
SENATE BILL 5780

State of Washington 60th Legislature 2007 Regular Session

By Senators Eide, Kastama, Kauffman, Kilmer, Jacobsen, Rockefeller and Rasmussen

Read first time 01/31/2007. Referred to Committee on Consumer Protection & Housing.

1 AN ACT Relating to the preservation of manufactured/mobile home
2 communities; amending RCW 59.22.050; adding a new section to chapter
3 82.45 RCW; adding a new chapter to Title 59 RCW; repealing RCW
4 59.23.005, 59.23.010, 59.23.015, 59.23.020, 59.23.025, 59.23.030,
5 59.23.035, and 59.23.040; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Manufactured/mobile home communities provide a significant
9 source of homeownership opportunities for Washington residents.
10 However, the increasing closure and conversion of manufactured/mobile
11 home communities to other uses, combined with increasing
12 manufactured/mobile home lot rents, low vacancy rates in existing
13 manufactured/mobile home communities, and the extremely high cost of
14 moving homes when manufactured/mobile home communities close,
15 increasingly make manufactured/mobile home community living insecure
16 for manufactured/mobile home tenants.

17 (b) Many tenants who reside in manufactured/mobile home
18 communities are low-income households and senior citizens and are,
19 therefore, those residents most in need of reasonable security in the

1 siting of their manufactured/mobile homes because of the adverse
2 impacts on the health, safety, and welfare of tenants forced to move
3 due to closure, change of use, or discontinuance of manufactured/mobile
4 home communities.

5 (c) The preservation of manufactured/mobile home communities:

6 (i) Is a more economical alternative than providing new replacement
7 housing units for tenants who are displaced from closing
8 manufactured/mobile home communities;

9 (ii) Is a strategy by which all local governments can meet the
10 affordable housing needs of their residents;

11 (iii) Is a strategy by which local governments planning under RCW
12 36.70A.040 may meet the housing element of their comprehensive plans as
13 it relates to the provision of housing affordable to all economic
14 sectors; and

15 (iv) Should be a goal of all housing authorities and local
16 governments.

17 (d) The loss of manufactured/mobile home communities should not
18 result in a net loss of affordable housing, thus compromising the
19 ability of local governments to meet the affordable housing needs of
20 its residents and the ability of these local governments planning under
21 RCW 36.70A.040 to meet affordable housing goals under chapter 36.70A
22 RCW.

23 (e) The closure of manufactured/mobile home communities has serious
24 environmental, safety, and financial impacts, including:

25 (i) Homes that cannot be moved to other locations add to
26 Washington's landfills;

27 (ii) Homes that are abandoned might attract crime; and

28 (iii) Vacant homes that will not be reoccupied need to be tested
29 for asbestos and lead, and these toxic materials need to be removed
30 prior to demolition.

31 (f) The self-governance aspect of tenants owning
32 manufactured/mobile home communities results in a lesser usage of
33 police resources as tenants experience fewer societal conflicts when
34 they own the real estate as well as their homes.

35 (g) Housing authorities, by their creation and purpose, are the
36 public body corporate and politic of the city or county responsible for
37 addressing the availability of safe and sanitary dwelling

1 accommodations available to persons of low income, senior citizens, and
2 others.

3 (2) It is the intent of the legislature to encourage and facilitate
4 the preservation of existing manufactured/mobile home communities in
5 the event of voluntary sales of manufactured/mobile home communities
6 and, to the extent necessary and possible, to involve
7 manufactured/mobile home community tenants or an eligible organization
8 representing tenants, such as a nonprofit organization, housing
9 authority, or local government, in the preservation of
10 manufactured/mobile home communities.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

13 (1) "Abandoned" as it relates to a manufactured/mobile home or park
14 model owned by a tenant in a manufactured/mobile home park,
15 manufactured/mobile home park cooperative, or manufacture/mobile home
16 park subdivision or tenancy in a manufactured/mobile home lot, means
17 the tenant has defaulted in rent and by absence and by words or actions
18 reasonably indicates the intention not to continue tenancy.

19 (2) "Delivery," with respect to notices discussed in this chapter,
20 means the date on which a notice was mailed or personally delivered.

21 (3) "Eligible organization" includes local governments, local
22 housing authorities, nonprofit community or neighborhood-based
23 organizations, federally recognized Indian tribes in the state of
24 Washington, and regional or statewide nonprofit housing assistance
25 organizations.

