SENATE BILL 5079

State of Washington 67th Legislature 2021 Regular Session

By Senators Das, Kuderer, Hasegawa, Hunt, Keiser, Lovelett, Robinson, Rolfes, Stanford, and Wilson, C.

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AN ACT Relating to extending the closure notice period for manufactured/mobile home communities; amending RCW 59.20.060, 59.20.073, 59.20.080, and 59.21.030; and creating a new section.

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

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<u>NEW SECTION.</u> Sec. 1. The legislature finds that:

6 (1) Manufactured/mobile homes provide a significant source of 7 homeownership opportunities for Washington state residents. However, 8 the increasing number of closures and conversions to other uses of 9 manufactured housing communities and mobile home parks, combined with 10 low vacancy rates in existing parks and communities and the extremely 11 high cost of moving homes when these parks and communities close, 12 make this type of affordable housing option increasingly insecure for 13 the tenants who reside in these parks and communities.

14 (2) Many tenants who reside in these parks and communities are 15 senior citizens or low-income households and are, therefore, the 16 residents most in need of reasonable security or permanency in the 17 siting of their home because of the adverse impacts on the health, 18 safety, and welfare of tenants forced to move due to closure or 19 conversion to another use of the manufactured housing community or 20 mobile home park.

1 (3) Manufactured/mobile home tenants have a reasonable expectation of long-term security when they move their home into a 2 community or park. Some tenants have been forced to relocate due to a 3 closure or conversion soon after the tenant has moved into the 4 community or park. The legislature finds that unless a park owner 5 6 sells the park to resident homeowners or another entity with the 7 purpose of preservation or justly compensates the homeowners for the loss of their homes, a minimum notification period of three years 8 9 before the closure or conversion of a community or park is a reasonable balancing of the rights and interests of both community 10 11 and park owners and the manufactured/mobile home owners.

12 (4) Given the effort and expense involved in moving a 13 manufactured/mobile home and the imbalance of economic power in this 14 type of landlord-tenant relationship, it is the intent of the 15 legislature to provide an opportunity for manufactured/mobile home 16 tenants to remain in manufactured housing communities and mobile home 17 parks for at least three years.

18 Sec. 2. RCW 59.20.060 and 2019 c 390 s 17 are each amended to 19 read as follows:

(1) Any mobile home space tenancy regardless of the term, shall
be based upon a written rental agreement, signed by the parties,
which shall contain:

(a) The terms for the payment of rent, including time and place,
and any additional charges to be paid by the tenant. Additional
charges that occur less frequently than monthly shall be itemized in
a billing to the tenant;

(b) Reasonable rules for guest parking which shall be clearlystated;

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(c) The rules and regulations of the park;

30 (d) The name and address of the person who is the landlord, and 31 if such person does not reside in the state there shall also be 32 designated by name and address a person who resides in the county 33 where the mobile home park is located who is authorized to act as 34 agent for the purposes of service of notices and process. If no 35 designation is made of a person to act as agent, then the person to 36 whom rental payments are to be made shall be considered the agent;

37 (e) The name and address of any party who has a secured interest38 in the mobile home, manufactured home, or park model;

1 (f) A forwarding address of the tenant or the name and address of 2 a person who would likely know the whereabouts of the tenant in the 3 event of an emergency or an abandonment of the mobile home, 4 manufactured home, or park model;

5 (g)(((i) A covenant by the landlord that, except for acts or 6 events beyond the control of the landlord, the mobile home park will 7 not be converted to a land use that will prevent the space that is 8 the subject of the lease from continuing to be used for its intended 9 use for a period of three years after the beginning of the term of 10 the rental agreement;

11 (ii)) A ((rental agreement may, in the alternative, contain a)) 12 statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home 13 14 park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The ((covenant 15 16 or)) statement required by this subsection must: (((A))) (i) Appear in print that is in bold face and is larger than the other text of 17 18 the rental agreement; (((B))) <u>(ii)</u> be set off by means of a box, 19 blank space, or comparable visual device; and (((C))) <u>(iii)</u> be 20 located directly above the tenant's signature on the rental 21 agreement;

(h) A copy of a closure notice, as required in RCW 59.20.080, if such notice is in effect;

(i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;

(j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately;

35 (k) A written description, picture, plan, or map of the 36 boundaries of a mobile home space sufficient to inform the tenant of 37 the exact location of the tenant's space in relation to other 38 tenants' spaces;

1 (1) A written description, picture, plan, or map of the location 2 of the tenant's responsibility for utility hook-ups, consistent with 3 RCW 59.20.130(6);

4 (m) A statement of the current zoning of the land on which the 5 mobile home park is located;

6 (n) A statement of the expiration date of any conditional use, 7 temporary use, or other land use permit subject to a fixed expiration 8 date that is necessary for the continued use of the land as a mobile 9 home park; and

10 (o) A written statement containing accurate historical 11 information regarding the past five years' rental amount charged for 12 the lot or space.

