
Judiciary Committee

SB 5497

Title: An act relating to the removal of a mobile home, manufactured home, or park model from a mobile home park after default.

Brief Description: Requiring the removal of a mobile home, manufactured home, or park model from a mobile home park by a secured party after default.

Sponsors: Senators Sheldon, Pflug and Carrell.

Brief Summary of Bill

- Provides that a secured party who has the right to possession of a mobile home, manufactured home, or park model is responsible for removing the home or park model from the mobile home park.

Hearing Date: 3/21/11

Staff: Edie Adams (786-7180).

Background:

The Manufactured/Mobile Home Landlord Tenant Act (MHLTA) governs the legal rights, remedies, and obligations arising from a rental agreement between a landlord and a tenant of a mobile home lot. Under the MHLTA, when a tenant defaults in the payment of rent, the landlord may bring an unlawful detainer action to terminate the tenancy and restore the premises to the landlord. In addition, the landlord has a lien for up to four-months unpaid rent on the tenant's manufactured or mobile home or other personal property of the tenant used or kept on the mobile home lot.

The MHLTA provides that a secured party who has a right of possession of a mobile home, manufactured home, or park model, is liable to the landlord from the date the secured party receives written notice for rent for occupancy of the mobile home lot. The secured party is liable to the landlord for rental of the mobile home space under the same terms as the tenant was

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paying before repossession until the secured party sells or otherwise disposes of the home or park model. The secured party may also be liable for other reasonable expenses incurred after receipt of the notice, such as maintenance or utility charges owed by the tenant. The secured party must pay the landlord the rent or other expenses owed to the landlord before removal of the home or park model from the mobile home park.

If a secured party becomes liable to the landlord for rent, the relationship between the secured party and the landlord is governed by the rental agreement previously signed by the tenant and the landlord, except that the term of the rental agreement converts to a month-to-month tenancy. The secured party and the landlord are not required to execute a new rental agreement.

Article 9A of the Uniform Commercial Code provides that a secured party has the right to take possession of collateral when a debtor defaults in an obligation that is secured by a security interest in the collateral. The secured party is authorized to take possession of the collateral either through judicial process or without judicial process if it can be done without a breach of the peace. The secured party may then sell the collateral in a commercially reasonable manner in order to satisfy the debtor's obligation.

Summary of Bill:

A secured party who has a right to possession of a mobile home, manufactured home, or park model, after a default in an obligation secured by the home or park model, is responsible for removing the home or park model from the mobile home park.

Appropriation: None.

Fiscal Note: Not requested.

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