

E2SHB 1621 - S COMM AMD

By Committee on Consumer Protection & Housing

ADOPTED 03/05/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) Manufactured/mobile home communities provide a significant
5 source of homeownership opportunities for Washington residents.
6 However, the increasing closure and conversion of manufactured/mobile
7 home communities to other uses, combined with increasing mobile home
8 lot rents, low vacancy rates in existing manufactured/mobile home
9 communities, and the extremely high cost of moving homes when
10 manufactured/mobile home communities close, increasingly make
11 manufactured/mobile home community living insecure for
12 manufactured/mobile home tenants.

13 (b) Many tenants who reside in manufactured/mobile home
14 communities are low-income households and senior citizens and are,
15 therefore, those residents most in need of reasonable security in the
16 siting of their manufactured/mobile homes because of the adverse
17 impacts on the health, safety, and welfare of tenants forced to move
18 due to closure, change of use, or discontinuance of manufactured/mobile
19 home communities.

20 (c) The preservation of manufactured/mobile home communities:

21 (i) Is a more economical alternative than providing new replacement
22 housing units for tenants who are displaced from closing
23 manufactured/mobile home communities;

24 (ii) Is a strategy by which all local governments can meet the
25 affordable housing needs of their residents;

26 (iii) Is a strategy by which local governments planning under RCW
27 36.70A.040 may meet the housing element of their comprehensive plans as
28 it relates to the provision of housing affordable to all economic
29 sectors; and

1 (iv) Should be a goal of all housing authorities and local
2 governments.

3 (d) The loss of manufactured/mobile home communities should not
4 result in a net loss of affordable housing, thus compromising the
5 ability of local governments to meet the affordable housing needs of
6 its residents and the ability of these local governments planning under
7 RCW 36.70A.040 to meet affordable housing goals under chapter 36.70A
8 RCW.

9 (e) The closure of manufactured/mobile home communities has serious
10 environmental, safety, and financial impacts, including:

11 (i) Homes that cannot be moved to other locations add to
12 Washington's landfills;

13 (ii) Homes that are abandoned might attract crime; and

14 (iii) Vacant homes that will not be reoccupied need to be tested
15 for asbestos and lead, and these toxic materials need to be removed
16 prior to demolition.

17 (f) The self-governance aspect of tenants owning
18 manufactured/mobile home communities results in a lesser usage of
19 police resources as tenants experience fewer societal conflicts when
20 they own the real estate as well as their homes.

21 (g) Housing authorities, by their creation and purpose, are the
22 public body corporate and politic of the city or county responsible for
23 addressing the availability of safe and sanitary dwelling
24 accommodations available to persons of low income, senior citizens, and
25 others.

26 (2) It is the intent of the legislature to encourage and facilitate
27 the preservation of existing manufactured/mobile home communities in
28 the event of voluntary sales of manufactured/mobile home communities
29 and, to the extent necessary and possible, to involve
30 manufactured/mobile home community tenants or an eligible organization
31 representing the interests of tenants, such as a nonprofit
32 organization, housing authority, or local government, in the
33 preservation of manufactured/mobile home communities.

34 **Sec. 2.** RCW 59.20.030 and 2003 c 127 s 1 are each amended to read
35 as follows:

36 For purposes of this chapter:

1 (1) "Abandoned" as it relates to a mobile home, manufactured home,
2 or park model owned by a tenant in a mobile home park, mobile home park
3 cooperative, or mobile home park subdivision or tenancy in a mobile
4 home lot means the tenant has defaulted in rent and by absence and by
5 words or actions reasonably indicates the intention not to continue
6 tenancy;

7 (2) "Eligible organization" includes local governments, local
8 housing authorities, nonprofit community or neighborhood-based
9 organizations, federally recognized Indian tribes in the state of
10 Washington, and regional or statewide nonprofit housing assistance
11 organizations;

12 (3) "Housing authority" or "authority" means any of the public body
13 corporate and politic created in RCW 35.82.030;

14 (4) "Landlord" means the owner of a mobile home park and includes
15 the agents of a landlord;

16 (~~(3)~~) (5) "Local government" means a town government, city
17 government, code city government, or county government in the state of
18 Washington;

19 (6) "Manufactured home" means a single-family dwelling built
20 according to the United States department of housing and urban
21 development manufactured home construction and safety standards act,
22 which is a national preemptive building code. A manufactured home
23 also: (a) Includes plumbing, heating, air conditioning, and electrical
24 systems; (b) is built on a permanent chassis; and (c) can be
25 transported in one or more sections with each section at least eight
26 feet wide and forty feet long when transported, or when installed on
27 the site is three hundred twenty square feet or greater;

28 (~~(4)~~) (7) "Manufactured/mobile home" means either a manufactured
29 home or a mobile home;

