

SENATE BILL REPORT

SB 5823

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, February 25, 2009

Title: An act relating to strict compliance with notice provisions when manufactured/mobile home communities are offered for sale.

Brief Description: Concerning strict compliance with notice provisions when manufactured/mobile home communities are offered for sale.

Sponsors: Senators Kastama, Fraser, Kauffman, McAuliffe and Kline.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/11/09, 2/25/09 [DP, w/oRec].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: Do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin and McDermott.

Minority Report: That it be referred without recommendation.

Signed by Senators Parlette and Schoesler.

Staff: Diane Smith (786-7410)

Background: The Manufactured/Mobile Home Landlord-Tenant Act (Act) provides the rights and duties of both landlords and tenants. When a community governed by the Act is to be sold, the landlord must provide written notice of the sale by certified mail or personal delivery to the tenants, the tenant organization, the Office of Manufactured Housing, local governments, housing authorities, and the Housing Finance Commission.

The notice of sale must include a statement of the landlord's intent to sell and contact information for the landlord, or the landlord's agent, who is responsible for communicating with the community's tenant organization about the sale.

Summary of Bill: Failure to comply strictly with the notice of sale provisions results in either the sale being void or the purchaser being required to continue the use of the property as a community for three years.

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.

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.

Staff Summary of Public Testimony: PRO: This bill is to strike a balance. The tenants are to have an opportunity to buy the park themselves, yet no one has been notified. Of the 17 parks listed for sale, Department of Community, Trade, and Economic Development has notice of five. The notice requirement was put into the law last year as part of the real estate excise tax exemption for selling to a nonprofit or the tenants themselves. The process should require written notice to the tenants. The quotation in The Olympian newspaper today is of a park-owner representative that shows how hard-hearted owners are toward homeowners. They look at it as strictly business.

CON: This is a huge, illegal stick being used against owners. We agreed to a bill last year. We've done two articles in our newsletters about the new law. Maybe the word has not gotten out. These measures are Draconian. It has only been eight months. The bill should have an opportunity to work. Real estate brokers have not communicated with park tenants as they should have. Perhaps the real estate regulatory authority should require continuing education classes on this legal requirement. The statute creating a resident's right of first refusal was passed by the Legislature a long-time ago. The Washington Supreme Court said that was unconstitutional. This bill also triggers an unconstitutional taking of one of the bundles of sticks of ownership of real property. It is an invasion of and deterioration of property rights.

Persons Testifying: PRO: Don Carlson, Colonial Estates; Ishbel Dickens, Columbia Legal Services; Gary Rickets, Tumwater Mobile Estates; Frank Cheney, Association of Mobile Home Owners; Walt Olsen, DSR Enterprises; Janet Duffy, Windermere RMI.

CON: John Woodring, Manufactured Housing Communities of Washington; Bob Mitchell, Washington Realtors.