

HOUSE BILL REPORT

EHB 1493

As Amended by the Senate

Title: An act relating to the property taxation of mobile homes and park model trailers.

Brief Description: Concerning the property taxation of mobile homes and park model trailers.

Sponsors: Representatives Springer, Warnick, Hansen, Short, Orcutt, Tharinger, Seaquist, Zeiger, Hunt, Wilcox, Nealey, Morrell, Moscoso, Liias, Stanford, Hudgins, Green, Pettigrew, Moeller, Appleton, Ryu, Bergquist and Stonier.

Brief History:

Committee Activity:

Finance: 2/4/13, 2/27/13 [DP].

Floor Activity:

Passed House: 3/5/13, 96-0.

Senate Amended.

Passed Senate: 4/17/13, 46-2.

Brief Summary of Engrossed Bill

- Allows a mobile home park landlord to request that the county treasurer remove outstanding taxes from the tax roll for certain abandoned or recovered mobile homes with values less than \$8,000.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 12 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Fitzgibbon, Hansen, Lytton, Pollet, Reykdal, Springer and Vick.

Staff: Jeff Olsen (786-7175).

Background:

Property Tax.

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.

All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses. Mobile homes or park model trailers that are not affixed to real property are subject to personal property taxes.

Mobile Homes.

The Manufactured/Mobile Home Landlord Tenant Act (MMHLTA) governs the legal rights, remedies, and obligations arising from a rental agreement between a landlord and a tenant of a mobile home lot. The MMHLTA covers issues such as the required contents of rental agreements, duties of landlords and tenants, grounds for termination of tenancy, and rules with respect to the transfer of the rental agreement.

The landlord of a mobile home park may take ownership of a mobile home with the intent to resell or rent after the unit has been abandoned or has been awarded to the landlord as part of a final court judgment for restitution of the premises. However, if the landlord does take ownership of the mobile home, any outstanding taxes become the responsibility of the landlord.

Summary of Engrossed Bill:

The landlord of a mobile home may submit a signed affidavit to the county assessor to seek removal of any outstanding taxes, penalties, and interest under specific circumstances. The affidavit must indicate that the landlord has taken ownership of the mobile home with the intent to resell or rent. The mobile home must have been abandoned or awarded to the mobile home park landlord as part of a final court judgment for restitution of the premises, and the title must have been transferred to the landlord. In addition, the most current assessed value of the mobile home must be less than \$8,000. The county treasurer, after notification by the county assessor, must remove from the tax rolls any outstanding taxes, interest, and penalties on the mobile home or trailer.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment clarifies that after outstanding taxes, interest, and penalties are removed from the tax rolls, all future taxes are the responsibility of the owner of the mobile home. The Senate amendment clarifies that the term mobile home includes manufactured homes.

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:

(In support) When manufactured home owners abandon property at a mobile home community, the community owners must choose to haul it away or rehabilitate the property. If it is hauled away, the past due taxes are exempt. However, if they choose to fix up the manufactured home, the taxes are not exempt. This bill allows community owners to save houses, a much needed affordable housing option, which makes the mobile home community more viable.

(Opposed) If a mobile home is destroyed under current law the taxes are forgiven. This bill would provide a special benefit to the mobile home community owners.

Persons Testifying: (In support) Kyle Woodring and Theresa Janzen, Manufactured Housing Communities of Washington; and Craig Hillis, Commonwealth Real Estate.

(Opposed) Shawn Meyers, Washington State Association of County Treasurers; and Monty Cobb, Washington Association of County Officials.

Persons Signed In To Testify But Not Testifying: None.