

SENATE BILL REPORT

ESHB 1640

As Reported By Senate Committee On:
Financial Institutions, Housing & Consumer Protection, March 29, 2005
Ways & Means, April 1, 2005

Title: An act relating to resolving manufactured/mobile home landlord and tenant disputes.

Brief Description: Providing a dispute mechanism for manufactured/mobile home landlord and tenant disputes.

Sponsors: House Committee on Housing (originally sponsored by Representatives Morrell, Chase, Dunn, McCoy, O'Brien, Appleton and Lantz).

Brief History: Passed House: 3/15/05, 96-0.

Committee Activity: Financial Institutions, Housing & Consumer Protection: 3/24/05, 3/29/05[DPA].

Ways & Means: 4/1/05 [DPA(FHC)].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Berkey, Vice Chair; Brandland, Delvin, Franklin, Keiser, Prentice, Schmidt and Spanel.

Staff: Jennifer Arnold (786-7471)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Financial Institutions, Housing & Consumer Protection.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Fairley, Pflug, Pridemore, Rasmussen, Regala, Rockefeller, Schoesler and Thibaudeau.

Staff: Kirstan Arestad (786-7708)

Background: The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the relationship between the manufactured/mobile homeowners, who rent the lot where their home is located, and the owners of such parks and communities.

A mobile home is a factory-built dwelling constructed prior to 1976 that met applicable state statutes at the time of construction standards, rather than the U.S. Department of Housing and Urban Development's (HUD's) construction and safety code. A manufactured home is a post-1976 dwelling, built according to HUD's construction and safety standards.

The Office of Mobile Home Affairs exists within the Department of Community, Trade, and Economic Development (CTED) to provide an ombudsman service and technical assistance to owners of manufactured housing communities and mobile home parks and the owners of homes located within those communities and parks.

Manufactured/mobile home park owners and the homeowners have a unique relationship, in that it can be difficult and expensive to move or relocate a home after occupancy has started. Therefore, there are concerns that this relationship can lead to bargaining inequalities and that a new process is necessary in order to give homeowners adequate remedies and foster fair and honest competition.

Summary of Amended Bill: Process for Filing Complaints: A statutory process is created for the resolution of disputes between manufactured/mobile homeowners and manufactured/mobile home park owners. Under this process, a complainant is defined as a landlord, park owner, tenant, or homeowner. A complainant has a right to file a complaint, alleging unfair practices or violations of the MHLTA or Consumer Protection Act (CPA) with CTED. However, prior to notifying CTED, a complainant must give written notice to the respondent (the party that allegedly committed an unfair practice or violation of the MHLTA). After the respondent receives notice, if the violation is not corrected within the time provided for under the MHLTA, a complaint may be filed with CTED.

Investigations: After receiving a complaint, CTED may investigate and evaluate alleged violations of the MHLTA or CPA. CTED may also explain the options available to the parties involved and negotiate agreements. The involved parties must cooperate with CTED by furnishing any documents or written statements requested. Further, CTED is allowed access to relevant mobile/manufactured home facilities for the purpose of conducting investigations. These provisions do not give CTED the power to issue any findings, decisions, or rulings on whether there was a violation of the MHLTA or CPA.

CTED Ombudsman Service: The ombudsman service, provided by CTED for manufactured housing and mobile home parks, is expanded. The expanded service provides for the hiring or contracting of more staff persons to assist in the investigation of alleged violations of MHLTA, as well as to aid in the collection of data. CTED must provide a report to the appropriate legislative committees by December 31, 2005.

Registration and Funding of Services: All mobile home parks and manufactured housing communities are required to be registered with CTED. Based on the information received in the registration process, CTED must compile a list of all mobile/manufactured parks and communities in the state, including the names and addresses of the owners, as well as the total number of lots in each park or community. The registration fee is \$5 per lot, of which no more than \$2.50 can be passed on to the tenants. All registration fees must be deposited in the manufactured/mobile home investigations account; however, after the expiration of this act, any remaining funds are transferred to the mobile home affairs account. Any assessed amounts not collected by December 31, 2005.

Notice: CTED must provide notice to each mobile/manufactured home park and community owner of the ombudsman complaint resolution program. Further, park owners are required to post notice in common areas of tenants' rights and responsibilities, along with a toll-free

number for CTED for the use of owners and tenants seeking additional information and communicating complaints.

Program's Duration: The provisions of this bill expire on December 31, 2005. However, CTED may continue to collect late fees and unpaid assessments after the expiration date.

Amended Bill Compared to Original Bill: Late fees and unpaid assessed amounts may be collected by CTED after December 31, 2005. For the purpose of conducting investigations under this bill, CTED is allowed access to the relevant mobile/manufactured housing facilities. Technical changes are made, removing inconsistent language.

Appropriation: None.

Fiscal Note: Fiscal note on substitute house bill available. Requested on engrossed substitute house bill on March 18, 2005.

Committee/Commission/Task Force Created: No.

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

Testimony For (Financial Institutions, Housing & Consumer Protection): It is imperative that residents have an enforcement act to deal with abusive landlords, which would give the residents parity with the owners and help to ensure that existing laws are followed. This bill provides the tenants with a voice, demonstrating that they have valid concerns that need to be addressed, while also providing an opportunity to collect information regarding landlord and tenant relations.

Testimony Against (Financial Institutions, Housing & Consumer Protection): None.

Other: There are concerns about the potential fiscal impact of this bill.

Who Testified (Financial Institutions, Housing & Consumer Protection): PRO: Representative Morrell, prime sponsor; Fred Jones, Mobile Home Owners of America; Ishbel Dickens, Columbia Legal Services; Nick Federici, Washington Low-Income Housing Alliance; Ken Newton, Kloshe Illahee; Sarah J. Rivers, Mobile Home Owners of America, Chapter 3. OTHER: Ken Spencer, Manufactured Housing Communities of Washington.

Testimony For (Ways & Means): The bill is the outcome of years of bitter warfare between mobile home park owners and tenants and allows for a process for the Department of Community Trade and Economic Development to have funds to mediate complaints.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): PRO: Nick Federici, Washington Low-Income Housing Alliance.