

SENATE BILL REPORT

SB 6461

As of February 3, 2016

Title: An act relating to eligibility for relocation assistance for tenants of closed or converted mobile home parks.

Brief Description: Modifying who is eligible for relocation assistance for tenants of closed or converted mobile home parks.

Sponsors: Senators O'Ban, Hobbs and Warnick.

Brief History:

Committee Activity: Financial Institutions & Insurance: 2/03/16.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Aldo Melchiori (786-7439)

Background: Applicants for a certificate of title for an original or transfer manufactured home transaction are required to pay a \$100 fee if the manufactured home: (1) is located in a mobile home park; (2) is one year old or older; (3) is new or ownership changes unless the change involves adding or deleting a spouse or domestic partner, coregistered owner, or legal owner; and (4) is sold for \$5,000 or more. The fee is forwarded to the state treasurer for deposit in the mobile home park relocation fund (Fund). The Fund is used exclusively for relocation assistance.

If a mobile home park is closed or converted to another use after December 31, 1995, eligible tenants are entitled to assistance on a first-come, first-serve basis. The Department of Commerce gives priority for distribution of relocation assistance to tenants residing in parks that are closed as a result of park-owner fraud or as a result of health and safety concerns as determined by the local board of health. Payments are only made if there are available funds. Assistance for closures occurring after December 31, 1995, is limited to persons who maintain ownership of and relocate their mobile home or who dispose of a home not relocatable to a new site.

Persons who removed and disposed of their mobile home or maintained ownership of and relocated their mobile homes are entitled to reimbursement of actual relocation expenses up to \$12,000 for a double-wide home and up to \$7,500 for a single-wide home. Any individual or organization may apply to receive funds from the mobile home park relocation fund, for

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use in combination with funds from public or private sources, toward relocation of tenants. If the tenant receives relocation assistance from another source, the amount received from the mobile home park relocation fund is reduced by that amount.

Eligibility for relocation assistance funds is limited to low-income households. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than 80 percent of the median family income, adjusted for household size, for the county where the mobile or manufactured home is located.

Funds received from the mobile home park relocation fund shall only be used for relocation assistance expenses or other mobile/manufactured home ownership expenses, that include down payment assistance, if the owners are not planning to relocate their mobile home as long as their original home is removed from the park.

Summary of Bill: If a mobile home park is closed or converted to another use after the effective date of the act, the relocation assistance is no longer subject to the availability of funds. Additionally, the relocation assistance is not limited to low income households.

Appropriation: None.

Fiscal Note: Requested on January 27, 2016.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Everybody pays into the fund regardless of income, so they should be equally able to obtain relocation assistance. The real problem is that parks are closing and no new parks are being built. The point of the bill is to provide fairness to people who contribute to the fund.

CON: If the low-income requirement is eliminated, the available funds will not help all of the people who really need it. Those folks who need the assistance the most will be differentially affected. Current contributions to the fund do not meet the anticipated need. Developers are promising assistance, but the funds are limited and not everybody can get it. The \$100 fee needs to be increased to more adequately fund the program. A large increase in closures is anticipated and the increased eligibility will deplete the fund quickly. It does not make sense to expand eligibility at this time. We need a government insurance program to replace this fund.

Persons Testifying: PRO: Walt Olsen, Manufactured Housing Communities of Washington; Craig Hillis, Manufactured Housing Community of Washington; Chester Baldwin, Manufactured Housing Communities of WA.

CON: Robert Ashmore, MHOA; Jan Sylvester, MHOA/Secretary and District Director; Judith White, MHOA-Board Member; Ishbel Dickens, NMHOA; Rory O'Sullivan, Managing Attorney, Housing Justice Project, King County Bar Association; Gregory Provenzano, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: No one.