H-0040.5			

HOUSE BILL 1461

State of Washington 60th Legislature 2007 Regular Session

By Representatives Morrell, Miloscia, O'Brien, Ericks, Hunt, Sells, Green, Flannigan, Williams, Kenney, Appleton, Ormsby, Quall, Haigh, Hasegawa and Lantz

Read first time 01/19/2007. Referred to Committee on Housing.

AN ACT Relating to manufactured/mobile home community registrations and dispute resolution; amending RCW 59.22.050 and 59.22.070; adding a new section to chapter 34.12 RCW; adding a new chapter to Title 59 RCW; prescribing penalties; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6

7

8

9

10

1112

13

14

15

16

17

18

NEW SECTION. Sec. 1. (1) The legislature finds that there are factors unique to the relationship between a manufactured/mobile home tenant and a manufactured/mobile home community landlord. occupancy has commenced, the difficulty and expense in moving and relocating a manufactured/mobile home can affect the operation of market forces and lead to an inequality of the bargaining position of the parties. Once occupancy has commenced, a tenant may be subject to violations of the manufactured/mobile home landlord-tenant act or unfair practices without an adequate remedy at law. This chapter is created for the purpose of protecting the public, fostering fair and honest competition, regulating the factors and unique to the relationship between the manufactured/mobile home tenant and the manufactured/mobile home community landlord.

p. 1 HB 1461

(2) The legislature finds that taking legal action against a manufactured/mobile home community landlord for violations of the manufactured/mobile home landlord-tenant act can be a costly and lengthy process, and that many people cannot afford to pursue a court process to vindicate statutory rights. Manufactured/mobile home community landlords will also benefit by having access to a process that resolves disputes quickly and efficiently.

- (3)(a) Therefore, it is the intent of the legislature to provide an equitable as well as a less costly and more efficient way for manufactured/mobile home tenants and manufactured/mobile home community landlords to resolve disputes, and to provide a mechanism for state authorities to quickly locate manufactured/mobile home community landlords.
- (b) The legislature intends to authorize the department of community, trade, and economic development to register manufactured/mobile home communities, collect a registration fee, and collaborate with the attorney general to disseminate educational materials regarding the manufactured/mobile home landlord-tenant act and the manufactured/mobile home dispute resolution program created in section 3 of this act.
 - (c) The legislature intends to authorize the attorney general to:
- (i) Administer a dispute resolution program by taking complaints, conducting investigations, making determinations, and administratively resolving disputes, when there are alleged violations of the manufactured/mobile home landlord-tenant act or the consumer protection act;
- (ii) Collect and annually report upon data related to disputes and violations, and make recommendations on modifying chapter 59.20 RCW, to the appropriate committees of the legislature; and
- (iii) Produce, and collaborate with the department of community, trade, and economic development to distribute, educational materials regarding the manufactured/mobile home landlord-tenant act and the manufactured/mobile home dispute resolution program created in section 34 of this act.

35 NEW SECTION. Sec. 2. For purposes of this chapter:

36 (1) "Department" means the department of community, trade, and 37 economic development;

1 (2) "Director" means the director of the department of community, 2 trade, and economic development;

- (3) "Landlord" or "community owner" means the owner of a mobile home park or a manufactured housing community and includes the agents of a landlord;
- (4) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and forty feet long when transported, or when installed on the site is three hundred twenty square feet or greater;
- (5) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;
- (6) "Manufactured/mobile home" means either a manufactured home or a mobile home;
- (7) "Manufactured/mobile home lot" means a portion of a manufactured/mobile home community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;
- (8) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property that is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, park models, or recreational vehicles for the primary purpose of production of income, except where the real property is rented or held out for rent for seasonal recreational purposes only and is not used for year-round occupancy;
- 36 (9) "Owner" means one or more persons, jointly or severally, in 37 whom is vested:
 - (a) All or part of the legal title to the real property; or

