

HOUSE BILL REPORT

ESSB 5703

As Passed House - Amended:

April 9, 2001

Title: An act relating to alterations of mobile homes.

Brief Description: Directing a study to be conducted of mobile/manufactured home alteration and repair permit problems.

Sponsors: By Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Hargrove and Winsley).

Brief History:

Committee Activity:

Commerce & Labor: 3/27/01, 3/30/01 [DPA].

Floor Activity:

Passed House - Amended: 4/9/01, 95-0.

Brief Summary of Engrossed Substitute Bill (As Amended by House)

- Directs the Department of Labor and Industries to adopt rules for installed manufactured homes relating to permit requirements for alterations, variances from manufacturing standards, and disclosure when the home is sold.
- Creates a Joint Legislative Task Force to review the regulation of manufactured and mobile homes and make recommendations by January 1, 2002.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hunt, Kenney, Lisk and McMorris.

Staff: Chris Cordes (786-7103).

Background:

The Department of Labor and Industries is responsible for adopting and enforcing rules governing the safety of body and frame design and the installation of plumbing, heating, and electrical equipment in mobile homes. The department also has rules for manufactured homes that conform with rules adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974, a federal law that preempts inconsistent state laws regarding the manufacture of a manufactured home. Leasing or selling a mobile home that does not comply with the department's rules is prohibited.

Plans and specifications for models or production prototypes of mobile homes must be submitted to the department for approval. Once the plans have been approved, changes or alterations may not be made to the body and frame design, construction, plumbing, heating, or electrical installations without the department's prior written approval.

By department rule, alterations that must have prior approval include replacement, addition, modification, or removal of any equipment or installation that affects the construction, planning considerations, fire safety, or the plumbing, mechanical, or electrical systems of the manufactured or mobile home. Alterations do not include:

- repairs to equipment with approved parts, or adjustment and maintenance of equipment.
- modification of a fuel-burning appliance according to the listing agency's specifications.

Under emergency rules adopted March 22, 2001, the department may grant a variance from these requirements for alterations initiated after the expiration of written warranties. The new rules require a homeowner who sells the home to disclose alterations performed by a previous owner and any variances granted by the department.

Summary of Amended Bill:

The Department of Labor and Industries must adopt rules with respect to installed manufactured homes that:

- specify exemptions from the requirement to have a permit for alterations;
- authorize the granting of variances for alterations that do not comply with manufacturing standards; and
- require the seller to deliver to the buyer prior to the sale of the home a completed property transfer disclosure statement and a copy of the variance, if any, granted under the rules.

Nothing in these provisions prohibits the sale of an altered manufactured home unless the alteration makes the home unsafe so that its use constitutes a hazard to life, safety, or health. The provisions apply without regard to the date a home may have been altered.

A Joint Legislative Task Force is created to review the regulation of manufactured and mobile homes under the Department of Labor and Industries's authority. The task force membership consists of representatives of manufactured/mobile homeowners, manufactured/mobile home mortgage lenders, manufactured/mobile manufacturers and retailers, realtors, the electrical and plumbing trades, the Department of Labor and Industries, other state or local government agencies as needed, and four legislative members, one from each caucus of the Senate Labor, Commerce & Financial Insurance Committee and the House Commerce & Labor Committee. The study must address:

- the problem with alterations that many homeowners have made without obtaining the required permits;
- the costs associated with obtaining the required permits, particularly if an engineering analysis is required;
- the possibility of reducing the number of alterations that require a permit, consistent with public health and safety considerations;
- the appropriateness of the current legal sanction for failure to obtain a permit;
- the feasibility and desirability of allowing for alteration inspections by local building officials; and
- changes in the law that can assist homeowners in the proper and economical maintenance of the home and the protection of their equity.

The task force must report its findings and recommendations to the Legislature by January 1, 2002.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Department of Labor and Industries has made great progress in addressing the consumer problems that were brought to the Legislature's attention. The adoption of a new rule and provision of inspector training and brochures that clarify the alteration rule are good steps. A study would bring all the parties to the table to clarify the problems and explore options for long-term solutions. The Legislature should also consider including language in the bill that adopts the department's new rule in statute.

Testimony Against: The House version is better because it would provide more protection to consumers and restrict regulation by the Department of Labor and Industries.

Testified: (In support) Bob Mitchell, Washington Association of Realtors; Patrick

Woods and Dan Sevcik, Department of Labor and Industries; Mike Ryherd, Washington Manufactured Housing Association; and Mark Triplett, Washington Association of Building Officials.

(In support, with concerns) Julie Murray, King County; Dick King, International Brotherhood of Electrical Workers; and Dan Sexton, Washington State Association of Plumbers and Steamfitters.

(Opposed) George Sumner.