13 (2) Any rental agreement executed between the landlord and tenant 14 shall not contain any provision:

(a) Which allows the landlord to charge a fee for guest parking unless a violation of the rules for guest parking occurs: PROVIDED, That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;

(b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;

(c) Which allows the landlord to alter the due date for rent 22 payment or increase the rent: (i) During the term of the rental 23 agreement if the term is less than two years, or (ii) more frequently 24 25 than annually if the initial term is for two years or more: PROVIDED, 26 That a rental agreement may include an escalation clause for a pro rata share of any increase in the mobile home park's real property 27 taxes or utility assessments or charges, over the base taxes or 28 29 utility assessments or charges of the year in which the rental agreement took effect, if the clause also provides for a pro rata 30 31 reduction in rent or other charges in the event of a reduction in 32 real property taxes or utility assessments or charges, below the base year: PROVIDED FURTHER, That a rental agreement for a term exceeding 33 two years may provide for annual increases in rent in specified 34 amounts or by a formula specified in such agreement. Any rent 35 increase authorized under this subsection (2)(c) that occurs within 36 the closure notice period pursuant to RCW 59.20.080(1)(e) may not be 37 more than one percentage point above the United States consumer price 38 39 index for all urban consumers, housing component, published by the 40 United States bureau of labor statistics in the periodical "Monthly

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Labor Review and Handbook of Labor Statistics" as established
 annually by the department of commerce;

3 (d) By which the tenant agrees to waive or forego rights or4 remedies under this chapter;

5 (e) Allowing the landlord to charge an "entrance fee" or an "exit 6 fee." However, an entrance fee may be charged as part of a continuing 7 care contract as defined in RCW 70.38.025;

8 (f) Which allows the landlord to charge a fee for guests: 9 PROVIDED, That a landlord may establish rules charging for guests who 10 remain on the premises for more than ((fifteen)) <u>15</u> days in any 11 ((sixty-day)) <u>60-day</u> period;

(g) By which the tenant agrees to waive or forego homestead 12 rights provided by chapter 6.13 RCW. This subsection shall not 13 prohibit such waiver after a default in rent so long as such waiver 14 is in writing signed by the husband and wife or by an unmarried 15 16 claimant and in consideration of the landlord's agreement not to 17 terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy 18 under this chapter; or 19

20 (h) By which, at the time the rental agreement is entered into, 21 the landlord and tenant agree to the selection of a particular 22 arbitrator.

(3) Any provision prohibited under this section that is includedin a rental agreement is unenforceable.

25 Sec. 3. RCW 59.20.073 and 2019 c 342 s 5 are each amended to 26 read as follows:

(1) Any rental agreement shall be assignable by the tenant to any
person to whom he or she sells or transfers title to the mobile home,
manufactured home, or park model.

30 (2) <u>A tenant who sells a mobile home, manufactured home, or park</u> 31 <u>model within a park must provide the buyer with a copy of a closure</u> 32 <u>notice provided by the landlord pursuant to RCW 59.20.080, if such</u> 33 <u>notice is in effect, at least 15 days in advance of the intended sale</u> 34 <u>and transfer.</u>

35 <u>(3)</u> A tenant who sells a mobile home, manufactured home, or park 36 model within a park shall notify the landlord in writing of the date 37 of the intended sale and transfer of the rental agreement at least 38 ((fifteen)) <u>15</u> days in advance of such intended transfer and shall 39 notify the buyer in writing of the provisions of this section. The

tenant shall verify in writing to the landlord payment of all taxes, rent, and reasonable expenses due on the mobile home, manufactured home, or park model and mobile home lot. The tenant shall notify the buyer of all taxes, rent, and reasonable expenses due on the manufactured/mobile home or park model and the mobile home lot.

