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SUBSTITUTE HOUSE BILL 1581

By House Judiciary (originally sponsored by Representatives Liias, Priest, Nelson, Miloscia, Rolfes, Ormsby, Morrell, Green, Simpson, Appleton, and Kenney)

61st Legislature

2009 Regular Session

READ FIRST TIME 02/20/09.

State of Washington

- 1 AN ACT Relating to minimum terms for closure or conversion notices
- 2 for mobile home parks and manufactured housing communities; amending
- 3 RCW 59.20.060, 59.20.080, 59.21.030, and 59.20.073; and creating a new
- 4 section.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that:
- 7 (1) Manufactured/mobile homes provide a significant source of
- 8 homeownership opportunities for Washington state residents. However,
- 9 the increasing number of closures and conversions to other uses of
- 10 manufactured/mobile home communities, combined with low vacancy rates
- 11 in existing communities and the extremely high cost of moving homes
- 12 when these communities close, make this type of affordable housing
- 13 option increasingly insecure for the tenants who reside in these
- 14 communities.
- 15 (2) Many tenants who reside in these communities are senior
- 16 citizens or low-income households and are, therefore, the residents
- 17 most in need of reasonable security or permanency in the siting of
- 18 their home because of the adverse impacts on the health, safety, and

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welfare of tenants forced to move due to closure or conversion to another use of the manufactured/mobile home community.

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- (3) Manufactured/mobile home tenants have a reasonable expectation of long-term security when they move their home into a community. Some tenants have been forced to relocate due to a closure or conversion soon after the tenant has moved into the community. The legislature finds that unless a manufactured/mobile home community owner sells the community to resident homeowners or another entity with the purpose of preservation or justly compensates the homeowners for the loss of their homes, a minimum notification period of two years before the closure or conversion of a community is a reasonable balancing of the rights and interests of both manufactured/mobile home community owners and the manufactured/mobile homeowners.
- 14 (4)Given the effort and expense involved in moving manufactured/mobile home and the imbalance of economic power in this 15 type of landlord-tenant relationship, it is the intent of the 16 17 legislature to provide an opportunity for manufactured/mobile home 18 tenants to remain in manufactured/mobile home communities for at least 19 two years.
- 20 **Sec. 2.** RCW 59.20.060 and 2006 c 296 s 2 are each amended to read 21 as follows:
 - (1) Any <u>manufactured/mobile</u> home space tenancy regardless of the term, shall be based upon a written rental agreement, signed by the parties, which shall contain:
- 25 (a) The terms for the payment of rent, including time and place, 26 and any additional charges to be paid by the tenant. Additional 27 charges that occur less frequently than monthly shall be itemized in a 28 billing to the tenant;
- 29 (b) Reasonable rules for guest parking which shall be clearly 30 stated;
 - (c) The rules and regulations of the park;
- 32 (d) The name and address of the person who is the landlord, and if 33 such person does not reside in the state there shall also be designated 34 by name and address a person who resides in the county where the mobile 35 home park is located who is authorized to act as agent for the purposes 36 of service of notices and process. If no designation is made of a

person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;

- (e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;
- (f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;
- (g)(i) A covenant by the landlord that, except for acts or events beyond the control of the landlord, the mobile home park will not be converted to a land use that will prevent the space that is the subject of the lease from continuing to be used for its intended use for a period of three years after the beginning of the term of the rental agreement;
- (ii) A rental agreement may, in the alternative, contain a statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required two-year closure notice as provided in RCW 59.20.080." The covenant or statement required by this subsection must: (A) Appear in print that is in bold face and is larger than the other text of the rental agreement; (B) be set off by means of a box, blank space, or comparable visual device; and (C) be located directly above the tenant's signature on the rental agreement((-));
- (h) A copy of a closure notice, as required in RCW 59.20.080, if such notice is in effect;
- (i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;
- $((\frac{(i)}{(i)}))$ (j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged;
- (((j))) (k) A description of the boundaries of a
 manufactured/mobile home space sufficient to inform the tenant of the
 exact location of the tenant's space in relation to other tenants'
 spaces;

