

HOUSE BILL REPORT

SHB 1502

As Passed Legislature

Title: An act relating to manufactured housing and mobile homes.

Brief Description: Concerning manufactured housing and mobile homes.

Sponsors: House Committee on Community Development & Housing (originally sponsored by 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];

General Government Appropriations & Oversight: 2/18/11 [DPS(CDH)].

Floor Activity:

Passed House: 3/2/11, 96-0.

Senate Amended.

Passed Senate: 3/30/11, 47-0.

House Concurred.

Passed House: 4/13/11, 96-0.

Passed Legislature.

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.
- Prohibits local jurisdictions, based on a nonconforming use status, from prohibiting the entry or requiring the removal of a manufactured or mobile home, park model, or recreational vehicle allowed in a manufactured housing community under 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.

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).

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS & OVERSIGHT

Majority Report: The substitute bill by Committee on Community Development & Housing be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Hudgins, Chair; Miloscia, Vice Chair; McCune, Ranking Minority Member; Taylor, Assistant Ranking Minority Member; Blake, Fitzgibbon, Ladenburg, Moscoso, Pedersen, Van De Wege and Wilcox.

Staff: Andy Toulon (786-7178).

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.

Regulation of Homes in Manufactured Housing Communities.

Under the Manufactured/Mobile Home Landlord-Tenant Act, owners of manufactured housing communities are prohibited from preventing the entry or requiring the removal of a manufactured or mobile home or a park model for the sole reason that the home has reached a certain age. Homes may, however, be excluded or expelled for other reasons including failure to comply with fire, safety, and other local ordinances and state laws.

Cities and counties are authorized to adopt residential land use zoning regulations, which may include requirements relating to manufactured homes and manufactured housing communities, such as location, design, lot size, foundation construction and other requirements. Age and dimension requirements may not restrict the location of manufactured homes in manufactured housing communities that were legally in existence before June 12, 2008. With some exceptions, local jurisdictions may not restrict the entry or require the removal of recreational vehicles used as primary residences in manufactured housing communities.

Zoning regulations may also prohibit certain land uses as "nonconforming uses." A state law adopted in 2004 allows a local jurisdiction to designate a new manufactured housing community as a nonconforming use, but prohibits it from ordering the removal or elimination of an existing manufactured housing community based upon its designation as a "nonconforming use."

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.

Regulation of Homes in Manufactured Housing Communities with Nonconforming Use Status.

A city or county may not, based on a manufactured housing community's status as a nonconforming use, prohibit the entry or require the removal of a manufactured or mobile home, park model, or recreational vehicle that is allowed in a manufactured housing community under the Manufactured/Mobile Home Landlord-Tenant Act.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony (Community Development & Housing):

(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.

Staff Summary of Public Testimony (General Government Appropriations & Oversight):

(In support) This bill transfers fees from the Department of Commerce to the L&I to support programs for which the fees were originally intended.

(Opposed) None.

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

(With concerns) Dan McConnon, Department of Commerce.

Persons Testifying (General Government Appropriations & Oversight): Joan Brown, Northwest Housing Association.

Persons Signed In To Testify But Not Testifying (Community Development & Housing): None.

Persons Signed In To Testify But Not Testifying (General Government Appropriations & Oversight): None.