

SENATE BILL REPORT

SB 6648

As of February 01, 2006

Title: An act relating to manufactured/mobile homes.

Brief Description: Addressing disputes regarding manufactured/mobile homes.

Sponsors: Senator Fairley.

Brief History:

Committee Activity: Financial Institutions, Housing & Consumer Protection: 1/31/06.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Jennifer Arnold (786-7471)

Background: The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the relationship between the manufactured/mobile homeowners, who rent the lot where their home is located, and the owners of such parks and communities.

Under the MHLTA, there is currently no set period of time in which notice must be given to a tenant prior to a landlord's entry onto a mobile home lot. There is also no requirement that a landlord hold a meeting with tenants before changing park rules.

The Office of Mobile Home Affairs exists within the Department of Community, Trade, and Economic Development (CTED) to provide ombudsman service and technical assistance to owners of manufactured housing communities and mobile home parks and the owners of homes located within those communities and parks.

Manufactured/mobile home park owners and the homeowners have a unique relationship, in that it can be difficult and expensive to move or relocate a home after occupancy has started. Therefore, there are concerns that this relationship can lead to bargaining inequalities and that a complaint resolution process is necessary in order to give homeowners adequate remedies and foster fair and honest competition.

As a result of previous legislation, in December of 2005, CTED submitted recommendations to the legislature on: changes to the existing law for dispute resolution; changes that should be made to the department's ombudsman and investigative program; resources necessary to retain or improve the department's program; and the necessity for administrative enforcement of the MHLTA.

Summary of Substitute Bill: The Office of Mobile Home Affairs within CTED is renamed the Office of Manufactured Housing (OMH).

Process for Filing Complaints. A statutory process is created for the resolution of disputes between manufactured/mobile homeowners and manufactured/mobile home park owners.

Under this process, a complainant is defined as a landlord, park owner, tenant, or homeowner. A complainant has a right to file a complaint, alleging violations of the MHLTA or an unfair practice under the Consumer Protection Act (CPA) with the OMH. The Office is required, after receiving a complaint, to: (1) inform the complainant of the statutory time frame under the MHLTA to remedy the complaint and (2) encourage the complainant to notify the respondent of the complaint.

Investigations. After receiving a complaint, CTED may investigate and evaluate alleged violations of the MHLTA or CPA. CTED may also explain the options available to the parties involved and negotiate agreements. The involved parties must cooperate with CTED by furnishing any documents or written statements requested. Further, CTED is allowed access to relevant mobile/manufactured home facilities for the purpose of conducting investigations. After completing its investigation, CTED may issue findings, conclusions, decisions, or rulings on whether there has been a violation of the MHLTA or CPA.

Notice. CTED must provide notice to each mobile/manufactured home park and community owner of the ombudsman complaint resolution program. Further, park owners are required to post notice in common areas of tenants' rights and responsibilities, along with a toll-free number for CTED for the use of owners and tenants seeking additional information and communicating complaints.

Registration and Program Funding. All mobile home parks and manufactured housing communities are required to be registered with CTED. There is a registration fee of \$5 per lot, of which no more than \$2.50 can be passed on to the tenants. Registration fees that are not paid before the registration's expiration will be subject to late fees, which cannot be passed on to the tenants.

Database Maintenance and Updates. CTED must compile, update, and maintain the most accurate list possible of mobile/manufactured parks and communities in the state, including the names and addresses of the owners, as well as the total number of lots in each park or community.

Application of the Program to Recreational Vehicles. Recreational vehicle is defined, for the purposes of OMH's Ombudsman Program, to include travel trailers, motor homes, truck campers, or camping trailers that are: (1) used primarily as a primary residence and (2) located in a mobile home park or manufactured housing community.

Changes to the Manufactured/Mobile Home Landlord-Tenant Act:

Lease Renewal. Agreements to change the rental agreement to a lease term that is different from the original term are allowed, if done in a written document that is separate and distinct from the original and signed by all parties.

Landlord Entry. A landlord is required to provide at least two day's notice to a tenant before entering a mobile home lot, except when impractical to do so or in the case of emergencies.

Meetings Regarding Park Rule Changes. A landlord has a duty to hold a meeting with tenants on any proposed changes to the park rules. Notice of the meeting must be provided to each tenant at least two weeks in advance and posted in all common areas. Tenants have a right to provide oral and written comment to the proposed changes discussed at the meeting.

A Partial-year Lease. Landlords are not prohibited from offering, in certain circumstances, a partial-year lease to new tenants.

Substitute Bill Compared to Original Bill: The bill as referred to committee was not considered.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: None.

Testimony Against: There are concerns about the definition of recreational vehicle used in this bill. CTED's capability to distinguish between a valid and invalid complaint needs to be addressed before this legislation is pursued. We need to make sure that we don't make it so difficult for landlords that they simply pack-up and close the park, resulting in less affordable housing.

Testimony Other: According to CTED, the three components that are key to this program being successful are: (1) a stable source of revenue; (2) the ability to investigate; and (3) the authority to make findings, as to whether there has been a violation of law; these provisions are included in this bill. However, Columbia Legal Services believes that administrative enforcement provisions should be added to give landlords an incentive to comply with existing law.

Who Testified: CON: John Woodring, Manufactured Housing Communities of Washington; Ken Spencer, Manufactured Housing Communities of Washington.

OTHER: Teri Ramsauer, Department of Community, Trade and Economic Development; Amy Leneker, Department of Community, Trade and Economic Development; Ishbel Dickens, Columbia Legal Services.