
SUBSTITUTE HOUSE BILL 2096

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Housing (originally sponsored by Representatives B. Sullivan, P. Sullivan, Morrell, McCoy, Simpson and Ormsby)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to providing incentives for the preservation of
2 manufactured/mobile home communities; adding a new chapter to Title 82
3 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

6 (a) Manufactured/mobile home communities provide a significant
7 source of homeownership opportunities for Washington residents.
8 However, the increasing closure and conversion of manufactured/mobile
9 home communities to other uses, combined with increasing
10 manufactured/mobile home lot rents, low vacancy rates in existing
11 manufactured/mobile home communities, and the extremely high cost of
12 moving homes when manufactured/mobile home communities close,
13 increasingly make manufactured/mobile home community living insecure
14 for manufactured/mobile home tenants.

15 (b) Many tenants who reside in manufactured/mobile home communities
16 are low-income households and senior citizens and are, therefore, those
17 residents most in need of reasonable security in the siting of their
18 manufactured/mobile homes because of the adverse impacts on the health,

1 safety, and welfare of tenants forced to move due to closure, change of
2 use, or discontinuance of manufactured/mobile home communities.

3 (c) Manufactured/mobile home communities are a crucial component of
4 low-income housing as they represent one of the few opportunities for
5 low-income households to own a home, typically without the assistance
6 of public subsidies. Furthermore, the preservation of
7 manufactured/mobile home communities:

8 (i) Is a more economical alternative than providing new replacement
9 housing units for tenants who are displaced from closing
10 manufactured/mobile home communities;

11 (ii) Is a strategy by which all local governments can meet the
12 affordable housing needs of their residents; and

13 (iii) Is a strategy by which local governments planning under RCW
14 36.70A.040 may meet the housing element of their comprehensive plans as
15 it relates to the provision of housing affordable to all economic
16 sectors.

17 (d) Creating incentives to encourage private financial institutions
18 to provide financial assistance to organizations seeking to purchase
19 manufactured/mobile home communities for the purpose of the
20 preservation of affordable housing for low-income and elderly
21 households confers a valuable benefit on the public that constitutes
22 consideration for such assistance and incentives subject to
23 restrictions that provide continued protection of the public interest.

24 (2) It is the intent of the legislature to encourage and facilitate
25 the preservation of existing manufactured/mobile home communities and,
26 to the extent necessary and possible, to assist manufactured/mobile
27 home community resident organizations or eligible organizations
28 representing residents in the preservation of manufactured/mobile home
29 communities. The legislature hereby establishes tax credits for
30 financial institutions who provide financial assistance to eligible
31 organizations by making below market rate loans or by purchasing bonds
32 issued by the Washington state housing finance commission in order that
33 the eligible organization may purchase and preserve an affordable
34 housing manufactured/mobile home community.

35 NEW SECTION. **Sec. 2.** The definitions in this section apply
36 throughout this chapter unless the context clearly requires otherwise.

1 (1) "Applicant" means a financial institution applying for a tax
2 credit under this chapter.

3 (2) "Financial institution" means a bank, trust company, mutual
4 savings bank, savings and loan association, or credit union authorized
5 by federal or state law to accept deposits in this state.

6 (3) "Department" means the department of revenue.

7 (4) "Financial assistance" means a below market rate loan or the
8 purchase of bonds issued by the Washington state housing finance
9 commission for the purpose of assisting an eligible organization to
10 purchase and preserve an affordable housing manufactured/mobile home
11 community.

12 (5) "Market rate" and "below market rate" shall be defined by the
13 Washington state housing finance commission and the definition shall be
14 provided to any financial institution wishing to make application under
15 this chapter.

16 (6) "Affordable housing manufactured/mobile home community" means
17 any real property which is rented or held out for rent to others for
18 the placement of two or more mobile homes, manufactured homes, or park
19 models for the primary purpose of production of income where greater
20 than fifty percent of the tenants are low-income households or are over
21 sixty years of age, except where such real property is rented or held
22 out for rent for seasonal recreational purposes only and is not
23 intended for year-round occupancy.

