

SENATE BILL REPORT

ESSB 5657

As Passed Senate, February 13, 2024

Title: An act relating to city and town permitting of kit homes.

Brief Description: Concerning city and town permitting of kit homes.

Sponsors: Senate Committee on State Government & Elections (originally sponsored by Senators Wilson, J., Mullet and Wilson, L.).

Brief History:

Committee Activity: State Government & Elections: 2/14/23, 2/17/23 [DPS, w/oRec].

Floor Activity: Passed Senate: 2/13/24, 49-0.

Brief Summary of Engrossed First Substitute Bill

- Adds a definition of kit homes to the statute governing state building codes.
- Exempts kit homes under 800 square feet on private property or public property within a planned unit development from state building code statutes subject to permitting by incorporated cities or towns and local fire safety regulations.

SENATE COMMITTEE ON STATE GOVERNMENT & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5657 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hunt, Chair; Valdez, Vice Chair; Wilson, J., Ranking Member; Dozier, Fortunato and Kuderer.

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

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: Danielle Creech (786-7412)

Background: Kit Homes. Kit homes, also known as mill-cut houses, pre-cut houses, mail order homes, or catalog homes, are a type of prefabricated housing. These homes are constructed from a series of prefabricated components which are assembled on site. Kit homes typically do not use materials such as brick, concrete, or masonry.

Factory Assembled Housing. The Department of Labor and Industries (L&I) regulates factory assembled structures, which include manufactured and mobile homes, recreational vehicles, and factory-built housing and commercial structures. A manufactured home is a single-family dwelling built in accordance with the Department of Housing and Urban Development Manufactured Home Construction and Safety Standards Act (HUD code), which is a national, preemptive building code. A mobile home is a factory-built dwelling built before June 15, 1976, to standards other than the HUD code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home in this state.

Standards for Manufactured Housing. Federal and state laws limit how local governments can regulate manufactured housing. For example, local governments may not enact construction, safety, and energy standards stricter than those established by the Department of Housing and Urban Development, since Congress passed the HUD Code in 1974. Local governments may prescribe the frost depth and soil bearing capacity at the installation site, which would impact the construction of the foundation. Manufactured homes must comply with any local design standards that apply to all homes in the area, and homes must be thermally equivalent to the state energy code. Local zone requirements, building setback, local fire zones, rear and side yard size requirements, site development, and property line requirements are within the jurisdiction of local governments. Manufactured homes must be inspected by L&I, and local jurisdictions are responsible for inspection of installation and utility hookups.

The Factory Assembled Structures Advisory Board, in consultation with the director of L&I, establishes uniform standards for the performance and workmanship of manufactured home installation. These rules are enforced as part of the state building code, and require that manufactured home installers are trained and certified. Washington law requires that manufactured homes are to be set on a permanent foundation in the manner specified by the manufacturer, with proper ventilation and access points, and must be tied down according to the specifications of the manufacturer and the local government. Washington has created an installer certification program which trains and certifies all individuals who install manufactured homes.

Trends in Manufactured Housing. Over 100,000 kit homes were built in the United States between 1908 and 1940. The demand for manufactured housing has fluctuated over time, often coinciding with changes in borrowing requirements for mortgage applicants. As of 2019, about 10 percent of new single-family homes are categorized as manufactured homes.

From 2015 to 2020, several states have seen an increase of manufactured housing including Oregon, with a 76.6 percent increase; Iowa, with a 79.9 percent increase; Alabama, with an 86 percent increase; Washington, with an 87.7 percent increase; Idaho, with a 91.3 percent increase; Indiana, with a 164.9 percent increase; and Nevada, with a 301 percent increase. According to the United States Census Bureau, as of 2020, there were 6.8 million manufactured homes across the country.

Summary of Engrossed First Substitute Bill: Kit homes under 800 square feet on private property, or on public property within a planned unit development are exempt from state building code statutes subject to permitting by incorporated towns or cities and local fire safety regulations. Kit homes are defined as structures designed and constructed in a factory to sufficient life, health, and safety standards as outlined in the United States Department of Housing and Urban Development code, to be used as housing for at least ten years, and to be assembled on-site with or without a permanent foundation. Kit homes must be inspected at the factory by L&I for in-state factories, or inspected by the functional equivalent of L&I for out-of-state factories.

Appropriation: None.

Fiscal Note: Not requested.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Washington is in a housing crisis, and it should utilize all possible housing options. Kit homes will make a significant dent in the issue. Many other states are also pursuing kit homes. This bill will allow communities to make the decision for themselves. This is an opportunity for folks to be able to afford their own homes. This alone may not solve the housing crisis but it helps to populate the menu with another choices.

Persons Testifying: PRO: Senator Jeff Wilson, Prime Sponsor.

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