6

7

8

9

1112

13

14

SENATE BILL 5761

State of Washington 66th Legislature 2019 Regular Session

By Senators Rolfes, Hunt, and Wilson, C.

Read first time 01/31/19. Referred to Committee on Housing Stability & Affordability.

- AN ACT Relating to creating a mobile home lot rent increase mediation process; and amending RCW 59.20.090 and 59.20.250.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 59.20.090 and 2010 c 8 s 19034 are each amended to read as follows:
 - (1) Unless otherwise agreed rental agreements shall be for a term of one year. Any rental agreement of whatever duration shall be automatically renewed for the term of the original rental agreement, unless a different specified term is agreed upon.
 - (2) (a) A landlord seeking to increase the rent at any time or upon expiration of the term of a rental agreement of any duration shall notify the tenant and the office of the attorney general in writing three months prior to the effective date of any increase in rent. The notice must include the following:
- (i) The amount of the proposed lot rent increase, including any amount of the increase that is attributable to a surcharge for any capital improvements of the mobile home park pursuant to (b) of this subsection, the estimated cost of the capital improvements, and the proposed duration of the surcharge prorated in twelve-month increments sufficient to recover the estimated cost of the capital improvements;

p. 1 SB 5761

(ii) The effective date of the rent increase;

2 <u>(iii) A copy of the mobile home park tenant's rights pursuant to</u> 3 <u>this chapter; and</u>

- (iv) The percentage of increase from the current base lot rent.
- (b) If the mobile home park owner requests a lot rent increase that includes a surcharge for any capital improvements which, for the purposes of this section, include replacement or repair of any major infrastructure systems that exceed two thousand five hundred dollars, the landlord shall submit to the office of the attorney general an affidavit stating the estimated costs of the improvements, the expected date of completion of the improvements, and the time frame required for the surcharge to provide for recovery of the cost of the improvements. The lot rent surcharge must terminate when the park owner has recovered the cost of the capital improvements. A lot rent surcharge for capital improvements must be implemented as to minimize the financial burden on the mobile home park tenants.
 - (c) If the mobile home park owner fails to notify either the mobile home park tenants or the office of the attorney general of a lot rent increase as required under (a) of this subsection, the proposed lot rent increase is ineffective and unenforceable.
 - (3) A tenant shall notify the landlord in writing one month prior to the expiration of a rental agreement of an intention not to renew.
 - (4) (a) The tenant may terminate the rental agreement upon thirty days written notice whenever a change in the location of the tenant's employment requires a change in his or her residence, and shall not be liable for rental following such termination unless after due diligence and reasonable effort the landlord is not able to rent the mobile home lot at a fair rental. If the landlord is not able to rent the lot, the tenant shall remain liable for the rental specified in the rental agreement until the lot is rented or the original term ends.
 - (b) Any tenant who is a member of the armed forces, including the national guard and armed forces reserves, or that tenant's spouse or dependent, may terminate a rental agreement with less than thirty days notice if the tenant receives reassignment or deployment orders which do not allow greater notice. The tenant shall provide notice of the reassignment or deployment order to the landlord no later than seven days after receipt.

p. 2 SB 5761

1 **Sec. 2.** RCW 59.20.250 and 1984 c 58 s 12 are each amended to read as follows:

3

4

5

7

8

- (1) Except as provided in subsection (2) of this section, the landlord and tenant may agree in writing to submit any dispute arising under this chapter or under the terms, conditions, or performance of the rental agreement to mediation by an independent third party or to settle the dispute through industry mediation procedures. The parties may agree to submit any dispute to mediation before exercising their right to arbitration under RCW 59.20.260.
- 10 (2) (a) If the percentage of a proposed mobile home lot rent increase under RCW 59.20.090 is more than one percentage point above 11 the United States consumer price index for all urban consumers, 12 13 housing component, published by the United States bureau of labor statistics in the periodical "Monthly Labor Review and Handbook of 14 Labor Statistics" as established annually by the department of 15 commerce and if, within fifteen business days after receipt by the 16 17 office of the attorney general of the notice required under RCW 59.20.090(2), a majority of the affected tenants file with the office 18 19 of the attorney general and the mobile home park owner a written petition that includes the name of the person who will act as the 20 representative of the tenants, and a statement that they dispute the 21 proposed lot rent increase, the office of the attorney general shall 22 23 send a list of qualified professional mediators compiled by the 24 office of the attorney general in cooperation with mobile home park 25 owners and tenants to the mobile home park owner and to the tenants' representative. Within five business days of receipt of the list of 26 27 mediators, the mobile home park owner and the tenants' representative 28 shall agree on a mediator from the list and notify the office of the attorney general of the name, address, and telephone number of the 29 30 mediator selected, accompanied by the mediator's agreement to conduct the mediation. If the office of the attorney general has not been 31 32 notified of a mediator as required under this subsection, the office of the attorney general shall appoint a mediator from the list. The 33 34 mediator may not have any interest, direct or indirect, in the mobile home park at issue and shall disclose to the mobile home park owner, 35 the tenants, and the office of the attorney general, any experience 36 as a mobile home park owner, resident, or tenant, or any other 37 circumstance that may create a real or perceived conflict of 38 39 interest. The office of the attorney general shall pay the reasonable

p. 3 SB 5761

fees for professional mediation services based on a schedule established by rule by the office of the attorney general.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

1617

18 19

2021

22

23

2425

26

(b) The mediator appointed under (a) of this subsection shall conduct one or more mediation sessions within the period that ends ten days before the effective date of the proposed lot rent increase. The mediation must include the mobile home park owner and the tenants, or their respective representatives, and must attempt to resolve the dispute. No later than five days before the initial mediation session, the mobile home park owner shall provide to the mediator and the tenants' representative all documents and information that the mobile home park owner considers relevant to support the proposed lot rent increase. The mobile home park owner has the burden of providing information to show that the proposed lot rent increase is reasonable. The mediator may also request any additional documents or information for the purposes of the mediation process. Any resolution of the dispute must include an agreement regarding the amount of lot rent increase and the effective date of such increase. If the dispute is resolved, the mobile home park owner is not required to provide any additional notice for the lot rent increase to take effect pursuant to the resolution.

(c) The mediator shall issue to the parties and the office of the attorney general a report signed by the mediator and the parties regarding the outcome of the mediation. The report must not be admitted into evidence, and the mediator shall not be competent to testify in any subsequent action regarding the proposed lot rent increase.

--- END ---

p. 4 SB 5761