p. 3 HB 1461

- 1 (b) All or part of the beneficial ownership, and a right to present 2 use and enjoyment of the real property;
- 3 (10) "Park model" means a recreational vehicle intended for 4 permanent or semi-permanent installation and is used as a permanent 5 residence;
- 6 (11) "Recreational vehicle" means a travel trailer, motor home,
 7 truck camper, or camping trailer that is primarily used as a permanent
 8 residence located in a mobile home park or manufactured housing
 9 community;
- 10 (12) "Tenant" means any person, except a transient as defined in RCW 59.20.030, who rents a mobile home lot;
- 12 (13) "Unfair practice" means any act that would constitute an unfair or deceptive act or practice under chapter 19.86 RCW;
- 14 (14) "Complainant" means a landlord, community owner, or tenant, 15 who has a complaint alleging an unfair practice or violation of this 16 chapter;
- 17 (15) "Respondent" means a landlord, community owner, or tenant, 18 alleged to have committed an unfair practice or violation of this 19 chapter.
- 20 NEW SECTION. Sec. 3. The attorney general shall administer a 21 manufactured/mobile home dispute resolution program, which shall be funded by the collection of fines, other penalties, and fees deposited 22 23 into the manufactured/mobile home dispute resolution program account 24 created in section 11 of this act and all other sources directed to the manufactured/mobile home dispute resolution program. The purpose of 25 26 the program is to provide manufactured/mobile home community landlords and tenants with a cost-effective and time-efficient process to resolve 27 disputes regarding alleged violations of the manufactured/mobile home 28 29 landlord-tenant act and the consumer protection act.
- NEW SECTION. **Sec. 4.** (1) A complainant has the right to file a complaint with the attorney general alleging an unfair practice or a violation of chapter 59.20 RCW.
- 33 (2) Upon receiving a complaint under this act, the attorney 34 general must:
- 35 (a) Inform the complainant of any notification requirements under

1 RCW 59.20.080 for tenant violations or RCW 59.20.200 for landlord 2 violations and encourage the complainant to appropriately notify the 3 respondent of the complaint; and

4

6 7

8

9

23

24

25

26

27

28

29

30

3132

33

3435

3637

38

- (b) If a statutory time period is applicable, inform the complainant of the time frame that the respondent has to remedy the complaint under RCW 59.20.080 for tenant violations or RCW 59.20.200 for landlord violations.
- (3) After receiving a complaint under this act, the attorney general shall initiate the manufactured/mobile home dispute resolution program by:
- 11 (a) Investigating the alleged violations at its discretion upon 12 receipt of a complaint alleging unfair practices or violations of 13 chapter 59.20 RCW;
- 14 (b) Discussing the issues surrounding or relating to the complaint 15 with the complainant, respondent, or any witnesses, either individually 16 or jointly;
- 17 (c) Explaining options available to the complainant or respondent, 18 including the involvement of other agencies; and
- 19 (d) Negotiating an agreement between the complainant and the 20 respondent.
- 21 (4)(a) Complainants and respondents shall cooperate with the 22 attorney general in the course of an investigation by:
 - (i) Furnishing any papers or documents requested;
 - (ii) Furnishing in writing an explanation covering the matter contained in the complaint when requested by the attorney general;
 - (iii) Allowing authorized access to attorney general representatives for inspection of manufactured/mobile home community facilities relevant to the alleged violation being investigated; or
 - (iv) Responding to subpoenas issued by the attorney general.
 - (b) Failure to cooperate with the attorney general in the course of an investigation is a violation of this chapter.
 - (5) If after an investigation the attorney general determines that an agreement cannot be negotiated between the parties, the attorney general shall make a written determination on whether an unfair practice or violation of chapter 59.20 RCW has occurred.
 - (a) If the attorney general finds by a written determination that an unfair practice or violation of chapter 59.20 RCW has occurred, the attorney general shall deliver a citation to the respondent who

p. 5 HB 1461

committed the violation by certified mail or in person. The citation must specify the violation, the corrective action required, the time within which the corrective action must be taken, the penalties including fines and other penalties that will result if corrective action is not taken within the specified time period, and the process for contesting the citation through a hearing. The attorney general must deliver to the complainant a copy of the citation by certified mail or in person.