24 (7) "Low-income household" means the same as in RCW 43.185A.010(5).

25 (8) "Eligible organization" means the same as in RCW 43.185A.040.

26 (9) "Manufactured/mobile home community resident organization"
27 means the same as "resident organization" in RCW 59.22.020.

28 (10) "Tenant" or "resident" means a person who rents a
29 manufactured/mobile home lot for a term of one month or longer and who
30 owns the manufactured/mobile home on the lot.

31 NEW SECTION. **Sec. 3.** (1) An application for preliminary approval
32 for a tax credit under section 4 of this act must be made by a
33 financial institution to the Washington state housing finance
34 commission, and preliminary approval must be received by that financial
35 institution, before a financial institution provides financial
36 assistance to an eligible organization interested in purchasing an
37 affordable housing manufactured/mobile home community. The application

1 must be made in a form and manner prescribed by the Washington state
2 housing finance commission. The application must contain information
3 regarding the proposed amount and any applicable terms of the loan or
4 bonds purchased. The Washington state housing finance commission may
5 require additional information in order to determine eligibility under
6 this act.

7 (2) The Washington state housing finance commission shall provide
8 a preliminary approval, contingent on its certification of the
9 financial assistance, to those applications which meet the requirements
10 of the tax credit program so long as the total amount of preliminarily
11 approved tax credits statewide does not exceed ten million dollars in
12 any calendar year. Applications must receive preapproval status on a
13 first-come basis.

14 (3) The financial institution must provide the financial assistance
15 described in the approved application by the end of the calendar year
16 in which the application is preapproved to claim a credit allowed under
17 section 4 of this act.

18 (4) The Washington state housing finance commission may not accept
19 any applications before September 1, 2007.

20 NEW SECTION. **Sec. 4.** (1) Subject to the limitations in this
21 chapter, a credit is allowed against the tax imposed by chapter 82.04
22 RCW for approved financial assistance, certified as described in
23 subsection (2) of this section, that is made by a financial institution
24 to an eligible organization for the purpose of affordable housing
25 manufactured/mobile home community purchase and preservation.

26 (2) To receive the tax credit, after providing the financial
27 assistance as described in the preapproved application, the financial
28 institution must file copies of the loan documents or the bond
29 purchasing contract with the Washington state housing finance
30 commission. The Washington state housing finance commission shall
31 verify the amount and terms of the financial assistance and shall
32 verify that the financial assistance was provided to an eligible
33 organization to purchase an affordable housing manufactured/mobile home
34 community. Upon verification that the financial institution qualifies
35 for the tax credit, the Washington state housing finance commission
36 shall approve the application and issue a certification to the
37 financial institution which it must provide to the department when

1 claiming the tax credit. The Washington state housing finance
2 commission shall notify the department of each approved application
3 within thirty days after the certification is issued.

4 (3) The tax credit allowed under this section is limited to an
5 amount equal to ten percent of the total financial assistance.

6 (4) The tax credit may be claimed against the tax due under chapter
7 82.04 RCW only in the calendar year immediately following the calendar
8 year in which the financial assistance was made to the eligible
9 organization and the application was approved by the Washington state
10 housing finance commission. Tax credits may not exceed the tax
11 liability of the financial institution for any tax reporting period,
12 but may be carried over for up to three subsequent years. No refunds
13 may be granted for credits under this chapter.

14 (5) To claim a credit under this chapter, a financial institution
15 must electronically file with the department all returns, forms, and
16 other information that the department requires in an electronic format
17 as provided or approved by the department. Any return, form, or
18 information required to be filed in an electronic format under this
19 section is not filed until received by the department in an electronic
20 format. As used in this section, "returns" has the same meaning as
21 "return" in RCW 82.32.050.

22 NEW SECTION. **Sec. 5.** Chapter 82.32 RCW applies to the
23 administration of this chapter.

24 NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act constitute
25 a new chapter in Title 82 RCW.

26 NEW SECTION. **Sec. 7.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

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