6 (((3))) <u>(4)</u> At least seven days in advance of such intended 7 transfer, the landlord shall:

8 (a) Notify the selling tenant, in writing, of a refusal to permit 9 transfer of the rental agreement; or

10 (b) If the landlord approves of the transfer, provide the buyer 11 with copies of the written rental agreement, the rules and 12 regulations, <u>any closure notice as required in RCW 59.20.080, if such</u> 13 <u>notice is in effect,</u> and all other documents related to the tenancy. 14 A landlord may not accept payment for rent or deposit from the buyer 15 until the landlord has provided the buyer with these copies.

16 (5) The landlord may require the mobile ((-(++)))home, 17 manufactured home, or park model to meet applicable fire and safety 18 standards if a state or local agency responsible for the enforcement of fire and safety standards has issued a notice of violation of 19 those standards to the tenant and those violations remain 20 uncorrected. Upon correction of the violation to the satisfaction of 21 22 the state or local agency responsible for the enforcement of that 23 notice of violation, the landlord's refusal to permit the transfer is deemed withdrawn. 24

25 (((5))) <u>(6)</u> The landlord shall approve or disapprove of the 26 assignment of a rental agreement on the same basis that the landlord 27 approves or disapproves of any new tenant, and any disapproval shall 28 be in writing. Consent to an assignment shall not be unreasonably 29 withheld.

30 (((+6))) (7) Failure to notify the landlord in writing, as 31 required under subsection ((+2)) (3) of this section; or failure of 32 the new tenant to make a good faith attempt to arrange an interview 33 with the landlord to discuss assignment of the rental agreement; or 34 failure of the current or new tenant to obtain written approval of 35 the landlord for assignment of the rental agreement, shall be grounds 36 for disapproval of such transfer.

37 Sec. 4. RCW 59.20.080 and 2019 c 342 s 6 are each amended to 38 read as follows:

(1) A landlord shall not terminate or fail to renew a tenancy of
 a tenant or the occupancy of an occupant, of whatever duration except
 for one or more of the following reasons:

(a) In accordance with RCW 59.20.045(6), substantial violation, 4 or repeated or periodic violations, of an enforceable rule of the 5 6 mobile home park as established by the landlord at the inception of 7 or during the tenancy or for violation of the tenant's duties as provided in RCW 59.20.140. The tenant shall be given written notice 8 to cease the rule violation immediately. The notice shall state that 9 failure to cease the violation of the rule or any subsequent 10 11 violation of that or any other rule shall result in termination of the tenancy, and that the tenant shall vacate the premises within 12 twenty days: PROVIDED, That for a periodic violation the notice shall 13 14 also specify that repetition of the same violation shall result in termination: PROVIDED FURTHER, That in the case of a violation of a 15 16 "material change" in park rules with respect to pets, tenants with 17 minor children living with them, or recreational facilities, the 18 tenant shall be given written notice under this chapter of a six month period in which to comply or vacate; 19

20 (b) Nonpayment of rent or other charges specified in the rental 21 agreement, upon ((fourteen)) <u>14</u> days written notice to pay rent 22 and/or other charges or to vacate;

(c) Conviction of the tenant of a crime, commission of which threatens the health, safety, or welfare of the other mobile home park tenants. The tenant shall be given written notice of a ((fifteen)) 15 day period in which to vacate;

(d) Failure of the tenant to comply with local ordinances and state laws and regulations relating to mobile homes, manufactured homes, or park models or mobile home, manufactured homes, or park model living within a reasonable time after the tenant's receipt of notice of such noncompliance from the appropriate governmental agency;

(e) Change of land use of the mobile home park including, but not limited to, closure of the mobile home park or conversion to a use other than for mobile homes, manufactured homes, or park models or conversion of the mobile home park to a mobile home park cooperative or mobile home park subdivision. The landlord shall give the tenants ((twelve months')) three years' notice, in the form of a closure notice meeting the requirements of RCW 59.21.030, in advance of the

1 effective date of such change. The <u>three-year</u> closure notice 2 requirement does not apply if:

3 (i) The mobile home park or manufactured housing community has4 been acquired for or is under imminent threat of condemnation;