1 2

3

4

5

6 7

8

9

11 12

13

14

15

16 17

18

19

20

2122

2324

25

26

27

28

2930

31

32

33

3435

36

37

- (b) If the attorney general finds that an unfair practice or violation of chapter 59.20 RCW has not occurred, the attorney general shall deliver a written determination of that finding by certified mail or in person, including the process for contesting the determination through a hearing, to both the complainant and the respondent.
- Except as required otherwise by the attorney general, corrective action must take place within fifteen days of the receipt of the attorney general's citation, unless the respondent has submitted a timely request for an administrative hearing as required under subsection (8) of this section. If a respondent fails to take corrective action within the required time period and the attorney general has not received a timely request for an administrative hearing, the attorney general may impose a fine, up to a maximum of five hundred dollars per violation, for every day that the violation remains uncorrected. The attorney general shall establish written guidelines, considering in part the severity and duration of the violation, for issuing fines and other penalties. If the respondent shows upon timely application to the attorney general that a good faith effort to comply with the corrective action requirements of the citation has been made and that the corrective action has not been completed because of mitigating factors beyond the respondent's control, the attorney general may delay the imposition of a fine or penalty.
- (7) The attorney general may issue an order requiring the respondent, or its assignee or agent, to cease and desist from an unfair or unlawful practice and take affirmative actions that in the judgment of the attorney general will carry out the purposes of this chapter. The affirmative actions may include, but are not limited to, the following:

1 (a) Refunds of rent increases, improper fees, charges, and 2 assessments collected in violation of this chapter;

- (b) Filing and utilization of documents that correct a statutory or rule violation; and
- (c) Reasonable action necessary to correct a statutory or rule violation.
 - (8) A complainant or respondent may request an administrative hearing before an administrative law judge under chapter 34.05 RCW to contest:
- (a) A citation issued under subsection (5)(a) of this section or written notice issued under subsection (5)(b) of this section;
 - (b) A fine or other penalty imposed under subsection (6) of this section for failing to take corrective action in a timely manner; or
- (c) An order to cease and desist or an order to take affirmative actions under subsection (7) of this section.

The complainant or respondent must request a hearing within fifteen days of receipt of the citation, written notice, fine or other penalty, or order being contested. If a hearing is not requested within this time period, the citation, written notice, fine or other penalty, or order constitutes a final order of the attorney general and is not subject to review by any court or agency.

- 22 (9) The administrative law judge appointed under chapter 34.12 RCW 23 shall:
 - (a) Hear and receive pertinent evidence and testimony;
 - (b) Decide whether the evidence supports the attorney general finding by a preponderance of the evidence; and
 - (c) Enter an appropriate order within thirty days after the close of the hearing and immediately mail copies of the order to the affected parties.

The order of the administrative law judge constitutes the final agency order of the attorney general and may be appealed to the superior court under chapter 34.05 RCW.

- (10) When the attorney general imposes a fine, refund, or other penalty against the respondent, the respondent may not seek any recovery or reimbursement of the fine, refund, or other penalty from the complainant or other manufactured/mobile home tenants.
- (11) All receipts from the imposition of fines or other penalties

p. 7 HB 1461

collected under this section other than those due to the complainant must be deposited into the manufactured/mobile home dispute resolution program account created in section 11 of this act.

(12) This section is not exclusive and does not limit the right of landlords or tenants to take legal action against another party as provided in chapter 59.20 RCW or otherwise. Exhaustion of the administrative remedy provided in this chapter is not required before a landlord or tenants may bring a legal action. This section does not apply to unlawful detainer actions initiated under RCW 59.20.080 prior to the filing and service of an unlawful detainer court action; however, a tenant is not precluded from seeking relief under this chapter if the complaint claims the notice of termination violates RCW 59.20.080 prior to the filing and service of an unlawful detainer action.

<u>NEW SECTION.</u> **Sec. 5.** (1) The attorney general must:

- (a) Produce educational materials regarding the manufactured/mobile home landlord-tenant act and the manufactured/mobile home dispute resolution program created in section 3 of this act, including a notice that summarizes manufactured/mobile home community tenant rights and responsibilities and includes information on how to file a complaint with the attorney general and a toll-free telephone number that manufactured/mobile home community landlords and tenants can use to seek additional information and communicate complaints;
- (b) Collaborate with the department to distribute the educational materials and notice required by (a) of this subsection to each:
- (i) Manufactured/mobile home community landlord annually with the department's annual registration materials; and
- (ii) Known manufactured/mobile home community tenant to the best of its ability using the addresses for each manufactured/mobile home lot provided by landlords, as required by section 8(2)(e) of this act, and other resources to be identified by the department.
- (2) Each manufactured/mobile home community landlord must post the notice in a clearly visible location in all common areas of manufactured/mobile home communities, including in each clubhouse.
- NEW SECTION. Sec. 6. (1) The attorney general must continually maintain and update a database of manufactured/mobile home communities

