

SENATE BILL REPORT

SB 5216

As of February 5, 2015

Title: An act relating to modifying rental agreement renewal requirements under the manufactured/mobile home landlord-tenant act.

Brief Description: Modifying rental agreement renewal requirements under the manufactured/mobile home landlord-tenant act.

Sponsors: Senators Warnick and Benton.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/28/15.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Shani Bauer (786-7468)

Background: Under the Manufactured/Mobile Home Landlord-Tenant Act, rental of a mobile home lot must be based on a written rental agreement signed by both parties before the tenant moves in. Written rental agreements, including the original park rules, are renewed automatically for the same length of time as the original agreement. Year-to-year agreements automatically renew for another year on the anniversary date of the beginning of the tenant's occupancy. Month-to-month agreements automatically renew each month. If the tenant gives written notice to the landlord one month before the ending date of the rental agreement saying that the tenant plans not to renew, then the agreement will not be renewed. A landlord who wants to increase the rent upon expiration of a rental agreement must notify the tenant in writing three months prior to the effective date of any increase.

A tenant must be offered a year-to-year rental agreement. Yearly rental agreements may not have terms less attractive than month-to-month rental agreements. However, if the tenant does not want a rental agreement for a year but instead prefers a month-to-month agreement, the tenant must sign a separate statement saying that the tenant has been offered a one-year rental agreement, but does not want it. On the anniversary of the agreement, the tenant may require the landlord to provide a one-year written rental agreement.

A landlord may not terminate or fail to renew a rental agreement except for one of the following reasons:

- the tenant fails to pay the rent;

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- a substantial, repeated, or periodic violation of the park rules;
- violation of a material change in park rules;
- commission of a crime or conviction of a crime that threatens the health, safety, or welfare of other tenants;
- engaging in criminal activity;
- failure to comply with local ordinances and state laws regarding mobile home parks;
- a change in land use of the mobile home park;
- making a false statement on any part of the rental application and it is discovered by the landlord within one year;
- engaging in disorderly conduct which disrupts the peace, health, safety, or welfare of other tenants; or
- service of three five-day notices to pay or vacate, or three 15-day notices to comply or vacate within a 12-month period.

Summary of Bill: Unless a new rental agreement is provided by the landlord, the current rental agreement will renew automatically for:

- a term equal to the expiring term if the expiring term is one year or less; or
- a term of one year if the expiring term is more than one year.

A landlord must notify the tenant in writing three months prior to the effective date of any increase in rent or change to any other material term of the rental agreement. The landlord may give a tenant written notice of an intent not to renew three months prior to expiration of the rental agreement.

If either a tenant or landlord notifies the other of an intent not to renew the rental agreement, automatic renewal of the agreement is precluded. If the tenant gave the landlord a 30-day notice of intent not to renew, upon expiration of the rental agreement the tenant must vacate the premises. If the landlord gave the tenant notice of an intent not to renew, the tenant has up to 12 months following the expiration date to vacate the premises, during which time the tenancy continues on a month-to-month basis under the same terms as the expired rental agreement. The landlord may not impose a rental increase during this time period.

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.

Staff Summary of Public Testimony: PRO: This bill is being brought to address deficiencies in the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA). These provisions should be amenable to both landlords and tenants. The ability to not renew or evict without cause is contained in the Residential Landlord Tenant Act and has been chipped away in the MHLTA. This is the safety valve to ensure that a tenancy is not a perpetual contract that continues forever. It is very costly to deal with automatic renewal. Over time, park owners change, leases change, laws and ordinances change. It's unrealistic to expect that a lease that was drafted in the 1970s would still apply today. An example where this

would apply is where an owner might want to build a clubhouse where a mobile home is located. The landlord has no ability to end a tenancy aside from the 13 reasons listed in the statute. This limits a landlord's ability to use the tenant's property. There is already a statute that says a landlord can close the park with 12 months' notice. There is also relocation assistance available for these situations. If there is no ability to address things such as park changes and needed infrastructure upgrades, these communities will eventually deteriorate. A lot of bad behavior does not rise to the level of an eviction, yet all of the neighbors are upset with the landlord for not kicking the person out. This legislation would give the landlord the ability to get rid of a person that is causing distress in the community.

CON: This bill would set mobile homeowners back to pre-1993 levels. It renders the signing of any agreement moot. Over 72,000 tenants reside in 1600 manufactured home communities in Washington. If a tenant could be removed for any reason, manufactured home communities would be an unattractive housing choice. Landlords currently believe they have the authority to change any material term at the time of renewal. They do not. The cost to move a home is significant. A one-year notice doesn't really help that much because most cannot afford to move. In all practical reality, the tenant will lose the home. This is subterfuge to allow a landlord to eject for subjective reasons. Changing a material term of the contract could add terms such as deposits, change in space numbers, parking, or the obligation to add attachments to the property. Many people who live in mobile home parks are elderly and on fixed incomes and are anxious about being able to stay in their home. This does not acknowledge that once a tenant has moved their home into the mobile home park, they are in an unequal bargaining position because of their inability to absorb the expense of moving the home.

Persons Testifying: PRO: Senator Warnick, prime sponsor; Robert Cochran, Contempo Mobile Home Park, Manufactured Housing Communities of WA; Chester Baldwin, Mobile Home Communities of WA; Craig Hillis, Commonwealth Real Estate Services.

CON: Ishbel Dickens, Dan Young, Don Carlson, Assn. of Manufactured Home Owners; Jennifer Steele, Attorney General's Office; Donald Armstrong, citizen.