
SENATE BILL 6595

State of Washington

55th Legislature

1998 Regular Session

By Senators Strannigan, Winsley and Prentice

Read first time 01/22/98. Referred to Committee on Financial Institutions, Insurance & Housing.

1 AN ACT Relating to mobile home parks; amending RCW 59.23.015,
2 59.23.020, and 59.23.025; and adding a new section to chapter 59.23
3 RCW.

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

5 **Sec. 1.** RCW 59.23.015 and 1993 c 66 s 3 are each amended to read
6 as follows:

7 If a qualified tenant organization gives written notice to the
8 mobile home park owner where the tenants reside that they have a
9 present and continuing desire to purchase the mobile home park, the
10 park may then be sold only according to this chapter.

11 "Notice" for the purposes of this section means a writing signed by
12 ~~((sixty percent of the tenants))~~ authorized officers of a qualified
13 tenant organization, or a majority of homeowners of currently occupied
14 mobile homes in the park indicating that they desire to ~~((participate~~
15 ~~in the purchase of the park, and that they are contractually bound to~~
16 ~~the other signators of the notice to participate by purchasing an~~
17 ~~ownership interest that will entitle them to occupy a mobile home space~~
18 ~~for the remainder of their life or for a term of at least fifteen~~
19 ~~years))~~ exercise their rights under this chapter. Notice under this

1 section will not affect any sale to a third party if it is served on
2 the owner after the execution of purchase and sale documents that bind
3 both the owner and the third party. Notice is valid with regard to
4 subsequent transactions, and remains valid until revoked.

5 **Sec. 2.** RCW 59.23.020 and 1993 c 66 s 4 are each amended to read
6 as follows:

7 (1) "Mobile home park" means the same as defined in RCW 59.20.030.

8 (2)(a) The terms "sold" or "sale" for the purposes of this chapter
9 have their ordinary meaning and include: (i) A conveyance, grant,
10 assignment, quitclaim, or transfer of ownership or title to real
11 property and improvements that comprise the mobile home park, or mobile
12 homes, for a valuable consideration; (ii) a contract for the
13 conveyance, grant, assignment, quitclaim, or transfer; (iii) a lease
14 with an option to purchase the real property and improvements, or
15 mobile home, or any estate or interest therein; or (iv) other contract
16 under which possession of the property is given to the purchaser, or
17 any other person by his or her direction, where title is retained by
18 the vendor as security for the payment of the purchase price. These
19 terms also include any other transfer of the beneficial or equitable
20 interest in the mobile home park such as a transfer of equity stock or
21 other security evidencing ownership that results in a change in
22 majority interest ownership.

23 (b) The terms "sale" or "sold" do not include: (i) A transfer by
24 gift, devise, or inheritance; (ii) a transfer of a leasehold interest
25 other than of the type described in this subsection; (iii) a
26 cancellation or forfeiture of a vendee's interest in a contract for the
27 sale of the mobile home park; (iv) a deed in lieu of foreclosure of a
28 mortgage; (v) the assumption by a grantee of the balance owing on an
29 obligation that is secured by a mortgage or deed in lieu of forfeiture
30 of the vendee's interest in a contract of sale where no consideration
31 passes otherwise; (vi) the partition of property by tenants in common
32 by agreement or as the result of a court decree; (vii) a transfer,
33 conveyance, or assignment of property or interest in property from one
34 spouse to the other in accordance with the terms of a decree of divorce
35 or dissolution or in fulfillment of a property settlement agreement
36 incident thereto; (viii) the assignment or other transfer of a vendor's
37 interest in a contract for the sale of real property, even though
38 accompanied by a conveyance of the vendor's interest in the real

1 property involved; (ix) transfers by appropriation or decree in
2 condemnation proceedings brought by the United States, the state or any
3 political subdivision thereof, or a municipal corporation; (x) a
4 mortgage or other transfer of an interest in real property or mobile
5 home merely to secure a debt, or the assignment thereof; (xi) a
6 transfer or conveyance made under an order of sale by the court in a
7 mortgage or lien foreclosure proceeding or upon execution of a
8 judgment; (xii) a deed in lieu of foreclosure to satisfy a mortgage;
9 (xiii) a conveyance to the federal housing administration or veterans'
10 administration by an authorized mortgagee made under a contract of
11 insurance or guarantee with the federal housing administration or
12 veterans' administration; (xiv) a transfer in compliance with the terms
13 of any lease or contract upon which notice has already been given under
14 this chapter, or where the lease or contract was entered into before
15 July 25, 1993; or (xv) a transfer to a corporation or partnership the
16 majority interest of which is wholly owned by the transferor.