5 (ii) The mobile home park or manufactured housing community is 6 sold to an organization comprised of park or community tenants, to a 7 nonprofit organization, to a local government, or to a housing 8 authority for the purpose of preserving the park or community; or

landlord ((compensates)) establishes a simple, 9 (iii) The straightforward, and timely process for compensating the tenants for 10 the loss of their homes and actually compensates the tenants for the 11 loss of their homes at the greater of their ((assessed)) market 12 value, as determined ((by the county assessor as of the date the 13 closure notice is issued)) prior to a change of use or sale of the 14 property, or \$5,000, at any point during the closure notice period 15 16 and prior to a change of use or sale of the property. At such time as 17 the compensation is paid, the tenant shall be given written notice of 18 at least ((ninety)) 180 days in which to vacate, and the tenant shall 19 continue to pay rent for as much time as he or she remains in the mobile home park or manufactured housing community. Nothing in this 20 subsection (1)(e)(iii) prevents a tenant from relocating his or her 21 home out of the mobile home park or manufactured housing community 22 pursuant to chapter 59.21 RCW. In the event that a home remains in 23 the mobile home park or manufactured housing community after a tenant 24 25 vacates, the landlord shall be responsible for its demolition or 26 disposal;

(f) Engaging in "criminal activity." "Criminal activity" means a 27 28 criminal act defined by statute or ordinance that threatens the health, safety, or welfare of the tenants. A park owner seeking to 29 evict a tenant or occupant under this subsection need not produce 30 31 evidence of a criminal conviction, even if the alleged misconduct 32 constitutes a criminal offense. Notice from a law enforcement agency 33 of criminal activity constitutes sufficient grounds, but not the only grounds, for an eviction under this subsection. Notification of the 34 seizure of illegal drugs under RCW 59.20.155 is evidence of criminal 35 activity and is grounds for an eviction under this subsection. The 36 requirement that any tenant or occupant register as a sex offender 37 under RCW 9A.44.130 is grounds for eviction of the sex offender under 38 39 this subsection. If criminal activity is alleged to be a basis of 1 termination, the park owner may proceed directly to an unlawful 2 detainer action;

3 (g) The tenant's application for tenancy contained a material 4 misstatement that induced the park owner to approve the tenant as a 5 resident of the park, and the park owner discovers and acts upon the 6 misstatement within one year of the time the resident began paying 7 rent;

8 (h) If the landlord serves a tenant three ((twenty-day)) 20-day 9 notices, each of which was valid under (a) of this subsection at the 10 time of service, within a ((twelve-month)) <u>12-month</u> period to comply 11 or vacate for failure to comply with the material terms of the rental 12 agreement or an enforceable park rule, other than failure to pay rent 13 by the due date. The applicable ((twelve-month)) <u>12-month</u> period 14 shall commence on the date of the first violation;

(i) Failure of the tenant to comply with obligations imposed upon tenants by applicable provisions of municipal, county, and state codes, statutes, ordinances, and regulations, including this chapter. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within ((fifteen)) <u>15</u> days;

(j) The tenant engages in disorderly or substantially annoying conduct upon the park premises that results in the destruction of the rights of others to the peaceful enjoyment and use of the premises. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within ((fifteen)) 15 days;

29 (k) The tenant creates a nuisance that materially affects the health, safety, and welfare of other park residents. The landlord 30 31 shall give the tenant written notice to cease the conduct that 32 constitutes a nuisance immediately. The notice must describe the nuisance and state (i) what the tenant must do to cease the nuisance 33 and (ii) that failure to cease the conduct will result in termination 34 of the tenancy and that the tenant shall vacate the premises in five 35 36 days;

(1) Any other substantial just cause that materially affects the health, safety, and welfare of other park residents. The landlord shall give the tenant written notice to comply immediately. The notice must describe the harm caused by the tenant, describe what the

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1 tenant must do to comply and to discontinue the harm, and state that 2 failure to comply will result in termination of the tenancy and that 3 the tenant shall vacate the premises within ((fifteen)) 15 days; or

(m) Failure to pay rent by the due date provided for in the
rental agreement three or more times in a ((twelve-month)) <u>12-month</u>
period, commencing with the date of the first violation, after
service of a ((fourteen-day)) <u>14-day</u> notice to comply or vacate.

