## SENATE BILL REPORT SB 5233

As Reported by Senate Committee On: Financial Institutions, Housing & Insurance, February 21, 2013

**Title**: An act relating to establishing a training program for managers of manufactured housing communities.

**Brief Description**: Establishing a training program for managers of manufactured housing communities.

Sponsors: Senators Hobbs, Carrell, Rolfes, Conway and Dammeier.

## **Brief History:**

Committee Activity: Financial Institutions, Housing & Insurance: 2/05/13, 2/21/13 [DPS].

## SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report**: That Substitute Senate Bill No. 5233 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Mullet, Vice Chair; Benton, Ranking Member; Hatfield, Nelson and Roach.

Staff: Alison Mendiola (786-7483)

**Background**: Manufactured/mobile home communities are governed by the Manufactured/ Mobile Home Landlord-Tenant Act (MHLTA). The MHLTA outlines the rights and responsibilities of manufactured/mobile home landlords and tenants.

<u>Manufactured/Mobile Home Dispute Resolution Program.</u> The Attorney General administers the Manufactured/Mobile Home Dispute Resolution Program that provides educational materials to manufactured/mobile home tenants and landlords; and attempts to resolve disputes regarding alleged violations of MHLTA. The program investigates complaints from tenants and landlords, and attempts to negotiate a resolution. If no agreement can be reached, the Attorney General may issue written notices of violations, specify corrective action, and issue fines up to a maximum of \$250 for each day that a violation remains uncorrected.

The Manufactured/Mobile Home Dispute Resolution Program is funded with \$9 of every \$10 of the annual registration assessment for each manufactured/mobile home and any fines collected as a result of the dispute resolution program.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

<u>Civil Infractions.</u> Civil infractions are noncriminal offenses that subject the violator to monetary penalties. Notices of civil infractions are issued by an enforcement officer when the violation occurs in the officer's presence or by a court based on an officer's statement. A person subject to the notice of civil infraction may contest the determination within 15 days. A person that commits a class 1 civil infraction is subject to a fine of \$250.

**Summary of Bill (Recommended Substitute)**: A training program for managers of manufactured housing communities is created.

A manager's activities include, but are not limited to, the collection of rent and other charges, renting mobile home lots, enforcing the terms of the tenancy, and the implementation of landlord and tenant duties. An owner of a community is not required to be trained if the owner employs a resident, property, or independent contract manager who has been trained as required.

<u>Certification.</u> All managers must be certified. To be certified, the manager must complete a minimum of four hours of training. Certifications are valid for one year and must be updated annually. Any statewide nonprofit association exclusively representing manufactured housing communities may administer the training course. A manager who has not completed the training as required has one year to complete the training.

<u>Curriculum.</u> Any association providing the training must develop the curriculum with the approval of the advisory council on manufactured housing community manager training. One hour of the training must be conducted by the Attorney General's (AG's) Office. The AG must discuss the Manufactured/Mobile Home Dispute Resolution Program and highlight case studies. If the AG is not available then a tenant representative may conduct the training. The fee for the training is set at \$90-\$120. Any fee increases beyond \$120 must be approved by the advisory council.

Advisory Council on Manufactured Housing Community Manager Training. This advisory council is created and consists of four members; two members must be residents who own their homes and two members must be community owners. Of the resident representatives, there must be one representative from each of the two largest statewide non-profit organizations exclusively representing manufactured housing community tenants. The term for council members is four years. Members serve without compensation but are entitled to receive reimbursement. The council must review and approve curriculum for the manager training and meet at the call of its chair, at the request of a majority of its membership, at least once a year.

<u>Enforcement.</u> The Manufactured/Mobile Home Dispute Resolution Program, in consultation with the advisory council, can enforce these provisions and facilitate the maintenance of a list of those who have successfully completed the manager training.

No government agency, trade association, or training instructor is responsible for the conduct of a landlord, manager, owner, or other person conducting or going through the training. This training does not create a cause of action against the same. A violation of this chapter is a Class 1 civil infraction.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, HOUSING & INSURANCE COMMITTEE (Recommended Substitute)**: The training fee is set at \$90-\$120. Any increases beyond \$120 must be approved by the council. One hour of the training must be conducted by the AG's Office. The AG must discuss the Manufactured/Mobile Home Dispute Resolution Program and highlight case studies. If the AG is not available then a tenant representative may conduct the training. Of the resident representatives on the advisory council, there must be one representative from each of the two largest statewide non-profit organizations exclusively representing manufactured housing community tenants.

Appropriation: None.

Fiscal Note: Available.

## Committee/Commission/Task Force Created: No.

**Effective Date**: Sections 3 through 5 take effect on July 1, 2014, or six months after review and approval of the initial curriculum, whichever is later. Except for sections 3 through 5, the act takes effect August 1, 2013.

**Staff Summary of Public Testimony on Original Bill**: PRO: Manufactured Home Communities of Washington (MHCW) already do an annual training for their members, but not all park managers are trained. Lawyers teach lawyers, and doctors teach doctors, so as park owners we are best equipped to teach park managers, it is not a monopoly. If the Attorney General did the training, that would drive up the costs. Also, as you can see by the results in the manufactured/mobile home dispute resolution program, the Attorney General is very biased toward tenants. In Arizona, resident groups are able to do the training but very few park managers choose to go through their training. This is the third time this bill is being heard in Olympia. We need to get something passed and it is time we work together. The largest tenant group in Washington supports this bill.

CON: If only one specific group can do the manager training, that is a monopoly. The bill is silent on fees. There is a conflict with having MHCW do the training and sit as a member of the advisory council. Manager training could be helpful in improving relations, if administered neutrally. Some portion of the training should address tenant issues, or be taught by tenants or the Attorney General's office. Any park owner fees will be passed onto residents. The landlords take very little input from resident stakeholder groups. A violation of this act should be a violation of the MHLTA.

**Persons Testifying**: PRO: Ken Spencer, Kyle Woodring, Chester Baldwin, MHCW; Andy Bergman, Mobile Home Owners Assn.

CON: Ishbel Dickens, Dan Barrett, Assn. of Manufactured Home Owners; Dan Young, Law Offices of Dan R. Young; Jennifer Steele, Attorney General's Office; Rory O'Sullivan, Housing Justice Project.