17 (3) A "qualified tenant organization" means (~~(a formal)~~) an
18 organization of tenants in the park in question, (~~(organized for the~~
19 ~~purpose of purchasing the park,)~~) with membership made available to all
20 tenants with the only requirements for membership being: (a) Payment
21 of reasonable dues; and (b) being a tenant in the park.

22 **Sec. 3.** RCW 59.23.025 and 1993 c 66 s 5 are each amended to read
23 as follows:

24 If notice of a desire to purchase has been given under RCW
25 59.23.015, a park owner shall notify the qualified tenant organization
26 that an agreement to purchase and sell has been reached and (~~(the terms~~
27 ~~of the agreement, including the availability and terms of seller~~
28 ~~financing, before closing a sale with any other person or entity))~~
29 provide a copy of the agreement and related documents within ten days
30 of the time the agreement is binding on the parties. If, within
31 (~~(thirty))~~ sixty days after the actual notice has been received, the
32 qualified tenant organization tenders (~~(to the park owner an amount~~
33 ~~equal to two percent of the agreed purchase price, refundable only~~
34 ~~according to this chapter, together with))~~) a fully executed purchase
35 and sale agreement at least as favorable to the park owner as the
36 original agreement, the mobile home park owner must sell the mobile
37 home park to the qualified tenant organization. After the execution of
38 a purchase and sale agreement between the qualified tenant organization

1 and the park owner, the qualified tenant organization must tender to
2 the park owner an amount equal to two percent of the agreed-upon
3 purchase price as an earnest money deposit, refundable according to the
4 terms of the purchase and sale agreement. The tenant organization must
5 then close the sale on ~~((the same))~~ terms ~~((as outlined in))~~ that are
6 at least as favorable to the park owner as the original agreement
7 ~~((between the park owner and the prospective purchaser))~~. In the case
8 of seller financing, a mobile home park owner may decline to sell the
9 mobile home park to the qualified tenant organization if, based on
10 reasonable and objective evidence, to do so would present a greater
11 financial risk to the seller than would selling on the same terms to
12 the original offeror.

13 If the qualified tenant organization fails to perform under the
14 terms of the agreement the owner may proceed with the sale to any other
15 party at these terms. If the park owner thereafter elects to accept an
16 offer at a price lower than the price specified in the notice, the
17 homeowners will have an additional ten days to meet the price and terms
18 and conditions of this lower offer by executing a contract. If the
19 qualified tenant organization fails to perform following two such
20 opportunities, the park owner shall be free for a period of twenty-four
21 months to execute a sale of the park to any other party.

22 A mobile home park owner who enters into a signed agreement to sell
23 or transfer the ownership of the mobile home park to a relative or a
24 legal entity composed of relatives or established for the benefit of
25 relatives of the mobile home park owner, who signs an agreement stating
26 the intention to maintain the property as a mobile home park is
27 exempted from the requirements of this section and RCW 59.23.030.

28 NEW SECTION. Sec. 4. A new section is added to chapter 59.23 RCW
29 to read as follows:

30 If a mobile home park owner takes any action indicating a desire to
31 sell the park including, but not limited to, engaging a real estate
32 agent, attorney, or other person in a contractual arrangement to sell
33 his or her mobile home park, engages in a discussion with one or more
34 of these individuals regarding the potential sale of his or her mobile
35 home park, or places an advertisement for the sale of his or her mobile
36 home park in a newspaper, newsletter, magazine, trade journal, or other
37 media, then the mobile home park owner shall immediately provide
38 written notification of the potential sale of the mobile home park to

1 all tenants of the park. Failure to provide this notice voids any
2 subsequent sale of the park.

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