

# SENATE BILL REPORT

## SB 5497

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As of February 9, 2011

**Title:** An act relating to the removal of a mobile home, manufactured home, or park model from a mobile home park after default.

**Brief Description:** Requiring the removal of a mobile home, manufactured home, or park model from a mobile home park by a secured party after default.

**Sponsors:** Senators Sheldon, Pflug and Carrell.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/08/11.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Staff:** Edward Redmond (786-7471)

**Background:** Manufactured/mobile home communities are governed by the Manufactured/Mobile Home Landlord-Tenant Act (Act). The Act outlines the rights and responsibilities of manufactured/mobile home landlords and tenants. The Act also enumerates the various liabilities applicable to third parties with secured interests attached to mobile homes, manufactured homes, or park models if the tenant defaults or the property is repossessed. Such liabilities include continued rental payment for the mobile home lot until disposition of the property, payment of any outstanding maintenance or utility charges owed by the tenant, and payment of any additional expenses prior to removing the property from the mobile home park.

**Summary of Bill:** A secured party with a statutory right to possess a mobile home, manufactured home, or park model is responsible for its removal from the mobile home park.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff Summary of Public Testimony:** PRO: Mobile homes and manufactured homes are personal property like automobiles. What is happening is people buy manufactured homes under security agreements and then abandon the mobile home or manufactured home for various reasons. At that point, the secured party has a right to repossess the home. What happens in some situations is that secured parties come into the community, inspect the homes, and decide the home is either too old or not in good condition. The secured party will then go down to the Department of Licensing and release their security interest, or dump the title, to the home. The park or community owner ends up being stuck with the home along with any repair or removal costs. This bill requires that the person with legal title to the home is responsible for the home.

CON: The bill puts an additional burden on secured parties. It is already difficult for manufactured home owners to secure financing to purchase a home. The state needs to be encouraging lenders to provide more financing instead of placing additional burdens on them. Current law already allows the secured party to continue in a month-to-month relationship with the landlord.

**Persons Testifying:** PRO: John Woodring, Manufactured Housing Communities of Washington.

CON: Ishbel Dickens, George Eads, Manufactured Home Owners Association of Washington.