

# SENATE BILL REPORT

## SB 5868

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As Reported By Senate Committee On:  
Financial Institutions & Housing, February 28, 1995

**Title:** An act relating to mobile home relocation assistance.

**Brief Description:** Providing mobile home relocation assistance.

**Sponsors:** Senators Prentice, Fraser, Cantu, Winsley and Rasmussen; by request of Department of Community, Trade, and Economic Development.

**Brief History:**

**Committee Activity:** Financial Institutions & Housing: 2/21/95, 2/28/95 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

**Majority Report:** That Substitute Senate Bill No. 5868 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar, Smith and Sutherland.

**Staff:** Traci Ratzliff (786-7452)

**Background:** The Mobile Home Relocation Act, enacted in 1989, provided relocation assistance to tenants of mobile home parks scheduled for closure or conversion to another use. Assistance could be provided from two sources, funds from the Mobile Home Relocation Assistance Fund (MHRAF) and/or funds paid by the owner of the mobile home park. For a low-income tenant, two-thirds of the relocation assistance was to be paid by the MHRAF and one-third by the park owner. A tenant who did not qualify as low-income was eligible to receive the one-third payment from the park owner only. In 1991, legislation was enacted restricting eligibility for relocation assistance to low-income tenants only.

The MHRAF consists of payments of a \$50 fee imposed on the transfer or elimination of a mobile home title. This fee was enacted in 1990. In addition, legislation in 1991 imposed a \$5 annual fee on mobile home park owners for each occupied lot in their mobile home parks. However, a lawsuit filed at the time this provision was enacted caused the state to withhold the collection of this fee, pending the outcome of this suit. Currently, there is approximately \$1.3 million in the MHRAF that consists only of the fees collected on the transfer or elimination of mobile home titles.

In 1993, the Supreme Court of Washington found the monetary payment requirements for mobile home park owners contained in the Mobile Home Relocation Act to be unconstitutional. The remainder of the act was also invalidated by the court decision.

**Summary of Substitute Bill:** A tenant who owns his or her mobile home at the time a mobile home park is closed or converted is eligible to obtain relocation assistance from the

MHRAF, upon approval of an application filed with the Department of Community, Trade, and Economic Development. Tenants of all income levels are eligible for assistance under the act.

Tenants of parks closed after June 30, 1991, and before January 1, 1995, are entitled to assistance from the MHRAF. The maximum levels of assistance that can be paid to an individual are outlined. The actual amount of assistance provided from the MHRAF is determined by the Department of Community, Trade, and Economic Development, and is based on the number and amount of valid claims filed by December 31, 1995, and the total funds available to pay such claims.

Tenants of parks closed after December 31, 1995, are entitled to assistance from the MHRAF on a first-come, first-served basis as funds remain available.

The amount of assistance provided from the relocation fund is reduced by any amount a tenant receives from another source for relocation.

Conditions under which a tenant is ineligible for relocation assistance are outlined.

Any interest earned on the balance of the MHRAF is retained in the fund.

**Substitute Bill Compared to Original Bill:** Provisions are clarified relating to the payment of relocation assistance to eligible tenants when other forms of assistance are provided, and the conditions under which a tenant is ineligible to receive assistance from the Mobile Home Relocation Assistance Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill will provide a means to assist tenants who have been dislocated from mobile home parks due to the closure or conversion of the parks and, as a result, have been required to sell or relocate their mobile homes.

**Testimony Against:** None.

**Testified:** PRO: Jim Thomas, Dept. of Revenue; Enid Buchanan, Assistant Director, DCTED; Marilou Gilbert, Mobile Home Owners Assn. of America; Ron Hess, Manufactured Housing Communities of Washington; Arnold Livingstone, Senior Citizens Lobby; Gordon Walgren, Port of Bremerton; Ian Rodahand, Counsel, Port of Bremerton.