30 (8) "Mobile home" means a factory-built dwelling built prior to
31 June 15, 1976, to standards other than the United States department of
32 housing and urban development code, and acceptable under applicable
33 state codes in effect at the time of construction or introduction of
34 the home into the state. Mobile homes have not been built since the
35 introduction of the United States department of housing and urban
36 development manufactured home construction and safety act;

37 (~~(5)~~) (9) "Mobile home lot" means a portion of a mobile home park
38 or manufactured housing community designated as the location of one

1 mobile home, manufactured home, or park model and its accessory
2 buildings, and intended for the exclusive use as a primary residence by
3 the occupants of that mobile home, manufactured home, or park model;

4 ~~((+6+))~~ (10) "Mobile home park," ~~((+6+))~~ "manufactured housing
5 community," or "manufactured/mobile home community" means any real
6 property which is rented or held out for rent to others for the
7 placement of two or more mobile homes, manufactured homes, or park
8 models for the primary purpose of production of income, except where
9 such real property is rented or held out for rent for seasonal
10 recreational purpose only and is not intended for year-round occupancy;

11 ~~((+7+))~~ (11) "Mobile home park cooperative" or "manufactured
12 housing cooperative" means real property consisting of common areas and
13 two or more lots held out for placement of mobile homes, manufactured
14 homes, or park models in which both the individual lots and the common
15 areas are owned by an association of shareholders which leases or
16 otherwise extends the right to occupy individual lots to its own
17 members;

18 ~~((+8+))~~ (12) "Mobile home park subdivision" or "manufactured
19 housing subdivision" means real property, whether it is called a
20 subdivision, condominium, or planned unit development, consisting of
21 common areas and two or more lots held for placement of mobile homes,
22 manufactured homes, or park models in which there is private ownership
23 of the individual lots and common, undivided ownership of the common
24 areas by owners of the individual lots;

25 ~~((+9+))~~ (13) "Notice of sale" means a notice required under section
26 4 of this act to be delivered to all tenants of a manufactured/mobile
27 home community and other specified parties within fourteen days after
28 the date on which any advertisement, multiple listing, or public notice
29 advertises that a manufactured/mobile home community is for sale;

30 (14) "Park model" means a recreational vehicle intended for
31 permanent or semi-permanent installation and is used as a primary
32 residence;

33 ~~((+10+))~~ (15) "Qualified sale of manufactured/mobile home
34 community" means the sale, as defined in RCW 82.45.010, of land and
35 improvements comprising a manufactured/mobile home community that is
36 transferred in a single purchase to a qualified tenant organization or
37 to an eligible organization for the purpose of preserving the property
38 as a manufactured/mobile home community;

1 (16) "Qualified tenant organization" means a formal organization of
2 tenants within a manufactured/mobile home community, with the only
3 requirement for membership consisting of being a tenant;

4 (17) "Recreational vehicle" means a travel trailer, motor home,
5 truck camper, or camping trailer that is primarily designed and used as
6 temporary living quarters, is either self-propelled or mounted on or
7 drawn by another vehicle, is transient, is not occupied as a primary
8 residence, and is not immobilized or permanently affixed to a mobile
9 home lot;

10 ~~((11))~~ (18) "Tenant" means any person, except a transient, who
11 rents a mobile home lot;

12 ~~((12))~~ (19) "Transient" means a person who rents a mobile home
13 lot for a period of less than one month for purposes other than as a
14 primary residence;

15 ~~((13))~~ (20) "Occupant" means any person, including a live-in care
16 provider, other than a tenant, who occupies a mobile home, manufactured
17 home, or park model and mobile home lot.

18 **Sec. 3.** RCW 82.45.010 and 2000 2nd sp.s. c 4 s 26 are each amended
19 to read as follows:

20 (1) As used in this chapter, the term "sale" shall have its
21 ordinary meaning and shall include any conveyance, grant, assignment,
22 quitclaim, or transfer of the ownership of or title to real property,
23 including standing timber, or any estate or interest therein for a
24 valuable consideration, and any contract for such conveyance, grant,
25 assignment, quitclaim, or transfer, and any lease with an option to
26 purchase real property, including standing timber, or any estate or
27 interest therein or other contract under which possession of the
28 property is given to the purchaser, or any other person at the
29 purchaser's direction, and title to the property is retained by the
30 vendor as security for the payment of the purchase price. The term
31 also includes the grant, assignment, quitclaim, sale, or transfer of
32 improvements constructed upon leased land.