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 $((\frac{k}{k}))$ (1) A statement of the current zoning of the land on which 2 the mobile home park is located; and

- $((\frac{1}{1}))$ (m) A statement of the expiration date of any conditional use, temporary use, or other land use permit subject to a fixed expiration date that is necessary for the continued use of the land as a mobile home park.
- (2) Any rental agreement executed between the landlord and tenant shall not contain any provision:
- (a) Which allows the landlord to charge a fee for guest parking unless a violation of the rules for guest parking occurs: PROVIDED, That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;
- (b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;
- (c) Which allows the landlord to alter the due date for rent payment or increase the rent: (i) During the term of the rental agreement if the term is less than one year, or (ii) more frequently than annually if the term is for one year or more: PROVIDED, That a rental agreement may include an escalation clause for a pro rata share of any increase in the mobile home park's real property taxes or utility assessments or charges, over the base taxes or utility assessments or charges of the year in which the rental agreement took effect, if the clause also provides for a pro rata reduction in rent or other charges in the event of a reduction in real property taxes or utility assessments or charges, below the base year: PROVIDED FURTHER, That a rental agreement for a term exceeding one year may provide for annual increases in rent in specified amounts or by a formula specified in such agreement;
- 30 (d) By which the tenant agrees to waive or forego rights or 31 remedies under this chapter;
 - (e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;
- 35 (f) Which allows the landlord to charge a fee for guests: 36 PROVIDED, That a landlord may establish rules charging for guests who 37 remain on the premises for more than fifteen days in any sixty-day 38 period;

(g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter; or

- (h) By which, at the time the rental agreement is entered into, the landlord and tenant agree to the selection of a particular arbitrator.
- **Sec. 3.** RCW 59.20.080 and 2003 c 127 s 4 are each amended to read 11 as follows:
 - (1) A landlord shall not terminate or fail to renew a tenancy of a tenant or the occupancy of an occupant, of whatever duration except for one or more of the following reasons:
 - (a) Substantial violation, or repeated or periodic violations of the rules of the mobile home park as established by the landlord at the inception of the tenancy or as assumed subsequently with the consent of the tenant or for violation of the tenant's duties as provided in RCW 59.20.140. The tenant shall be given written notice to cease the rule violation immediately. The notice shall state that failure to cease the violation of the rule or any subsequent violation of that or any other rule shall result in termination of the tenancy, and that the tenant shall vacate the premises within fifteen days: PROVIDED, That for a periodic violation the notice shall also specify that repetition of the same violation shall result in termination: PROVIDED FURTHER, That in the case of a violation of a "material change" in park rules with respect to pets, tenants with minor children living with them, or recreational facilities, the tenant shall be given written notice under this chapter of a six month period in which to comply or vacate;
 - (b) Nonpayment of rent or other charges specified in the rental agreement, upon five days written notice to pay rent and/or other charges or to vacate;
 - (c) Conviction of the tenant of a crime, commission of which threatens the health, safety, or welfare of the other mobile home park tenants. The tenant shall be given written notice of a fifteen day period in which to vacate;

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(d) Failure of the tenant to comply with local ordinances and state laws and regulations relating to mobile homes, manufactured homes, or park models or mobile home, manufactured homes, or park model living within a reasonable time after the tenant's receipt of notice of such noncompliance from the appropriate governmental agency;

- (e) Change of land use of the mobile home park including, but not limited to, conversion to a use other than for mobile homes, manufactured homes, or park models or conversion of the mobile home park to a mobile home park cooperative or mobile home park subdivision: PROVIDED, That the landlord shall give the tenants ((twelve months')) two years' notice, which may be referred to as a closure notice meeting the requirements of RCW 59.21.030, in advance of the effective date of such change((, except that for the period of six months following April 28, 1989, the landlord shall give the tenants eighteen months' notice in advance of the proposed effective date of such change)). The two-year closure notice requirement does not apply if:
- (i) The manufactured/mobile home community has been acquired for or is under imminent threat of condemnation;
 - (ii) The manufactured/mobile home community is sold to an organization comprised of community tenants, to a nonprofit organization, to a local government, or to a housing authority for the purpose of preserving the community; or
 - (iii) The landlord compensates the tenants for the loss of their homes at their assessed value prior to a change of use or sale of the property;
 - (f) Engaging in "criminal activity." "Criminal activity" means a criminal act defined by statute or ordinance that threatens the health, safety, or welfare of the tenants. A park owner seeking to evict a tenant or occupant under this subsection need not produce evidence of a criminal conviction, even if the alleged misconduct constitutes a criminal offense. Notice from a law enforcement agency of criminal activity constitutes sufficient grounds, but not the only grounds, for an eviction under this subsection. Notification of the seizure of illegal drugs under RCW 59.20.155 is evidence of criminal activity and is grounds for an eviction under this subsection. The requirement that any tenant or occupant register as a sex offender under RCW 9A.44.130 is grounds for eviction under this subsection. If criminal activity is