26 (4) "Fair market value" is determined by calculating the mean of
27 three professional appraisals: One by an appraiser contracted by the
28 manufactured/mobile home community landlord; one by an appraiser
29 contracted by the qualified tenant organization or an eligible
30 organization representing the tenants; and one by an appraiser
31 contracted by the office of manufactured housing.

32 (5) "Housing authority" or "authority" means any of the public body
33 corporate and politic created in RCW 35.82.030.

34 (6) "Housing project" has the same meaning as in RCW 35.82.020.

35 (7) "Landlord" means the owner of a manufactured/mobile home
36 community and includes the agents of a landlord.

1 (8) "Local government" means a town government, city government,
2 code city government, or county government in the state of Washington.

3 (9) "Manufactured home" means a single-family dwelling built
4 according to the United States department of housing and urban
5 development manufactured home construction and safety standards act,
6 which is a national preemptive building code. A manufactured home
7 also: (a) Includes plumbing, heating, air conditioning, and electrical
8 systems; (b) is built on a permanent chassis; and (c) can be
9 transported in one or more sections with each section at least eight
10 feet wide and forty feet long when transported, or when installed on
11 the site is three hundred twenty square feet or greater.

12 (10) "Mobile home" means a factory-built dwelling built before June
13 15, 1976, to standards other than the United States department of
14 housing and urban development code, and acceptable under applicable
15 state codes in effect at the time of construction or introduction of
16 the home into the state. Mobile homes have not been built since the
17 introduction of the United States department of housing and urban
18 development manufactured home construction and safety act.

19 (11) "Manufactured/mobile home" means either a manufactured home or
20 a mobile home.

21 (12) "Manufactured/mobile home community" means any real property
22 that is rented or held out for rent to others for the placement of two
23 or more manufactured/mobile homes or park models for the primary
24 purpose of production of income, except where the real property is
25 rented or held out for rent for seasonal recreational purpose only and
26 is not intended for year-round occupancy.

27 (13) "Manufactured/mobile home lot" means a portion of a
28 manufactured/mobile home community designated as the location of a
29 manufactured/mobile home or park model and its accessory buildings, and
30 intended for the exclusive use as a primary residence by the occupants
31 of that manufactured/mobile home or park model.

32 (14) "Manufactured/mobile home cooperative" means real property
33 consisting of common areas and two or more lots held out for placement
34 of manufactured/mobile homes or park models in which both the
35 individual lots and the common areas are owned by an association of
36 shareholders that leases or otherwise extends the right to occupy
37 individual lots to its own members.

1 (15) "Manufactured/mobile home community subdivision" means real
2 property, whether it is called a subdivision, condominium, or planned
3 unit development, consisting of common areas and two or more lots held
4 for placement of manufactured/mobile homes or park models in which
5 there is private ownership of the individual lots and common, undivided
6 ownership of the common areas by owners of the individual lots.

7 (16) "Notice of intent to pursue a qualified sale" means a notice
8 voluntarily filed by a landlord obligating the landlord to pursue a
9 qualified sale of a manufactured/mobile home community before offering
10 the property for sale to other parties.

11 (17) "Notice of sale" means a notice required under section 5 of
12 this act to be filed by landlords (a) within fourteen days after the
13 date on which any advertisement, listing, or public notice advertises
14 that a manufactured/mobile home community is for sale, or that an
15 unconditional offer of sale is being considered and (b) at least ninety
16 days before the sale occurs.

17 (18) "Park model" means a recreational vehicle intended for
18 permanent or semipermanent installation and is used as a primary
19 residence.

20 (19) "Qualified tenant organization" means a formal organization of
21 tenants within a manufactured/mobile home community, with the only
22 requirement for membership consisting of being a tenant.

23 (20) "Qualified sale of a manufactured/mobile home community" means
24 the sale of land and improvements comprising a manufactured/mobile home
25 community that is transferred in a single purchase to a qualified
26 tenant organization or to an eligible organization representing the
27 tenants at a price not to exceed fair market value.

28 (21) "Recreational vehicle" means a travel trailer, motor home,
29 truck camper, or camping trailer that is primarily used as a permanent
30 residence located in a manufactured/mobile home community.

31 (22) "Sale" has the same meaning as in RCW 82.45.010.

32 (23) "Tenant" means a person who rents a manufactured/mobile home
33 lot for a term of one month or longer and owns the manufactured/mobile
34 home on the lot.