33 (2) The term "sale" also includes the transfer or acquisition
34 within any twelve-month period of a controlling interest in any entity
35 with an interest in real property located in this state for a valuable
36 consideration. For purposes of this subsection, all acquisitions of
37 persons acting in concert shall be aggregated for purposes of

1 determining whether a transfer or acquisition of a controlling interest
2 has taken place. The department of revenue shall adopt standards by
3 rule to determine when persons are acting in concert. In adopting a
4 rule for this purpose, the department shall consider the following:

5 (a) Persons shall be treated as acting in concert when they have a
6 relationship with each other such that one person influences or
7 controls the actions of another through common ownership; and

8 (b) When persons are not commonly owned or controlled, they shall
9 be treated as acting in concert only when the unity with which the
10 purchasers have negotiated and will consummate the transfer of
11 ownership interests supports a finding that they are acting as a single
12 entity. If the acquisitions are completely independent, with each
13 purchaser buying without regard to the identity of the other
14 purchasers, then the acquisitions shall be considered separate
15 acquisitions.

16 (3) The term "sale" shall not include:

17 (a) A transfer by gift, devise, or inheritance.

18 (b) A transfer of any leasehold interest other than of the type
19 mentioned above.

20 (c) A cancellation or forfeiture of a vendee's interest in a
21 contract for the sale of real property, whether or not such contract
22 contains a forfeiture clause, or deed in lieu of foreclosure of a
23 mortgage.

24 (d) The partition of property by tenants in common by agreement or
25 as the result of a court decree.

26 (e) The assignment of property or interest in property from one
27 spouse to the other in accordance with the terms of a decree of divorce
28 or in fulfillment of a property settlement agreement.

29 (f) The assignment or other transfer of a vendor's interest in a
30 contract for the sale of real property, even though accompanied by a
31 conveyance of the vendor's interest in the real property involved.

32 (g) Transfers by appropriation or decree in condemnation
33 proceedings brought by the United States, the state or any political
34 subdivision thereof, or a municipal corporation.

35 (h) A mortgage or other transfer of an interest in real property
36 merely to secure a debt, or the assignment thereof.

37 (i) Any transfer or conveyance made pursuant to a deed of trust or

1 an order of sale by the court in any mortgage, deed of trust, or lien
2 foreclosure proceeding or upon execution of a judgment, or deed in lieu
3 of foreclosure to satisfy a mortgage or deed of trust.

4 (j) A conveyance to the federal housing administration or veterans
5 administration by an authorized mortgagee made pursuant to a contract
6 of insurance or guaranty with the federal housing administration or
7 veterans administration.

8 (k) A transfer in compliance with the terms of any lease or
9 contract upon which the tax as imposed by this chapter has been paid or
10 where the lease or contract was entered into prior to the date this tax
11 was first imposed.

12 (l) The sale of any grave or lot in an established cemetery.

13 (m) A sale by the United States, this state or any political
14 subdivision thereof, or a municipal corporation of this state.

15 (n) A sale to a regional transit authority or public corporation
16 under RCW 81.112.320 under a sale/leaseback agreement under RCW
17 81.112.300.

18 (o) A transfer of real property, however effected, if it consists
19 of a mere change in identity or form of ownership of an entity where
20 there is no change in the beneficial ownership. These include
21 transfers to a corporation or partnership which is wholly owned by the
22 transferor and/or the transferor's spouse or children: PROVIDED, That
23 if thereafter such transferee corporation or partnership voluntarily
24 transfers such real property, or such transferor, spouse, or children
25 voluntarily transfer stock in the transferee corporation or interest in
26 the transferee partnership capital, as the case may be, to other than
27 (1) the transferor and/or the transferor's spouse or children, (2) a
28 trust having the transferor and/or the transferor's spouse or children
29 as the only beneficiaries at the time of the transfer to the trust, or
30 (3) a corporation or partnership wholly owned by the original
31 transferor and/or the transferor's spouse or children, within three
32 years of the original transfer to which this exemption applies, and the
33 tax on the subsequent transfer has not been paid within sixty days of
34 becoming due, excise taxes shall become due and payable on the original
35 transfer as otherwise provided by law.

36 (p)(i) A transfer that for federal income tax purposes does not
37 involve the recognition of gain or loss for entity formation,
38 liquidation or dissolution, and reorganization, including but not

1 limited to nonrecognition of gain or loss because of application of
2 section 332, 337, 351, 368(a)(1), 721, or 731 of the Internal Revenue
3 Code of 1986, as amended.

4 (ii) However, the transfer described in (p)(i) of this subsection
5 cannot be preceded or followed within a twelve-month period by another
6 transfer or series of transfers, that, when combined with the otherwise
7 exempt transfer or transfers described in (p)(i) of this subsection,
8 results in the transfer of a controlling interest in the entity for
9 valuable consideration, and in which one or more persons previously
10 holding a controlling interest in the entity receive cash or property
11 in exchange for any interest the person or persons acting in concert
12 hold in the entity. This subsection (3)(p)(ii) does not apply to that
13 part of the transfer involving property received that is the real
14 property interest that the person or persons originally contributed to
15 the entity or when one or more persons who did not contribute real
16 property or belong to the entity at a time when real property was
17 purchased receive cash or personal property in exchange for that person
18 or persons' interest in the entity. The real estate excise tax under
19 this subsection (3)(p)(ii) is imposed upon the person or persons who
20 previously held a controlling interest in the entity.

