
Civil Rights & Judiciary Committee

HB 2610

Brief Description: Concerning the sale or lease of manufactured/mobile home communities and the property on which they sit.

Sponsors: Representatives Duerr, Ramel, Kloba, Appleton, Walen, Harris, Ryu, Gregerson, Doglio, Dolan, Valdez, Tharinger, Santos, Pollet and Macri.

Brief Summary of Bill

- Amends the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) as follows:
 - requires landlords to provide notices of opportunity to purchase with respect to the sale or lease of manufactured/mobile home community;
 - provides certain organizations and associations a fixed period of time within which to express intent to purchase or lease and make an offer, during which time the landlord shall not make a final unconditional acceptance of an offer from others;
 - requires, rather than encourages, landlords to negotiate in good faith; and
 - imposes civil penalties for failure to comply.
- Adds and amends definitions and terms.

Hearing Date: 1/31/20

Staff: Cece Clynych (786-7195).

Background:

Pursuant to the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA), within 14 days after the date on which any advertisement, multiple listing, or public notice advertises that a manufactured/mobile home community is for sale, a landlord must provide a written notice of sale of a manufactured/mobile home community by certified mail or personal delivery to:

- each tenant in the community;

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.

- the officers of any known qualified tenant organization, defined as a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant;
- the Office of Mobile/Manufactured Home Relocation Assistance, in the Department of Commerce;
- the local government and the local housing authority within whose jurisdiction all or part of the community exists; and
- the Washington State Housing Finance Commission.

The notice must include a statement that the landlord intends to sell the community and the contact information of the landlord or landlord's agent who is responsible for communicating with a qualified tenant organization or eligible organization regarding the sale of the property.

The MHLTA defines these organizations as follows:

- "Eligible organization" includes local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state, and regional or statewide nonprofit housing assistance organizations.
- "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant.

A landlord intending to sell a manufactured/mobile home community is encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations. A sale of a manufactured/mobile home community to a qualified tenant organization or an eligible organization is a qualified sale. A qualified sale that takes place from January 1, 2020, through December 31, 2029, is exempt from the state and local real estate excise tax of one and twenty-eight one-hundredths percent of the selling price.

Summary of Bill:

Terms and Definitions.

The following changes and additions are made with respect to terms and definitions under the Manufactured/Mobile Home Landlord-Tenant Act:

- "Eligible organization" also includes community land trusts and resident nonprofit cooperatives.
- The definition of "notice of sale" is amended to mean a notice required to be delivered to all tenants of a community and other specified parties within 14 days after the date on which any advertisement, listing (rather than multiple listing), or public notice is first made advertising that the community, or the property on which it sits, is for sale or lease (rather than just sale).
- A new term, "notice of opportunity to purchase," is added, as explained more fully below.
- "Qualified tenant organization" is renamed "homeowners' association," but the definition remains the same.
- A new term, "resident nonprofit cooperative," is added and defined as a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the community in which they reside and converting the community to a mobile home park cooperative or manufactured housing cooperative.

Notice of Opportunity to Purchase.

In addition to requirements related to the notice of sale, a landlord must provide a written notice of opportunity to purchase a community to each tenant, the Department of Commerce (Commerce), and the Housing Finance Commission within:

- three days after the date on which a landlord receives a bona fide offer to purchase or lease the community or the property on which it is located; or
- 14 days after the date on which any advertisement, listing, or public notice is first made that the community, or property on which it sits, is for sale or lease.

A notice of opportunity to purchase must include:

- a statement that the landlord is, or is not, considering the sale or lease of the community or the property on which it sits;
- a statement that:
 - homeowners' associations and eligible organizations have 45 days from the date of delivery or postmark to provide the landlord with notice of intent to consider purchasing or leasing the park, during which time the landlord shall not make a final acceptance of an offer to purchase or lease the park; and
 - if notice of intent is provided to the landlord within that time that the landlord shall not make a final unconditional acceptance of an offer to purchase or lease the park from a person or entity other than a homeowners' association or eligible organization for an additional 120 days; and
- the contact information for the landlord or agent who is responsible for communication regarding the opportunity to make an offer.

A notice of opportunity to purchase is not required with respect to a sale, transfer, conveyance, or lease where the transaction is due to foreclosure, incidental to financing, pursuant to a tax sale, between joint tenants or tenants in common, among partners or shareholders who own the community, or to a member of the owner's family or to a trust for the sole benefit of members of the owner's family.

If, within 45 days of delivery or postmark of this new notice, the landlord receives notice from a homeowners' association or eligible organization expressing an intent to consider purchasing or leasing the community, the landlord shall not make a final unconditional acceptance of an offer to purchase or lease the park from a person or entity other than a homeowners' association or eligible organization for an additional 120 days. If no such association or organization provides notice of intent within 45 days, the landlord is not subject to the additional 120-day restriction on sale.

Landlords are required, rather than encouraged, to negotiate in good faith with homeowners' associations and eligible organizations.

Commerce must maintain a list of all homeowners' associations and eligible organizations that submit a written request to receive notices of opportunity to purchase and must provide a copy of the list to any person upon request.

Landlords who willfully fail to comply with the notice, waiting period, or good faith requirements are liable to the state for a civil penalty in the amount of \$10,000 or 10 percent of the total sale price, whichever is greater. The Attorney General is authorized to bring such an action.

Appropriation: None.

Fiscal Note: Available.

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