

SENATE BILL REPORT

SB 5523

As of February 7, 2013

Title: An act relating to the property taxation of mobile homes and park model trailers.

Brief Description: Concerning the property taxation of mobile homes and park model trailers.

Sponsors: Senators Benton and Roach.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 2/05/13.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Staff: Alison Mendiola (786-7483)

Background: Manufactured/mobile home communities are governed by the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA). The MHLTA outlines the rights and responsibilities of manufactured/mobile home landlords and tenants, including the duty of landlords to notify tenants in advance of a manufactured/mobile community closure or conversion.

Under the MHLTA, abandoned, as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot, means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy.

If a landlord of a mobile home park takes ownership of a mobile home or park model trailer with the intent to resell or rent the home after the mobile home or park model trailer has been abandoned; or a final judgment for restitution of the premise has been executed in favor of the landlord, the outstanding taxes become the responsibility of the landlord.

Summary of Bill: If a landlord in a manufactured/mobile home community submits an affidavit to the county assessor indicating that the landlord has taken ownership of a mobile home or park trailer with the intent to resell or rent after the home is abandoned or a final judgment for restitution of the premises has been executed in favor of the landlord, and the most current assessed value of the home is \$8,000 or less, the landlord is not liable for any outstanding taxes, including interest and penalties on that home.

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.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is a good bill. When a landlord currently has an abandoned home or a home after a restitution, and the landlord sells or rents the home, the landlord has to pay back taxes. But, the owner does not have to pay any taxes if the home is destroyed. By saying the owner does not have to pay back taxes on an abandoned home would provide an incentive to keep the home.

CON: Just because the landlord gains a judgment for restitution does not mean the landlord has the title. You still have to go through the unlawful detainer process. The home can fall under the Homestead Exemption so the owner just doesn't have ownership.

OTHER: This would provide preferential tax treatment to a distinct class of individuals.

Persons Testifying: PRO: Kyle Woodring, Manufactured Housing Communities of WA.

CON: Ishbel Dickens, Assn. of Manufactured Home Owners; Dan Young, Law Offices of Dan R. Young; Rory O'Sullivan, Housing Justice Project; Don Armstrong, Golden Valley Estates.

OTHER: Bruce Neas, Columbia Legal Services; Monty Cobb, WA Assn. of County Officials.