for fraud, incompetence, or violations of state law or agency regulations.

Summary of Substitute Bill: All regulatory and other responsibilities, including any express authority, duties, and specific functions of and for mobile and manufactured home installation are transferred from CTED to Department of Labor and Industries (L&I). All funds, employees, and tangible items used to fulfill these responsibilities are transferred from CTED to L&I. This includes: all reports, surveys, books, records, files, and written materials that pertain to mobile and manufactured home installation; all furniture, office equipment, motor vehicles, and other tangible property pertaining to mobile and manufactured home installation; any relevant appropriated and non-appropriated funds; and all employees engaged in performing the powers, duties, and functions related to mobile and manufactured home installation.

The State Administrative Agency function that administers CTED's delegated authority under The National Manufactured Housing Construction and Safety Standards Act of 1974, 42 United States Code 5401, et seq., and 24 Code of Federal Regulations (CFR) 3280 and 3282 is specifically transferred from CTED to L&I. L&I must continue all rules and pending business pertaining to mobile and manufactured home installation and must respect all existing contracts.

The Director of Office of Financial Management (OFM) must decide all questions with regard to the transfer of personnel, funds, books, documents, records, papers, files, equipment, or other tangible property with respect to mobile and manufactured home installation from CTED to L&I; the Director of OFM must also determine all necessary budget apportionments.

All references to CTED in statute relating to these duties and functions is changed to L&I.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Consumer Protection & Housing): The fees collected by L&I from the federal government for enforcing the National Manufactured Housing standards are deposited into the manufactured Home Installation Training Account. The Department of Community, Trade, and Economic Development is not the coordinating office within the state

government for matters related to manufactured housing. L&I may increase fees for the certification program in excess of the fiscal growth limit in order to implement this bill. This allowance expires on July 1, 2008.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: When manufactured housing installer training and federal law compliance was originally assigned to CTED their major area of responsibilities was in housing. However, now housing is just a side project for CTED. CTED has not embraced the technical aspects of its responsibilities, has ignored its compliance duties, and has farmed out much of its responsibilities to L&I. Currently, CTED acts as a clerical manager and L&I performs the substantive duties. CTED continues to miss deadlines with Department of Housing and Urban Development (HUD), which puts all state housing programs at risk of being defaulted to HUD. Consolidating manufactured housing responsibilities has not worked out well; it has just added another level of confusion in this regulatory area. These programs are funded by the manufacturing housing industry and we want them to be in L&I. L&I has the expertise and the employees to do this right.

Persons Testifying: PRO: Joan Brown, Mike Ryherd, Washington Manufactured Housing Association.