35 NEW SECTION. **Sec. 3.** (1) A qualified sale of a
36 manufactured/mobile home community is exempt from the excise tax

1 imposed under chapter 82.45 RCW, as provided for in section 9 of this
2 act.

3 (2) A landlord may initiate a future qualified sale of a
4 manufactured/mobile home community at any point during ownership, by
5 filing a notice of intent to pursue a qualified sale with the office of
6 manufactured housing and the Washington state housing finance
7 commission by certified mail or personal delivery. A landlord shall
8 provide a copy of the notice of intent to pursue a qualified sale to
9 each tenant of the manufactured/mobile home community by certified mail
10 or personal delivery within ten days of filing the notice with the
11 office of manufactured housing and the Washington state housing finance
12 commission. Subsequently, a landlord shall also provide a copy of the
13 notice to all new tenants by attaching it to the rental agreement.

14 (3) If a notice of intent to pursue a qualified sale has been filed
15 by a landlord according to the requirements of subsection (2) of this
16 section, the following requirements and timelines apply after delivery
17 of the notice of sale required in section 5 of this act:

18 (a) A landlord must:

19 (i) Offer the manufactured/mobile home community to a qualified
20 tenant organization or to an eligible organization representing the
21 tenants at fair market value for a period of at least ninety days; and

22 (ii) Allow any qualified tenant organization or eligible
23 organization representing the tenants, who deliver to the landlord
24 written notice of their interest in purchasing the manufactured/mobile
25 home community within that ninety-day period, twelve months to close
26 the sale of the manufactured/mobile home community.

27 (b) A qualified tenant organization or an eligible organization
28 representing the tenants must notify the landlord, in writing by
29 certified mail or personal delivery within ninety days after receipt of
30 the notice of sale, of its intent to purchase the manufactured/mobile
31 home community.

32 (4) A notice of intent to pursue a qualified sale for a
33 manufactured/mobile home community may be rescinded by a landlord at
34 any time before delivery of a notice of sale for that
35 manufactured/mobile home community by filing written notice by
36 certified mail or personal delivery with the office of manufactured
37 housing and the Washington state housing finance commission. A
38 landlord must also provide copies of the notice to any qualified tenant

1 organization and all other manufactured/mobile home community tenants
2 by certified mail or personal delivery within ten days after filing the
3 notice with the office of manufactured housing and the Washington state
4 housing finance commission.

5 NEW SECTION. **Sec. 4.** (1) The office of manufactured housing must
6 prepare and distribute to all known landlords of manufactured/mobile
7 home communities materials related to this chapter, including, at a
8 minimum:

9 (a) A template notice of intent to pursue a qualified sale, which
10 must include:

11 (i) An acknowledgment of the requirements and timelines described
12 in section 3(3)(a) of this act; and

13 (ii) The landlord's contact information or the contact information
14 of the landlord's agent who would be responsible for communicating with
15 the qualified tenant organization or eligible organization representing
16 the tenants regarding a future sale of the manufactured/mobile home
17 community;

18 (b) A template notice rescinding a notice of intent to pursue a
19 qualified sale;

20 (c) A template notice of sale, which must include:

21 (i) A statement that the landlord intends to sell the
22 manufactured/mobile home community;

23 (ii) The landlord's contact information or the contact information
24 of the landlord's agent who is responsible for communicating with the
25 qualified tenant organization or eligible organization representing the
26 tenants regarding the sale of the property;

27 (iii) The fair market value for the manufactured/mobile home
28 community according to an assessor contracted by the landlord;

29 (iv) The income and expenses related to the operation of the
30 community, and the most recent reports and disclosures relating to the
31 condition of the infrastructure, common areas, and landlord-owned
32 buildings; and

33 (v) The following additional information if a landlord indicates
34 that he or she has not filed a notice of intent to pursue a qualified
35 sale:

36 (A) A description of an acceptable offer for which the landlord

1 would agree to sell or lease the manufactured/mobile home community,
2 including the specific price, terms, and conditions of the acceptable
3 offer;

4 (B) If applicable, a copy of a signed, written, acceptable offer
5 that the landlord has already received for the purchase or lease of the
6 manufactured/mobile home community, including a statement of the price,
7 terms, and conditions of the acceptable offer and a statement regarding
8 whether the party who made the acceptable offer will likely discontinue
9 the property as a manufactured/mobile home community; and

10 (C) A statement by the landlord acknowledging his or her duties
11 under section 5 of this act;

12 (d) Educational materials describing how to pursue a qualified sale
13 of a manufactured/mobile home community to obtain an exemption from the
14 excise tax on real estate imposed under chapter 82.45 RCW;

15 (e) Educational materials describing the required notifications and
16 time period restrictions and obligations imposed under this chapter;
17 and

18 (f) Educational materials describing the penalties imposed by
19 section 8 of this act for violations of this act.

