

SENATE BILL REPORT

SB 6377

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, February 4, 1998
Ways & Means, February 10, 1998

Title: An act relating to mobile or manufactured homes.

Brief Description: Regulating mobile or manufactured homes.

Sponsors: Senators McCaslin, Patterson, Hale, T. Sheldon, Winsley, Snyder, Rasmussen, Prentice, Heavey, Sellar and Goings.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/20/98, 2/4/98 [DPS].
Ways & Means: 2/10/98 [DP2S].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 6377 be substituted therefor, and the substitute bill do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

Staff: David Cheal (786-7576)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6377 be substituted therefor, and the second substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Fraser, Rossi, Schow, B. Sheldon, Snyder, Swecker, Thibaudeau and Winsley.

Staff: Terry Wilson (786-7433); Maura Sullivan (786-7431)

Background: Manufactured homes must be installed by certified installers who have taken a course provided by the Department of Community, Trade, and Economic Development. There is no provision for alternative training programs.

A permit for the installation of a mobile home must include the identification number of the certified installer or installers that will be doing the work. There is no requirement that multiple installers be identified on the permit even when there are several installers doing different portions of the work.

Local building inspectors have final approval authority of manufactured home installations but are not required to be trained as certified installers.

Some local governments prohibit the siting of manufactured homes on individual lots within their jurisdiction.

Currently, real estate brokers can only represent owners of used manufactured homes in conjunction with the sale or lease of land. Real estate brokers may not represent sellers of new mobile homes.

Used mobile homes are sometimes taxed as real property subject to the real estate excise tax, and sometimes taxed as personal property at the much higher sales tax. The choice of tax depends on whether or not the used mobile home will be moved in connection with the purchase and sale. Knowledgeable purchasers and sellers can manipulate the result by a simple declaration that the home will not be moved.

Statutes referring to mobile homes– and manufactured homes– often use the terms interchangeably.

The Department of Labor and Industries has exclusive responsibility for approving alterations of manufactured homes and the installation of wood stoves and fireplaces.

Summary of Second Substitute Bill: An optional certified installation training program is provided. The Department of Community, Trade, and Economic Development is to review and approve training programs conducted by private entities or local governments.

The definition of installation is expanded to include the installation of earthquake resistance bracing.

Installation applications and permits may include either the registration number of the contractor who will do the work or the licensed manufactured home dealer that sold the home. Prior to final approval, the installer's certification number and the work being performed must appear on the permit.

Zoning laws for cities and counties are amended to permit the siting of manufactured homes that meet the State Energy Code on individual lots subject to land use regulations that apply to all other single family residences, and subject to any home design regulations that apply equally to homes regulated under the State Building Code.

The vehicle dealer law is amended to allow real estate brokers to represent either the buyer or the seller in the sale of a manufactured home that is in connection with the sale or lease of land. A similar amendment is made to the law regulating real estate brokers. The prohibitions against sharing a sales commission with anyone not licensed as a real estate broker is amended to permit sharing a commission with a licensed manufactured housing retailer on the sale of a manufactured home in conjunction with the sale or lease of land.

Definitions of mobile home and manufactured home for motor vehicle laws are amended to eliminate the requirement that it be fixed to the land on a foundation at the time of sale. The definition of mobile home– is amended to clarify the distinction between mobile homes and manufactured homes. Manufactured homes– are defined as those that have been built following the enactment of the federal Construction and Safety Standards Act which is a national preemptive building code.

Second Substitute Bill Compared to Original Bill: The provision giving local governments the option of taking over certain permitting and inspection duties from the Department of Labor and Industries is removed.

Local governments are given the option of running their own installer training program.

Several technical and grammatical corrections are made.

Changes to the taxation of used mobile homes are removed.

Appropriation: None.

Fiscal Note: Requested on January 16, 1998.

Effective Date: July 1, 1998. Local governments have until January 1, 1999, to bring applicable local ordinances into compliance.

Testimony For (Financial Institutions, Insurance & Housing): Installer training programs need to be privatized under the supervision of the Department of Community, Trade, and Economic Development due to the department's diminished resources.

Discriminatory local zoning practices need to be eliminated, with the safeguards provided for esthetic concerns.

Used mobile homes should be taxed as real estate when they are sold without regard to whether they are to be moved as part of the transaction.

Testimony Against (Financial Institutions, Insurance & Housing): There is no reason to move permitting and inspection for mobile home alterations from Labor and Industries to local governments. The Department of Labor and Industries has the experience and expertise to do the job and provide the best service.

Testified (Financial Institutions, Insurance & Housing): PRO: John Brown, Mike Ryherd, Ron Clarke, WA Association of Manufactured Housing; Rose Bowman, WSACT; Dave Williams, Randy Lowry, AWC/City of Tacoma; Ray Munson, MHOA; Dewayne Granaki, Realtors; Bruce Reeves, WA Senior Citizens Lobby; CON: Mark Triplett, WABO; Dan Sexton, WA State Association of Plumbers and Pipefitters; Robert Dilger, WA State Building Trades Council.

Testimony For (Ways & Means): The county treasurers requested the tax change and said that the fiscal impact would only be \$50,000 but the fiscal note is much higher than that. Removal of those sections leaves the bill with no fiscal impact. Any design standards for single family dwellings will apply to manufactured homes. Any covenants against manufactured homes will still be effective. This does not apply to Seattle which already allows manufactured homes.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Mike Ryherd, WA Manufactured Housing Association.