alleged to be a basis of termination, the park owner may proceed directly to an unlawful detainer action;

- (g) The tenant's application for tenancy contained a material misstatement that induced the park owner to approve the tenant as a resident of the park, and the park owner discovers and acts upon the misstatement within one year of the time the resident began paying rent;
- (h) If the landlord serves a tenant three fifteen-day notices within a twelve-month period to comply or vacate for failure to comply with the material terms of the rental agreement or park rules. The applicable twelve-month period shall commence on the date of the first violation;
- (i) Failure of the tenant to comply with obligations imposed upon tenants by applicable provisions of municipal, county, and state codes, statutes, ordinances, and regulations, including this chapter. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within fifteen days;
- (j) The tenant engages in disorderly or substantially annoying conduct upon the park premises that results in the destruction of the rights of others to the peaceful enjoyment and use of the premises. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within fifteen days;
- (k) The tenant creates a nuisance that materially affects the health, safety, and welfare of other park residents. The landlord shall give the tenant written notice to cease the conduct that constitutes a nuisance immediately. The notice must state that failure to cease the conduct will result in termination of the tenancy and that the tenant shall vacate the premises in five days;
- (1) Any other substantial just cause that materially affects the health, safety, and welfare of other park residents. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within fifteen days; or

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- 1 (m) Failure to pay rent by the due date provided for in the rental 2 agreement three or more times in a twelve-month period, commencing with 3 the date of the first violation, after service of a five-day notice to 4 comply or vacate.
 - (2) Within five days of a notice of eviction as required by subsection (1)(a) of this section, the landlord and tenant shall submit any dispute to mediation. The parties may agree in writing to mediation by an independent third party or through industry mediation procedures. If the parties cannot agree, then mediation shall be through industry mediation procedures. A duty is imposed upon both parties to participate in the mediation process in good faith for a period of ten days for an eviction under subsection (1)(a) of this section. It is a defense to an eviction under subsection (1)(a) of this section that a landlord did not participate in the mediation process in good faith.
- 16 (3) Chapters 59.12 and 59.18 RCW govern the eviction of 17 recreational vehicles, as defined in RCW 59.20.030, from mobile home 18 parks. This chapter governs the eviction of mobile homes, manufactured 19 homes, park models, and recreational vehicles used as a primary 20 residence from a mobile home park.
- 21 **Sec. 4.** RCW 59.21.030 and 2006 c 296 s 1 are each amended to read 22 as follows:
- 23 (1) The closure notice required by RCW 59.20.080 before park closure or conversion of the park((, whether twelve months or longer,)) shall be given to the director and all tenants in writing, and posted at all park entrances.
- 27 (2) The closure notice required under RCW 59.20.080 must be in substantially the following form:

29 "CLOSURE NOTICE TO TENANTS

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NOTICE IS HEREBY GIVEN on the day of , , of
a conversion of this manufactured/mobile home community to a use other
than for mobile homes, manufactured homes, or park models, or of a
conversion of the manufactured/mobile home community to a mobile home
park cooperative or a mobile home park subdivision. This change of use

