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SENATE BILL 5821

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State of Washington

61st Legislature

2009 Regular Session

By Senators Kastama, Fraser, Kauffman, McAuliffe, and Shin

Read first time 02/03/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to a property tax exemption for manufactured/mobile  
2 home communities; adding a new section to chapter 84.36 RCW; and  
3 creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Manufactured/mobile home communities provide a significant  
7 source of homeownership opportunities for Washington residents.  
8 However, the increasing closure and conversion of manufactured/mobile  
9 home communities to other uses, combined with increasing  
10 manufactured/mobile home lot rents, low vacancy rates in existing  
11 manufactured/mobile home communities, and the extremely high cost of  
12 moving homes with manufactured/mobile home communities close,  
13 increasingly make manufactured/mobile home park community living  
14 insecure for manufactured/mobile homeowners.

15 (b) Many homeowners residing in manufactured/mobile home  
16 communities are low-income and senior citizens, and are, therefore,  
17 those residents most in need of reasonable security in the siting of  
18 their manufactured/mobile homes because of the adverse impacts on the

1 health, safety, and welfare of residents forced to move due to closure,  
2 change of use, or discontinuance of manufactured/mobile home  
3 communities.

4 (c) The preservation of manufactured/mobile home communities:

5 (i) Is a more economical alternative than providing new replacement  
6 housing units for residents displaced from closing manufactured/mobile  
7 home communities;

8 (ii) Is a strategy by which local governments can meet the  
9 affordable housing needs of their residents;

10 (iii) Is a strategy by which local governments planning under  
11 chapter 36.70A RCW may meet the housing element of their comprehensive  
12 plans as it relates to the provision of housing affordable to all  
13 economic sectors; and

14 (iv) Should be a goal of all local governments.

15 (2) It is the intent of the legislature to encourage and facilitate  
16 long-term security of tenure for manufactured/mobile homeowners by  
17 providing this voluntary opportunity for manufactured/mobile home  
18 community owners to take advantage of a tax exemption in return for a  
19 commitment to maintain their manufactured/mobile home community as such  
20 for a minimum of ten years. This voluntary commitment and tax  
21 exemption benefit must be accompanied by a commitment to comply with  
22 chapter 59.20 RCW, in particular RCW 59.20.130, 59.20.135, 59.20.200,  
23 and 59.20.300.

24 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36 RCW  
25 to read as follows:

26 (1) Subject to the conditions in this section, real property that  
27 constitutes a manufactured/mobile home community is exempt from  
28 taxation.

29 (2) Beginning with the first year a property owner claims the  
30 exemption under this section, a property owner's charge for the rental  
31 of any mobile home lot or manufactured home lot may not increase by  
32 more than the percentage change in the consumer price index for the  
33 prior calendar year.

34 (3)(a) Upon a cessation of use under which an exemption has been  
35 granted under this section, the county treasurer must collect all taxes  
36 that would have been paid had the property not been exempt during the  
37 seven years preceding, or the life of such exemption, if less, together

1 with interest at the same rate and computed in the same manner as  
2 delinquent property taxes. Taxes due under this subsection are also  
3 subject to a penalty of ten percent.

4 (b) The provisions of (a) of this subsection apply only when  
5 ownership of the property is transferred or when any of the property  
6 loses its exempt status. The additional taxes and penalties under (a)  
7 of this subsection does not apply if the cessation of use resulted  
8 solely from:

9 (i) Transfer to another property owner for a use that also  
10 qualifies for an exemption under this section;

11 (ii) A taking through the exercise of the power of eminent domain,  
12 or sale or transfer to an entity having the power of eminent domain in  
13 anticipation of the exercise of such power;

14 (iii) Official action by an agency of the state of Washington or by  
15 the county or city within which the property is located which disallows  
16 the present use of such property;

17 (iv) A natural disaster such as a flood, windstorm, earthquake, or  
18 other such calamity rather than by virtue of the act of the property  
19 owner changing the use of such property; or

20 (v) Transfer to an agency of the state of Washington or the city or  
21 county within which the property is located.

22 (4) The general requirements and conditions of RCW 84.36.812,  
23 84.36.813, 84.36.815, 84.36.820, 84.36.825, 84.36.830, and 84.36.845  
24 apply to this section.

25 (5) For the purposes of this section, "manufactured home," "mobile  
26 home," and "manufactured/mobile home community" have the meanings  
27 provided in RCW 59.20.030.

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