

SENATE BILL REPORT

HB 2512

As of February 25, 2020

Title: An act relating to interest and penalty relief for qualified mobile home and manufactured home owners.

Brief Description: Concerning interest and penalty relief for qualified mobile home and manufactured home owners.

Sponsors: Representatives Orwall, Stokesbary, Pollet, Ryu, Valdez, Volz, Leavitt, Gildon, Graham, Doglio and Dufault.

Brief History: Passed House: 2/16/20, 96-0.

Committee Activity: Housing Stability & Affordability: 2/24/20.

Brief Summary of Bill

- Provides that mobile homes and manufactured homes on which the title has not been eliminated are subject to distraint no sooner than three years after the date personal property taxes become delinquent.
- Requires the county treasurer to waive outstanding interest and penalties on delinquent taxes due from the title owner on a mobile home or manufactured home subject to distraint if the owner meets certain requirements.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Staff: Brandon Popovac (786-7465)

Background: Mobile/Manufactured Homes as Vehicles or Real Property. A mobile/manufactured home is a structure designed and constructed to be transportable in one or more sections, built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities that include plumbing, heating, and electrical systems.

A mobile/manufactured home situated on land that belongs to someone other than the homeowner must be titled by the Department of Licensing (DOL) as a vehicle, and it is taxed as personal property.

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.

If the mobile/manufactured home is affixed to land owned by the homeowner, either it must be titled by DOL or the homeowner may choose to have the title eliminated or not issued. If the title is eliminated or not issued, the application must be recorded in the county property records of the county where the real property to which the home is affixed is located. In that case, the mobile/manufactured home is treated the same as a site-built structure, taxed as real property, and ownership is based on ownership of the real property through real property law.

County Tax Foreclosure and Distraint Sales. All real and personal property in Washington is subject to property tax, unless a specific exemption is provided by law. Personal property includes tangible property, such as motor vehicles or manufactured homes. Real property includes all land, buildings, structures, or permanent improvements on land, permanent fixtures on land, standing timber, or water rights.

The county treasurer collects all personal property taxes after completing the tax roll for the current year. Notice by mail must be given to all persons charged with personal property taxes. If personal property taxes are delinquent, the county treasurer must commence collection efforts by preparing papers in distraint. The papers must contain: a description of the property; the amount of taxes, including the amount of deferred taxes that are a lien on the personal property to be distrained; the amount of accrued interest; and the name of the owner.

The county treasurer must then distraint sufficient goods and chattel belonging to the person to pay the taxes, interest, and costs described in the distraint papers and proceed to advertise the distraint sale by posting written notices in three public places in the county, including the county courthouse. The notice must state the time and place where the property will be sold. The sale may not be less than ten days after the taking of the property.

If the taxes, interest, and costs are not paid before the date of the sale, the county treasurer must sell the property at public auction. Any amount received in excess of the amount sufficient to pay the taxes, interest, costs, and cost of auction must be paid to the owner of the property. If the county treasurer has reasonable grounds to believe that any personal property, including mobile/manufactured homes and park model trailers, upon which taxes have been levied but not paid is about to be removed from the county or destroyed, sold, or disposed of, the treasurer may demand the taxes without notice and, if necessary, distraint sufficient goods and chattels to pay the amounts owed.

Summary of Bill: Mobile homes and manufactured homes on which the title has not been eliminated are subject to distraint no sooner than three years after the date of first delinquency. However, if the county treasurer has reasonable grounds to believe that the property upon which taxes have been levied but not paid is about to be removed from the county or destroyed, sold, or disposed of, the county treasurer may demand the taxes without notice and, if necessary, distraint sufficient goods and chattels to pay the amounts owed.

The county treasurer must waive outstanding interest and penalties on delinquent taxes due from the title owner on a mobile home or manufactured home if the property is subject to an action for distraint and:

- the title owner meets certain low-income thresholds, as verified by the county assessor;

- the title owner occupies the mobile home or manufactured home as their principal place of residence;
- the title owner or their agent is paying the delinquent base taxes owed on the year or years for which the outstanding interest and penalties are being waived and submits a complete application at least 14 days before recording of distraint documents; and
- the title owner has not previously received this same waiver on the property.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Legislation from last year helped homeowners regarding tax lien foreclosures, but did not include or address owners of manufactured housing. The bill provides county treasurers with more tools to help low-income persons remain in their manufactured home and extends the same allowances and protections for real property owners enacted last year to manufactured housing owners. County officials fully support the bill and preserving an ongoing commitment to the financial and physical health and well-being of their county residents.

Persons Testifying: PRO: Representative Tina Orwall, Prime Sponsor; Cynthia Stewart, League of Women Voters of Washington; Jeff Gadman, Washington Association of County Treasurers/Thurston County Treasurer; Jennifer Wallace, Executive Director, Washington Association of County Officials.

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