(2) Within five days of a notice of eviction as required by 8 subsection (1)(a) of this section, the landlord and tenant shall 9 submit any dispute to mediation. The parties may agree in writing to 10 11 mediation by an independent third party or through industry mediation 12 procedures. If the parties cannot agree, then mediation shall be through industry mediation procedures. A duty is imposed upon both 13 14 parties to participate in the mediation process in good faith for a period of ten days for an eviction under subsection (1)(a) of this 15 16 section. It is a defense to an eviction under subsection (1)(a) of 17 this section that a landlord did not participate in the mediation 18 process in good faith.

(3) Except for a tenant evicted under subsection (1)(c) or (f) of 19 this section, a tenant evicted from a mobile home park under this 20 21 section shall be allowed ((one hundred twenty)) 120 days within which 22 to sell the tenant's mobile home, manufactured home, or park model in place within the mobile home park: PROVIDED, That the tenant remains 23 current in the payment of rent incurred after eviction, and pays any 24 25 past due rent, reasonable attorneys' fees and court costs at the time 26 the rental agreement is assigned. The provisions of RCW 59.20.073 27 regarding transfer of rental agreements apply.

(4) Chapters 59.12 and 59.18 RCW govern the eviction of recreational vehicles, as defined in RCW 59.20.030, from mobile home parks. This chapter governs the eviction of mobile homes, manufactured homes, park models, and recreational vehicles used as a primary residence from a mobile home park.

33 Sec. 5. RCW 59.21.030 and 2019 c 342 s 10 are each amended to 34 read as follows:

(1) The closure notice required by RCW 59.20.080 before park closure or conversion of the park shall be given to the director and all tenants in writing, and conspicuously posted at all park entrances.

1 (2) The closure notice required under RCW 59.20.080 must be in 2 substantially the following form: "CLOSURE NOTICE TO TENANTS 3 NOTICE IS HEREBY GIVEN on the . . . day of , of 4 a conversion of this mobile home park or manufactured housing 5 6 community to a use other than for mobile homes, manufactured homes, 7 or park models, or of a conversion of the mobile home park or manufactured housing community to a mobile home park cooperative or a 8 mobile home park subdivision. This change of use becomes effective on 9 the . . . day of . . . , . . . , which is the date ((twelve 10 months)) three years after the date this closure notice is given. 11 12 PARK OR COMMUNITY MANAGEMENT OR OWNERSHIP INFORMATION: For information during the period preceding the effective change 13 of use of this mobile home park or manufactured housing community on 14 15 the . . . day of . . . , . . . , contact: 16 Name: 17 Address: 18 Telephone: 19 PURCHASER INFORMATION, if applicable: 20 Contact information for the purchaser of the mobile home park or 21 manufactured housing community property consists of the following: 22 Name: 23 Address: 24 Telephone: 25 PARK PURCHASE BY TENANT ORGANIZATIONS, if applicable: 26 The owner of this mobile home park or manufactured housing community may be willing to entertain an offer of purchase by an 27 organization or group consisting of park or community tenants or a 28 29 not-for-profit agency designated by the tenants. Tenants should contact the park owner or park management with such an offer. Any 30 31 such offer must be made and accepted prior to closure, and the 32 timeline for closure remains unaffected by an offer. Acceptance of 33 any offer is at the discretion of the owner and is not a first right of refusal. 34 RELOCATION ASSISTANCE RESOURCES: 35 36 For information about the availability of relocation assistance, contact the Office of Mobile/Manufactured Home Relocation Assistance 37 within the Department of Commerce." 38

39 (3) The closure notice required by RCW 59.20.080 must also meet 40 the following requirements: (a) A copy of the closure notice must be provided with all rental
 agreements signed after the original park closure notice date as
 required under RCW 59.20.060;

4 (b) Notice to the director must include: (i) A good faith 5 estimate of the timetable for removal of the mobile homes; (ii) the 6 reason for closure; and (iii) a list of the names and mailing 7 addresses of the current registered park tenants. Notice required 8 under this subsection must be sent to the director within ((ten)) <u>10</u> 9 business days of the date notice was given to all tenants as required 10 by RCW 59.20.080; and

11 (c) Notice must be recorded in the office of the county auditor 12 for the county where the mobile home park is located.

13 (4) The department must mail every tenant an application and 14 information on relocation assistance within ((ten)) <u>10</u> business days 15 of receipt of the notice required in subsection (1) of this section.

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