20 (2) The office of manufactured housing must prepare and distribute
21 to all known tenants of manufactured/mobile home communities materials
22 related to this chapter, including, at a minimum:

23 (a) Educational materials describing how to pursue a qualified sale
24 of a manufactured/mobile home community;

25 (b) Educational materials describing the required notifications and
26 time period restrictions and obligations imposed under this chapter;

27 (c) A list of eligible organizations that express interest in
28 collaborating with qualified tenant organizations in the purchase of
29 manufactured/mobile home communities; and

30 (d) A list and description of possible funding resources and other
31 financing mechanisms that may assist a qualified tenant organization or
32 eligible organization representing tenants in the purchase of a
33 manufactured/mobile home community.

34 (3) The office of manufactured housing shall produce an annual
35 report regarding activity related to sales of manufactured/mobile home
36 communities and shall include, at a minimum, information about
37 qualified sales of manufactured/mobile home communities as well as
38 other sales of manufactured/mobile home communities to tenant

1 organizations and other eligible organizations for the purpose of
2 community preservation. The annual report must be provided to the
3 appropriate committees of the legislature each year by December 31st,
4 beginning in 2007.

5 NEW SECTION. **Sec. 5.** (1) Within fourteen days after the date on
6 which any advertisement, listing, or public notice advertises that a
7 manufactured/mobile home community is for sale, or an unconditional
8 offer of sale is being considered, and at least ninety days before the
9 sale occurs, a landlord must provide a written notice of sale by
10 certified mail or personal delivery to:

- 11 (a) Each tenant of the manufactured/mobile home community;
- 12 (b) The officers of any known qualified tenant organization;
- 13 (c) The office of manufactured housing;
- 14 (d) The local government within whose jurisdiction all or part of
15 the manufactured/mobile home community exists;
- 16 (e) The housing authority within whose jurisdiction all or part of
17 the manufactured/mobile home community exists; and
- 18 (f) The Washington state housing finance commission.

19 (2) Within ninety days after delivery of the notice of sale, a
20 landlord may only enter into a purchase and sale agreement with:

- 21 (a) A qualified tenant organization or eligible organization
22 representing the tenants under section 3 of this act;
- 23 (b) A qualified tenant organization or eligible organization
24 representing the tenants under section 6 of this act; or
- 25 (c) A local government or housing authority under section 7 of this
26 act.

27 NEW SECTION. **Sec. 6.** Except as provided in section 3 of this act:

28 (1) Within the ninety-day period described in section 5(2) of this
29 act, a qualified tenant organization or an eligible organization
30 representing the tenants may notify the landlord in writing by
31 certified mail or personal delivery of its interest in purchasing the
32 manufactured/mobile home community.

33 (2) Upon delivery of the notice, all parties must negotiate in good
34 faith, and the landlord must provide the qualified tenant organization
35 or eligible organization representing the tenants the same opportunity

1 to purchase the property as the landlord would provide to any bona fide
2 third party potential purchaser.

3 NEW SECTION. **Sec. 7.** (1) A local government or a housing
4 authority has the right to purchase a manufactured/mobile home
5 community for the purpose of preserving its use as a
6 manufactured/mobile home community, if the local government or housing
7 authority:

8 (a) Submits to the landlord, within the ninety-day period after
9 delivery of the notice of sale, a purchase and sale agreement on
10 substantially equivalent terms and conditions as that of the acceptable
11 offer detailed by the landlord as required in section 4(1)(c)(v) of
12 this act; and

13 (b) Closes on the purchase within one hundred eighty days of
14 receipt of the notice of sale. This time period may be extended by
15 written mutual agreement between the landlord and the local government
16 or housing authority.

17 (2) If a local government or housing authority submits a purchase
18 and sales agreement meeting the requirements of subsection (1)(a) of
19 this section, a landlord may not enter into any other agreement to sell
20 the manufactured/mobile home community to an eligible organization
21 other than that local government or housing authority within one
22 hundred eighty days or another time period agreed upon under subsection
23 (1)(b) of this section unless the other agreement is contingent on the
24 failure of the housing authority or local government to exercise its
25 right of first refusal authorized under this section.

