

HOUSE BILL REPORT

ESSB 5868

As Reported By House Committee On:
Trade & Economic Development

Title: An act relating to mobile home relocation assistance.

Brief Description: Providing mobile home relocation assistance.

Sponsors: Senate Committee on Financial Institutions & Housing (originally sponsored by Senators Prentice, Fraser, Cantu, Winsley and Rasmussen; by request of Department of Community, Trade, and Economic Development).

Brief History:

Committee Activity:

Trade & Economic Development: 3/29/95 [DP].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Ballasiotes; Hatfield; Sherstad and Valle.

Staff: Kenny Pittman (786-7392).

Background: The Mobile Home Relocation Act was enacted in 1989 and subsequently amended in 1990 and 1991. Under the Mobile Home Relocation Act, relocation assistance is provided to low-income mobile home owners (tenants) when a mobile home park is closed or converted to another use.

Relocation assistance could be provided from either the Mobile Home Relocation Assistance Fund or the mobile home park owner or both. For low-income tenants, two-thirds of the relocation assistance was to be paid by the fund and one-third by the park owner. Non low-income tenants were only eligible to receive the one-third payment from the mobile home park owner. In 1991, the Legislature limited eligibility for relocation assistance to only low-income tenants.

The Mobile Home Relocation Assistance Fund consists of payments of a \$50 fee imposed on the transfer or elimination of a mobile home title. The fee was enacted in 1990. In 1991, the Legislature imposed a \$5 annual fee on mobile

home park owners for each occupied lot in their mobile home parks. A lawsuit was filed in superior court in 1991 that caused the state to withhold collection of the \$5 annual fee, pending the outcome of the lawsuit.

In 1993, the State Supreme Court upheld a superior court judge's ruling that the monetary payments required of mobile home park owners was unconstitutional. The mobile home park owners have argued that the burden of rectifying the public problem of displaced low-income tenants is more properly placed upon society as a whole. The court decision also invalidated the remainder of the act. Guimont v. Clarke, 121 Wn.2d 586, 610-11 (1993).

Summary of Bill: The Mobile Home Relocation Assistance Act is reenacted.

Monetary relocation assistance is made available to all mobile home owners (tenants) that are displaced due to a park closure or the park's conversion to another use. The amount of relocation assistance is determined by the size of the mobile home and if the tenant actually relocated the mobile home.

Tenants of parks that closed or converted to another use after June 30, 1991 and before January 1, 1996 and who moved their mobile home to another park can receive up to \$3,500 for a single-wide home and \$6,500 for a double-wide home. Tenants that either sold or abandon their mobile homes are not entitled to relocation assistance, but are entitled to a flat payment of \$1,500 for a single-wide home and \$3,500 for a double-wide home.

The Department of Community, Trade, and Economic Development will accept applications for relocation assistance up to December 31, 1995. Payment of relocation assistance depends on the number of claims and amount in the relocation fund. If requests exceed amounts in the fund, the department will make relocation assistance payments on a pro rata basis.

Tenants that are displaced due to a park closure after December 31, 1995 are served on a first-come, first-serve basis as funds remain available. Relocation assistance is limited only to those tenants that actually relocate to another mobile home park.

The amount of assistance provided from the mobile home relocation fund is reduced by the amount of any other relocation assistance received by the tenant.

The required 12-month notice of park closure must be included in all month-to-month rental agreements signed after the park closure notice date. Tenants are not entitled to relocation assistance if they give notice to vacate the park before the park closure notice is issued by the park owner, or if they purchase or move a mobile home into a park after the 12-month closure notice has been issued.

Any interest earned on the balance of the mobile home park relocation assistance fund is retained in the fund.

The park owner contribution and annual mobile home owner fees used to fund the mobile home park relocation fund are repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The mobile relocation fund was insurance against the high cost of relocating the mobile home if the mobile home park was closed or converted to another use. This bill is agreed to by all parties.

Testimony Against: None.

Testified: (Pro) Ray Munson, Mobile Home Owners of America; Arnold Livingston, Senior Lobby; Enid Buchanan, Department of Community, Trade, and Economic Development; Theresa Bosler, Manufactured Housing Communities of Washington; and Jim Thomas, Department of Revenue.