- that have had complaints filed against them. For each manufactured/mobile home community in the database, the following information must be contained at a minimum:
 - (a) The number of complaints received;

4 5

36

- (b) The nature and extent of the complaints received;
- 6 (c) The violation of law or unfair practice complained of;
- 7 (d) The manufactured/mobile home complaint resolution program 8 outcomes for each complaint; and
- 9 (e) Recommendations about modifying chapter 59.20 RCW.
- 10 (2) The attorney general shall report upon the data collected under 11 this section to the appropriate committees of the legislature annually 12 by December 31st, beginning in 2007.
- NEW SECTION. Sec. 7. The attorney general, director, or individuals acting on behalf of the attorney general or director are immune from suit in any action, civil or criminal, based upon any disciplinary actions or other official acts performed in the course of their duties under this chapter, except their intentional or willful misconduct.
- 19 NEW SECTION. Sec. 8. (1) The department shall annually register 20 all manufactured/mobile home communities and send out notifications to all known manufactured/mobile home community landlords that the 21 22 registration forms and registration assessments under section 10 of 23 this act are due. The registration assessment notifications must include information about late fees, liens, and charging costs to 24 25 tenants. The department must include in the notification the registration form prepared by the department as required in this 26 section and educational materials prepared and provided to the 27 28 department by the attorney general as required in section 5 of this 29 act.
- 30 (2) То apply for registration, the landlord of а manufactured/mobile home community must file with the department an 31 32 application for registration on a form prepared by the department. The application must include, but is not limited to: 33
- 34 (a) The name and address of the owner of the manufactured/mobile 35 home community;
 - (b) The name and address of the manufactured/mobile home community;

p. 9 HB 1461

(c) The name and address of the landlord and manager of the 1 2 manufactured/mobile home community;

3

4

6

- The number of lots within the manufactured/mobile home community that are subject to chapter 59.20 RCW; and
- 5 (e) The addresses of each manufactured/mobile home lot within the manufactured/mobile home community that is subject to chapter 59.20 7 RCW.
- (3) Registration is effective on the date determined by the 8 9 department. All registrations must be assigned an expiration date by 10 the department. The department must:
- (a) Establish a process for the annual renewal of registrations; 11 12 and
- (b) Mail annually a letter with the effective registration and 13 14 expiration date to each manufactured/mobile home community landlord, 15 who has been registered by the department.
- 16 <u>NEW SECTION.</u> Sec. 9. The department must compile, update, and 17 maintain the most accurate database possible of all the manufactured/mobile home communities in the state, which must include 18 all of the information collected under section 8 of this act. 19 20 department is encouraged to work with groups to generate the database 21 including, but not limited to, the office of community development, mobile homeowners' associations, tenant advocacy groups, park owners' 22 23 associations, and county assessors. The database must be made 24 available to the public.
- 25 <u>NEW SECTION.</u> **Sec. 10.** (1) Each manufactured/mobile home community landlord shall pay to the department a registration assessment of five 26 dollars for each manufactured/mobile home that is subject to chapter 27 manufactured/mobile 28 RCW within a home Manufactured/mobile home community landlords may charge a maximum of 29 30 two dollars and fifty cents of this assessment to tenants. dollars of the registration assessment for each manufactured/mobile 31 32 home shall be deposited into the manufactured/mobile home dispute resolution program account created in section 11 of this act to fund 33 34 the costs associated with administering the manufactured/mobile home 35 dispute resolution program. The remaining one dollar shall be

p. 10 HB 1461

deposited into the mobile home affairs account created in RCW 59.22.070 for the purpose of implementing RCW 59.22.050.