- 1 shall become effective on the day of , which
- 2 shall be the date two years after the date this closure notice is
- 3 given.
- 4 PARK OR COMMUNITY MANAGEMENT OR OWNERSHIP INFORMATION:
- 5 For information during the period preceding the effective change of
- 6 use of this manufactured/mobile home community on the . . . day of
- 7 , contact:
- 8 Name:
- 9 Address:
- 10 Telephone:
- 11 PURCHASER INFORMATION, if applicable:
- 12 Contact information for the purchaser of the manufactured/mobile
- 13 <u>home community property consists of the following:</u>
- 14 Name:
- 15 Address:
- 16 Telephone:
- 17 PARK PURCHASE BY TENANT ORGANIZATIONS, if applicable:
- 18 The owner of this manufactured/mobile home community is willing to
- 19 entertain an offer of purchase by an organization or group consisting
- 20 of community tenants or a not-for-profit agency designated by the
- 21 tenants. Tenants should contact the community owner or management with
- 22 such an offer. For assistance in forming an organization to purchase
- 23 the community and for possible financial resources to assist with such
- 24 a purchase, contact the Office of Mobile Home Affairs within the
- 25 <u>Department of Community, Trade, and Economic Development.</u>
- 26 RELOCATION ASSISTANCE RESOURCES:
- 27 For information about the availability of relocation assistance,
- 28 contact the Office of Mobile Home Affairs within the Department of
- 29 <u>Community, Trade, and Economic Development."</u>
- 30 (3) The <u>closure</u> notice required by RCW 59.20.080 must also meet the
- 31 following requirements:
- 32 (a) A copy of the closure notice must be provided with all ((month-
- 33 to-month)) rental agreements signed after the original park closure
- notice date <u>as required under RCW 59.20.060</u>;

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(b) Notice to the director must include: (i) A good faith estimate of the timetable for removal of the mobile homes; (ii) the reason for closure; and (iii) a list of the names and mailing addresses of the current registered park tenants. Notice required under this subsection must be sent to the director within ten business days of the date notice was given to all tenants as required by RCW 59.20.080; and

- (c) Notice must be recorded in the office of the county auditor for the county where the mobile home park is located.
- $((\frac{(2)}{2}))$ (4) The department must mail every tenant an application and information on relocation assistance within ten business days of receipt of the notice required in subsection (1) of this section.
- **Sec. 5.** RCW 59.20.073 and 2003 c 127 s 3 are each amended to read as follows:
 - (1) Any rental agreement shall be assignable by the tenant to any person to whom he or she sells or transfers title to the mobile home, manufactured home, or park model.
 - (2) A tenant who sells a mobile home, manufactured home, or park model within a park must provide the buyer with a copy of any closure notice provided by a landlord, as required under RCW 59.20.080, at least seven days in advance of the intended sale and transfer.
 - (3) A tenant who sells a mobile home, manufactured home, or park model within a park shall notify the landlord in writing of the date of the intended sale and transfer of the rental agreement at least fifteen days in advance of such intended transfer and shall notify the buyer in writing of the provisions of this section. The tenant shall verify in writing to the landlord payment of all taxes, rent, and reasonable expenses due on the mobile home, manufactured home, or park model and mobile home lot.
 - $((\frac{3}{3}))$ <u>(4)</u> The landlord shall notify the selling tenant, in writing, of a refusal to permit transfer of the rental agreement at least seven days in advance of such intended transfer.
 - ((4))) (5) The landlord may require the mobile home, manufactured home, or park model to meet applicable fire and safety standards if a state or local agency responsible for the enforcement of fire and safety standards has issued a notice of violation of those standards to the tenant and those violations remain uncorrected. Upon correction of

the violation to the satisfaction of the state or local agency responsible for the enforcement of that notice of violation, the landlord's refusal to permit the transfer is deemed withdrawn.

((+5))) (6) The landlord shall approve or disapprove of the assignment of a rental agreement on the same basis that the landlord approves or disapproves of any new tenant, and any disapproval shall be in writing. Consent to an assignment shall not be unreasonably withheld.

((+6))) (7) Failure to notify the landlord in writing, as required under subsection ((+2))) (3) of this section; or failure of the new tenant to make a good faith attempt to arrange an interview with the landlord to discuss assignment of the rental agreement; or failure of the current or new tenant to obtain written approval of the landlord for assignment of the rental agreement, shall be grounds for disapproval of such transfer.

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