

# SENATE BILL REPORT

## SHB 1502

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, March 15, 2011

**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:** House Committee on Community Development & Housing (originally sponsored by Representatives Ormsby, Kenney, Smith, Moeller, Sells, Condotta, Ryu, Billig and Roberts).

**Brief History:** Passed House: 3/02/11, 96-0.

**Committee Activity:** Financial Institutions, Housing & Insurance: 3/09/11, 3/15/11 [DPA].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** Do pass as amended.

Signed by Senators Hobbs, Chair; Prentice, Vice Chair; Benton, Ranking Minority Member; Fain, Haugen, Keiser and Litzow.

**Staff:** Alison Mendiola (786-7483)

**Background:** Office of Manufactured Housing. The Office of Manufactured Housing (Office) in the Department of Commerce (DOC) 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 and 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 certain 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\$5,000 annually to fund the cost of registering landlords and collecting fees, but this reference is to a fee that was repealed in 1996. The remaining funds are used to fund the Office of Manufactured Housing, except for the funds needed by the Department of Labor and Industries (L&I) (1) to be the state administrative agency under the federal Department of

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Housing and Urban Development's manufactured housing safety and construction standards program, and (2) for the Manufactured Home Installation Training Program.

Mobile Home Relocation Assistance Program. The Office also administers a Mobile Home Relocation Assistance Program (Relocation 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). The Relocation 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.

Manufactured Home Construction and Installation Programs. L&I is the designated state administrative agency for purposes of the federal Department of Housing and Urban Development's manufactured housing safety and construction standards program. Under this program, L&I is responsible for enforcing the federal standards at Washington manufacturing sites.

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.

L&I may charge fees to cover the costs of the program. Fees are deposited in the Manufactured Home Installation Training Account.

**Summary of Bill (Recommended Amendments):** 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 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 DOC'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 L&I under the law governing manufactured housing safety and construction standards.

Residential Zoning Regulations. Residential zoning regulations are promulgated by counties, cities, and towns (local governments) to encourage patterns of residential development that serve community goals with respect to population density, neighborhood development, environmental quality, transportation, land use, utility systems, etc. Such zoning regulations typically have rules specific to manufactured homes and manufactured housing communities regarding location, design, lot size, foundation construction, and other requirements.

A nonconforming use is a use of property that was allowed under the zoning regulations at the time the use was established but which, because of subsequent changes in those regulations, is no longer a permitted use. This term has not been defined in statute so local governments are free, within certain constitutional limits, to establish their own standards for regulating the nonconforming use.

In 2004 the Legislature permitted local governments to designate a new manufactured housing community as a nonconforming use. Local governments, however, were prohibited from removing or eliminating an existing manufactured housing community based on its designation as a nonconforming use.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, HOUSING & INSURANCE COMMITTEE (Recommended Amendments):** Cities, code cities, and counties are prohibited from denying authorized manufactured/mobile homes, recreational vehicles, or park models entry into, or requiring their removal from, a manufactured housing community based on the community's status as a nonconforming use.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Substitute House Bill:** PRO: This bill clarifies the different obligations of Commerce and L&I. The installation program was transferred to L&I but the funds were not. The bill has the full support of the various stakeholders involved.

**Persons Testifying:** PRO: Representative Ormsby, prime sponsor; Joan Brown, Northwest Housing Association.