26 (3) A local government or housing authority's right of first
27 refusal under this section does not apply to property transferred by:

- 28 (a) A qualified sale of a manufactured/mobile home community;
- 29 (b) A government taking by eminent domain;
- 30 (c) A forced sale pursuant to foreclosure, except that the landlord
31 must notify tenants of any impending or actual foreclosure action;
- 32 (d) Gift, devise, or operation of law;
- 33 (e) A corporation to an affiliate;
- 34 (f) A partnership to one or more of its partners; and
- 35 (g) A sale or transfer to an heir of the landlord if the landlord
36 will die intestate.

1 (4) This section does not affect the ability of a housing authority
2 or local government to condemn property pursuant to its eminent domain
3 authority.

4 NEW SECTION. **Sec. 8.** (1) A landlord who sells or leases a
5 manufactured/mobile home community without complying with the
6 requirements of this chapter is liable to the tenants of the
7 manufactured/mobile home community as a group for a penalty amount
8 equal to ten percent of the gain realized by the landlord from the sale
9 of the property.

10 (2) The legislature finds that the practices covered by this
11 chapter are matters vitally affecting the public interest for the
12 purpose of applying chapter 19.86 RCW. A violation of this chapter is
13 not reasonable in relation to the development and preservation of
14 business and is an unfair or deceptive act in trade or commerce and an
15 unfair method of competition for the purpose of applying chapter 19.86
16 RCW.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.45 RCW
18 to read as follows:

19 A qualified sale of a manufactured/mobile home community as
20 described in section 3 of this act is exempt from tax under this
21 chapter.

22 **Sec. 10.** RCW 59.22.050 and 1991 c 327 s 3 are each amended to read
23 as follows:

24 (1) In order to provide general assistance to mobile home resident
25 organizations, park owners, and landlords and tenants, the department
26 shall establish an office of (~~mobile home affairs~~) manufactured
27 housing, which will serve as the coordinating office within state
28 government for matters relating to mobile homes or manufactured
29 housing.

30 This office will provide an ombudsman service to mobile home park
31 owners and mobile home tenants with respect to problems and disputes
32 between park owners and park residents and to provide technical
33 assistance to resident organizations (~~or~~) as defined in RCW
34 59.22.020, to persons in the process of forming a resident organization

1 pursuant to chapter 59.22 RCW, or to qualified tenant organizations as
2 defined in section 2 of this act. The office will keep records of its
3 activities in this area.

4 (2) The office shall fulfill the requirements of section 4 of this
5 act and maintain records of notices required of landlords in chapter
6 59.-- RCW (sections 1 through 8 of this act).

7 (3) The office shall perform all the consumer complaint and related
8 functions of the state administrative agency that are required for
9 purposes of complying with the regulations established by the federal
10 department of housing and urban development for manufactured housing,
11 including the preparation and submission of the state administrative
12 plan.

13 ((+3)) (4) The office shall administer the mobile home relocation
14 assistance program established in chapter 59.21 RCW, including
15 verifying the eligibility of tenants for relocation assistance.

16 NEW SECTION. Sec. 11. The following acts or parts of acts are
17 each repealed:

18 (1) RCW 59.23.005 (Findings--Intent) and 1993 c 66 s 1;

19 (2) RCW 59.23.010 (Obligation of good faith) and 1993 c 66 s 2;

20 (3) RCW 59.23.015 (Application of chapter--Definition of "notice")
21 and 1993 c 66 s 3;

22 (4) RCW 59.23.020 (Definitions) and 1993 c 66 s 4;

23 (5) RCW 59.23.025 (Notice to qualified tenant organization of sale
24 of mobile home park--Time frame for negotiations--Terms--Transfer or
25 sale to relatives) and 1993 c 66 s 5;

26 (6) RCW 59.23.030 (Improper notice by mobile home park owner--Sale
27 may be set aside--Attorneys' fees) and 1993 c 66 s 6;

28 (7) RCW 59.23.035 (Notice to mobile home park owner of sale of
29 tenant's mobile home--Time frame for negotiations--Terms--Transfer or
30 sale to relatives) and 1993 c 66 s 7; and

31 (8) RCW 59.23.040 (Improper notice by mobile home owner--Sale may
32 be set aside--Attorneys' fees) and 1993 c 66 s 8.

33 NEW SECTION. Sec. 12. If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 13.** Sections 1 through 8 of this act constitute
2 a new chapter in Title 59 RCW.

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