

SENATE BILL REPORT

SB 5079

As of January 12, 2021

Title: An act relating to extending the closure notice period for manufactured/mobile home communities.

Brief Description: Extending the closure notice period for manufactured/mobile home communities.

Sponsors: Senators Das and Kuderer.

Brief History:

Committee Activity: Housing & Local Government: 1/14/21.

Brief Summary of Bill

- Requires manufactured/mobile home community (MHC) landlords to provide tenants with three years' notice before closure or conversion of the MHC.
- Requires tenants who sell a home within the MHC to provide the buyer with a copy of any closure notice in effect at least 15 days before the intended sale, with a copy to be provided by the landlord at least seven days before the intended sale.
- Exempts landlords from the three-year closure notice requirement if they establish a process for compensating the tenants for the loss of their homes and compensate the tenants for such loss during the closure period at the market value of the home, or \$5,000, whichever is greater.
- Extends the notice to vacate period after the tenant receives compensation for their home from 90 days to 120 days.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Brandon Popovac (786-7465)

Background: The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the legal rights, remedies, and obligations arising from any rental agreement between a landlord and a tenant regarding a mobile home lot within a mobile home park where the tenant has no ownership interest in the property or in the association that owns the property.

Manufactured/Mobile Home Community Conversion or Closure Notice. Under the MHLTA, any rental agreement between and signed by a manufactured/mobile home community (MHC) landlord and tenant must include either a covenant by the landlord that the MHC will not be converted or sold for three years, or a statement that the MHC may be sold, transferred, or closed at any time after the required closure notice is provided to the tenants.

Any rental agreement is assignable by the tenant to any person in which they sell or transfer title to the home, and a tenant who sells their home within an MHC must notify the landlord in writing of the date of intended sale, at least 15 days before such intended transfer, and notify the buyer of applicable notice, safety, and approval requirements based on such sale. If the landlord approves the transfer, they must provide the buyer with copies of the written rental agreement and all other rules, regulations, and documents of the tenancy at least seven days before such intended transfer.

A landlord may not terminate or fail to renew a tenancy except if they change the land use of the MHC, or close or convert the MHC to another use, but must provide to each affected tenant 12- months' notice in advance of such change. The 12-month closure notice requirement does not apply if the landlord compensates the tenants for the loss of their homes at the homes' assessed value as determined by the county assessor at the time of issuance of the closure notice. If compensation is paid, the landlord must provide at least 90 days written notice in which the tenant must vacate.

Summary of Bill: MHC landlords must provide tenants with three years' notice before closure or conversion of the MHC. The option for landlords to include a covenant not to convert land use of the MHC for a three-year period in the initial lease with the tenant is eliminated.

Any tenant who sells their home within an MHC must provide the buyer with a copy of any closure notice in effect at least 15 days before the intended sale, with another copy of the notice to be provided by the landlord, if the landlord approves of the transfer, at least 7 days before the intended sale.

The three-year closure notice requirement exemption applies for landlords if they establish a process for compensating the tenants for the loss of their homes and actually compensate the tenants for such loss during the closure period at the market value of the home prior to change of use or sale of the property, or \$5,000, whichever is greater. The 90-day notice for

a tenant to vacate upon receiving compensation is extended to 120 days. Such compensation provisions do not prevent tenants from pursuing their option to relocate under the Department of Commerce's mobile home relocation program. If a home remains in the MHC after the tenant vacates, the landlord is responsible for its demolition or disposal.

Appropriation: None.

Fiscal Note: Requested on January 11, 2021.

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

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