

# HOUSE BILL REPORT

## HB 1502

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**As Reported by House Committee On:**  
Community Development & Housing

**Title:** An act relating to clarifying the manufactured housing and mobile home program functions and account.

**Brief Description:** Clarifying the manufactured housing and mobile home program functions and account.

**Sponsors:** Representatives Ormsby, Kenney, Smith, Moeller, Sells, Condotta, Ryu, Billig and Roberts.

**Brief History:**

**Committee Activity:**

Community Development & Housing: 2/2/11, 2/14/11 [DPS].

**Brief Summary of Substitute Bill**

- Changes the name of the Office of Manufactured Housing to the Office of Mobile/Manufactured Home Relocation Assistance.
- Provides that any technical assistance provided by the Office of Mobile/Manufactured Home Relocation Assistance to tenants under the Park Purchase Program is subject to funding appropriated for that purpose.
- Repeals the Manufactured Housing Account and directs the deposit of the \$15 title transfer fee to the Manufactured Home Installation Training Account.
- Eliminates the 5 percent limit on the Department of Commerce's expenditures for administration costs under the Relocation Assistance Program.

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### HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT & HOUSING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kenney, Chair; Finn, Vice Chair; Smith, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Maxwell, Ryu, Santos and Walsh.

**Staff:** Chris Cordes (786-7103).

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*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.*

## **Background:**

### Office of Manufactured Housing.

The Office of Manufactured Housing (Office), in the Department of Commerce, provides general assistance to manufactured/mobile home resident organizations, tenant organizations, and manufactured/mobile home community owners. Among its duties, the Office provides technical assistance to tenants who are participating in the conversion of a mobile home park to resident ownership under the Park Purchase Program and, under this program, may also provide secured loans where a significant number of the residents are low-income or infirm.

A \$15 fee collected on the title transfer of manufactured/mobile homes is deposited in the Manufactured Housing Account (MH Account). The MH Account directs \$5,000 annually to fund the cost of registering landlords and collecting fees. The remaining funds are used to fund the Office, except for the funds needed by the Department of Labor and Industries (1) to be the state administrative agency under the United States Department of Housing and Urban Development's manufactured housing safety and construction standards program and (2) for the Manufactured Home Installation Training Program.

A Manufactured Housing Task Force was created in 1991 to study and make recommendations on the structure that the state should use to regulate manufactured housing. The task force terminated on December 31, 1992.

### Mobile Home Relocation Assistance Program.

The Office also administers a Mobile Home Relocation Assistance Program (Relocation Assistance Program) that provides monetary assistance on a first-come, first-served basis to low-income persons owning mobile homes located in mobile home parks that are scheduled for closure. If eligible, the mobile home owner could receive reimbursement of relocation expenses up to \$12,000 (\$7,500 for a single-wide home). As of January 2011, the Relocation Assistance Program had a wait list with 12 eligible households.

The Relocation Assistance Program is funded by a \$100 fee on the issuance of a certificate of title for certain manufactured/mobile homes. This fee is deposited in the Mobile Home Park Relocation Fund.

The Department of Commerce is allowed to use up to 5 percent of the fees collected for administration of the Relocation Assistance Program.

### Manufactured Home Construction and Installation Programs.

The Department of Labor and Industries (L&I) is the designated state administrative agency for purposes of the United States Department of Housing and Urban Development's manufactured housing safety and construction standards program. Under this program, the L&I is responsible for enforcing the federal standards at Washington manufacturing sites. It must also provide a warranty dispute mediation program.

The L&I also administers the Manufactured Home Installation Training Program (Installation Program). Under the Installation Program, persons wishing to be manufactured home installers may apply for certification. Certification is issued to persons who take the training, pass the examination, pay the required fees, and meet other qualifications.

The L&I may charge fees to cover the costs of the program. Fees are deposited in the Manufactured Home Installation Training Account (Installation Training Account). The Installation Training Account also receives any appropriations, fees received under the warranty dispute mediation program, and any penalties imposed. This funding may be used for any of the manufactured housing programs administered by the L&I under these provisions.

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### **Summary of Substitute Bill:**

#### Office of Mobile/Manufactured Home Relocation Assistance.

The name of the Office of Manufactured Housing is changed to the Office of Mobile/Manufactured Home Relocation Assistance. References to providing general assistance to manufactured housing community owners or landlords are deleted.

The Office of Mobile/Manufactured Home Relocation Assistance must provide, if funding is appropriated for this purpose, technical assistance to tenants under the Park Purchase Program.

The Manufactured Housing Task Force is repealed.

#### Manufactured Housing Account.

The MH Account is repealed. The \$15 fee collected on title transfers is deposited in the Installation Training Account for use by the L&I for the state administrative agency function and the Installation Program. Any residual balance in the MH Account must be transferred to the Installation Training Account.

#### Relocation Assistance Program.

The 5 percent limit on the Department of Commerce's expenditures for administration cost under the Relocation Assistance Program is eliminated.

#### Technical Changes.

Various technical changes are made, including amending definitions to delete the reference to the MH Account which is being repealed and revising the definition of "mobile home" to reflect the definition used by the L&I under the law governing manufactured housing safety and construction standards.

### **Substitute Bill Compared to Original Bill:**

The substitute bill: (1) provides that any technical assistance provided by the Office of Mobile/Manufactured Home Relocation Assistance to tenant organizations under the Park Purchase Program is subject to funding appropriated for this purpose; (2) repeals the MH Account and directs the deposit of the \$15 title transfer fee to the Installation Training Account; (3) revises the Mobile Home Relocation Fund to remove a 5 percent limitation on the Department of Commerce's expenditures for administration costs; and (4) repeals the Manufactured Housing Task Force.

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**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 14, 2011.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Many of the functions of the Office of Manufactured Housing were moved to the Office of the Attorney General when the landlord-tenant dispute resolution program was created. And when other functions were moved to the L&I, the funding did not follow. These programs are not paying for themselves with the current account structure.

(With concerns) The Office of Manufactured Housing has two programs to administer: the Park Purchase Program and the Relocation Assistance Program. The \$5,000 to the Department of Commerce in the MH Account for Park Purchase Program activities could be deleted. There is separate funding for the Relocation Assistance Program, but the agency needs more flexibility in its administrative funding for that program.

(Opposed) None.

**Persons Testifying:** (In support) Representative Ormsby, prime sponsor; and Joan Brown, Northwest Housing Association.

(With concerns) Dan McConnon, Department of Commerce.

**Persons Signed In To Testify But Not Testifying:** None.