21 (q) A qualified sale of a manufactured/mobile home community, as
22 defined in RCW 59.20.030, that takes place on or after the effective
23 date of this act but before December 31, 2018.

24 NEW SECTION. Sec. 4. A new section is added to chapter 59.20 RCW
25 to read as follows:

26 (1) A landlord must provide a written notice of sale of a
27 manufactured/mobile home community by certified mail or personal
28 delivery to:

- 29 (a) Each tenant of the manufactured/mobile home community;
30 (b) The officers of any known qualified tenant organization;
31 (c) The office of manufactured housing;
32 (d) The local government within whose jurisdiction all or part of
33 the manufactured/mobile home community exists;
34 (e) The housing authority within whose jurisdiction all or part of
35 the manufactured/mobile home community exists; and
36 (f) The Washington state housing finance commission.
37 (2) A notice of sale must include:

1 (a) A statement that the landlord intends to sell the
2 manufactured/mobile home community; and

3 (b) The contact information of the landlord or landlord's agent who
4 is responsible for communicating with the qualified tenant organization
5 or eligible organization regarding the sale of the property.

6 NEW SECTION. **Sec. 5.** A new section is added to chapter 59.20 RCW
7 to read as follows:

8 A landlord intending to sell a manufactured/mobile home community
9 is encouraged to negotiate in good faith with qualified tenant
10 organizations and eligible organizations.

11 **Sec. 6.** RCW 59.22.050 and 2007 c 432 s 9 are each amended to read
12 as follows:

13 (1) In order to provide general assistance to manufactured/mobile
14 home resident organizations, ~~qualified tenant organizations,~~
15 manufactured/mobile home community or park owners, and landlords and
16 tenants, the department shall establish an office of (~~mobile home~~
17 ~~affairs~~) manufactured housing.

18 This office will provide (~~an ombudsman service to mobile home park~~
19 ~~owners and mobile home tenants with respect to problems and disputes~~
20 ~~between park owners and park residents and to provide~~), either
21 directly or through contracted services, technical assistance to
22 qualified tenant organizations as defined in RCW 59.20.030 and resident
23 organizations or persons in the process of forming a resident
24 organization pursuant to chapter 59.22 RCW. The office will keep
25 records of its activities in this area.

26 (2) The office shall administer the mobile home relocation
27 assistance program established in chapter 59.21 RCW, including
28 verifying the eligibility of tenants for relocation assistance.

29 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
30 repealed:

- 31 (1) RCW 59.23.005 (Findings--Intent) and 1993 c 66 s 1;
32 (2) RCW 59.23.010 (Obligation of good faith) and 1993 c 66 s 2;
33 (3) RCW 59.23.015 (Application of chapter--Definition of "notice")
34 and 1993 c 66 s 3;
35 (4) RCW 59.23.020 (Definitions) and 1993 c 66 s 4;

1 (5) RCW 59.23.025 (Notice to qualified tenant organization of sale
2 of mobile home park--Time frame for negotiations--Terms--Transfer or
3 sale to relatives) and 1993 c 66 s 5;

4 (6) RCW 59.23.030 (Improper notice by mobile home park owner--Sale
5 may be set aside--Attorneys' fees) and 1993 c 66 s 6;

6 (7) RCW 59.23.035 (Notice to mobile home park owner of sale of
7 tenant's mobile home--Time frame for negotiations--Terms--Transfer or
8 sale to relatives) and 1993 c 66 s 7; and

9 (8) RCW 59.23.040 (Improper notice by mobile home owner--Sale may
10 be set aside--Attorneys' fees) and 1993 c 66 s 8.

11 NEW SECTION. **Sec. 8.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected."

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ADOPTED 03/05/2008

15 On page 1, line 2 of the title, after "communities;" strike the
16 remainder of the title and insert "amending RCW 59.20.030, 82.45.010,
17 and 59.22.050; adding new sections to chapter 59.20 RCW; creating a new
18 section; and repealing RCW 59.23.005, 59.23.010, 59.23.015, 59.23.020,
19 59.23.025, 59.23.030, 59.23.035, and 59.23.040."

EFFECT: Removes the requirement that landlords must provide a
notice of sale to tenants 90 days before a transfer of title occurs.
Codifies sections into the manufactured/mobile home landlord-tenant act
instead of creating a new chapter.

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