SENATE BILL REPORT SB 6801

As of February 6, 2008

Title: An act relating to minimum terms for closure or conversion notices for mobile home parks and manufactured housing communities.

Brief Description: Requiring a minimum of three years' notice on closures or conversions of mobile home parks and manufactured housing communities.

Sponsors: Senators Kastama, Prentice, Eide, Weinstein, Kauffman, Fraser, McAuliffe, Kline, Rasmussen and Spanel.

Brief History:

Committee Activity: Consumer Protection & Housing: 2/07/08.

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Staff: Alison Mendiola (786-7483)

Background: According to data provided by the Department of Community, Trade and Economic Development (DCTED), 18 manufactured/mobile communities closed during calendar year 2007, the closure of which affected 534 households.

Approximately 1,000 existing parks are located in urban growth areas and are considered likely threatened due to rising land values within those areas.

The DCTED reports knowledge of 846 spaces that will close within the next year and estimates that 254 of these households will request relocation reimbursement assistance.

Manufactured/Mobile Home Lot Rental Agreement Disclosures and Covenants. Rental agreements for mobile home space tenancies are required to include either:

- 1) a covenant by the landlord that except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the mobile home park will not be converted to a land use that will prevent the space from continuing to be used for the placement of a mobile home; or
- 2) a statement that the park may be sold or transferred at any time with the result that subsequent owners may close the park at any time after the required notice.

Notice of Park Community Closures. Landlords must give tenants 12 months' notice of a change of land use of the community, including conversion to a use other than for mobile homes or conversion to a cooperative or subdivision. A copy of the closure notice must be

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provided with all month-to-month rental agreements signed after the park closure notice has been given.

Summary of Bill: The bill as referred to committee not considered.

SUMMARY OF BILL (Recommended Substitute): <u>Manufactured/Mobile Home Lot Rental Agreement Covenants.</u> Rental agreements for mobile home space tenancies are required to either:

- 1) include a covenant by the landlord that except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the mobile home park will not be converted to a land use that will prevent the space from continuing to be used for the placement of a mobile home; or
- 2) include a copy of a closure notice if such notice is in effect.

Three Year Notice of Park Community Closures. Landlords must give tenants three years' notice of a change of land use of the community, including conversion to a use other than for mobile homes or conversion to a cooperative or subdivision, except if one of the following situations applies:

- 1) the park or community is being acquired under imminent threat of condemnation;
- 2) the park or community is sold to a tenant group or nonprofit;
- 3) the landlord compensates the tenants for the value of their homes; or
- 4) the tenant in question is an employee.

<u>Sale of Manufactured/Mobile Homes by Existing Tenants.</u> A tenant who sells a home within a manufactured/mobile home community must provide the buyer with a copy of any closure notice that has been provided by the landlord at least seven days in advance of the intended sale and transfer. Failure to provide this notice is grounds for disapproval by the landlord of the transfer of the rental agreement to the new tenant.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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