1 2

3

4

5

6 7

8

9

- (2) If a landlord fails to pay the assessment before the registration expiration date, a late fee is assessed for each manufactured/mobile home that is subject to chapter 59.20 RCW. The landlord is not entitled to any reimbursement of this fee from the tenants of the manufactured/mobile home community. All receipts from the imposition of late fees collected under this section shall be deposited into the mobile home affairs account created in RCW 59.22.070 for the purpose of implementing RCW 59.22.050.
- 11 (a) A late fee shall be assessed at fifty percent of the total 12 amount due for registration, if the fee is received by the department 13 more than thirty days, but less than sixty days after the registration 14 fee due date.
- 15 (b) A late fee shall be assessed at one hundred percent of the 16 total amount due for registration, if the fee is received by the 17 department more than sixty days late.
- 18 (3) The department shall collect the registration assessments due 19 from all manufactured/mobile home community landlords, and allow ninety 20 days to pass before sending notices of late fees to noncomplying 21 landlords as provided in this act.
- 22 NEW SECTION. Sec. 11. The manufactured/mobile home dispute 23 resolution program account is created in the custody of the state 24 Expenditures from the account may be used only for the treasurer. costs associated with administering the manufactured/mobile home 25 26 dispute resolution program. Only the attorney general or the attorney 27 general's designee may authorize expenditures from the account. account is subject to allotment procedures under chapter 43.88 RCW, but 28 an appropriation is not required for expenditures. 29
- 30 <u>NEW SECTION.</u> **Sec. 12.** A new section is added to chapter 34.12 RCW to read as follows:
- When requested by the attorney general, the chief administrative law judge shall assign an administrative law judge to conduct proceedings under Title 59 RCW.

p. 11 HB 1461

- 1 **Sec. 13.** RCW 59.22.050 and 1991 c 327 s 3 are each amended to read 2 as follows:
 - $((\frac{1}{1}))$ In order to provide general assistance to mobile home resident organizations, park owners, and landlords and tenants, the department shall establish an office of $((\frac{mobile\ home\ affairs}))$ manufactured housing, which will serve as the coordinating office within state government for matters relating to mobile homes or manufactured housing.
- 9 ((This office will provide an ombudsman service to mobile home park
 10 owners and mobile home tenants with respect to problems and disputes
 11 between park owners and park residents and to)) The office of
 12 manufactured housing shall:
- 13 (1) Annually register all manufactured/mobile home communities as 14 required in section 8 of this act;
- 15 (2) Compile, update, and maintain the most accurate database 16 possible of all the manufactured/mobile home communities in the state 17 as required in section 9 of this act;
- 18 <u>(3) Collect registration assessments and associated late fees as</u> 19 required in section 10 of this act;
 - (4) Provide technical assistance to resident organizations or persons in the process of forming a resident organization pursuant to chapter 59.22 RCW. The office will keep records of its activities in this area((\cdot
 - (2) The office shall));

3

4

5

6 7

8

2021

2223

24

25

2627

28

29

30

- (5) Perform all the consumer complaint and related functions of the state administrative agency that are required for purposes of complying with the regulations established by the federal department of housing and urban development for manufactured housing, including the preparation and submission of the state administrative plan((\div
 - (3) The office shall)); and
- 31 <u>(6) Administer</u> the mobile home relocation assistance program 32 established in chapter 59.21 RCW, including verifying the eligibility 33 of tenants for relocation assistance.
- 34 **Sec. 14.** RCW 59.22.070 and 1995 c 399 s 156 are each amended to read as follows:
- 36 There is created in the custody of the state treasurer a special

1 account known as the ((mobile home affairs)) office of manufactured
2 housing account.

3

4

5

6 7 Disbursements from this special account ((shall be as follows:

- (1) For the two year period beginning July 1, 1988, forty thousand dollars, or so much thereof as may be necessary for costs incurred in registering landlords and collecting fees, and thereafter five thousand dollars per year for that purpose.
- 8 (2) All remaining amounts shall)) must be remitted to the 9 department for the purpose of implementing RCW 59.22.050 ((and 59.22.060)).
- NEW SECTION. Sec. 15. Sections 1 through 11 of this act constitute a new chapter in Title 59 RCW.
- NEW SECTION. Sec. 16. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

--- END ---

p. 13 HB 1461