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ENGROSSED SUBSTITUTE SENATE BILL 5183

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State of Washington

66th Legislature

2019 Regular Session

**By** Senate Housing Stability & Affordability (originally sponsored by Senators Kuderer, Pedersen, Wellman, Saldaña, Lias, and Wilson, C.)

READ FIRST TIME 02/21/19.

1 AN ACT Relating to manufactured/mobile homes; amending RCW  
2 59.21.005, 59.21.021, 59.21.025, 59.21.050, 46.17.155, 59.30.050,  
3 84.36.560, 35.21.684, 35A.21.312, and 36.01.225; reenacting and  
4 amending RCW 59.21.010 and 82.45.010; adding a new section to chapter  
5 59.21 RCW; creating new sections; and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 59.21.005 and 1995 c 122 s 2 are each amended to  
8 read as follows:

9 The legislature recognizes that it is quite costly (~~to move a~~  
10 ~~mobile home~~) for tenants who own homes in manufactured/mobile home  
11 parks to relocate when the park in which they reside is closed or  
12 converted to another use. Many (~~mobile home~~) such tenants need  
13 financial assistance in order to (~~move their mobile homes from a~~)  
14 relocate from a manufactured/mobile home park. The purpose of this  
15 chapter is to provide a mechanism for assisting manufactured/mobile  
16 home tenants to relocate their manufactured/mobile homes to suitable  
17 alternative sites (~~when the mobile home park in which they reside is~~  
18 ~~closed or converted to another use~~) or demolish and dispose of their  
19 homes and secure housing.

1       **Sec. 2.** RCW 59.21.010 and 2009 c 565 s 47 are each reenacted and  
2 amended to read as follows:

3       Unless the context clearly requires otherwise, the definitions in  
4 this section apply throughout this chapter.

5       (1) "Assignee" means an individual or entity who has agreed to  
6 advance allowable relocation assistance expenses in exchange for the  
7 assignment and transfer of a right to reimbursement from the fund.

8       (2) "Department" means the department of commerce.

9       ~~((+2))~~ (3) "Director" means the director of the department of  
10 commerce.

11       ~~((+3))~~ (4) "Fund" means the manufactured/mobile home park  
12 relocation fund established under RCW 59.21.050.

13       ~~((+4))~~ (5) "Landlord" or "park-owner" means the owner of the  
14 manufactured/mobile home park that is being closed at the time  
15 relocation assistance is provided.

16       ~~((+5))~~ (6) "Low-income household" means a single person, family,  
17 or unrelated persons living together whose adjusted income is less  
18 than eighty percent of the median family income, adjusted for  
19 household size, for the county where the manufactured/mobile home is  
20 located.

21       (7) "Manufactured/mobile home park" or "park" means real property  
22 that is rented or held out for rent to others for the placement of  
23 two or more manufactured/mobile homes for the primary purpose of  
24 production of income, except where the real property is rented or  
25 held out for rent for seasonal recreational purpose only and is not  
26 intended for year-round occupancy.

27       ~~((+6))~~ (8) "Relocate" means to do one of the following:

28       (a) Remove ((the)) a manufactured/mobile home from ((the)) a  
29 manufactured/mobile home park being closed and ((to—either))  
30 reinstall it in another location ((or to)); or

31       (b) Remove a manufactured/mobile home from a manufactured/mobile  
32 home park being closed and demolish and dispose of it ((and purchase  
33 another mobile/manufactured home constructed to the standards set by  
34 the department of housing and urban development)) and secure other  
35 housing.

36       ~~((+7))~~ (9) "Relocation assistance" means the monetary assistance  
37 provided under this chapter, including reimbursement for the costs of  
38 relocation as well as cash assistance provided to allow the tenant to  
39 secure new housing.

1 (10) "Tenant" means a person that owns a manufactured/mobile home  
2 located on a rented lot in a manufactured/mobile home park.

3 **Sec. 3.** RCW 59.21.021 and 2005 c 399 s 5 are each amended to  
4 read as follows:

5 (1) If a manufactured/mobile home park is closed or converted to  
6 another use (~~((after December 31, 1995))~~), eligible tenants shall be  
7 entitled to relocation assistance on a first-come, first-serve basis.  
8 The department shall give priority for distribution of relocation  
9 assistance to eligible tenants residing in parks that are closed as a  
10 result of park-owner fraud or as a result of health and safety  
11 concerns as determined by the local board of health. Payments shall  
12 be made upon the department's verification of eligibility, subject to  
13 the availability of remaining funds.

14 (2) Eligibility for relocation assistance funds is limited to  
15 low-income households. ((As used in this section, "low-income  
16 household" means a single person, family, or unrelated persons living  
17 together whose adjusted income is less than eighty percent of the  
18 median family income, adjusted for household size, for the county  
19 where the mobile or manufactured home is located.

20 ~~(2) Assistance for closures occurring after December 31, 1995, is~~  
21 ~~limited to persons who maintain ownership of and relocate their~~  
22 ~~mobile home or who dispose of a home not relocatable to a new site.))~~

23 (3) ~~((Persons))~~ (a) Eligible tenants who ~~((removed and disposed~~  
24 ~~of their mobile home or maintained ownership of and relocated their~~  
25 ~~mobile homes))~~ relocate are entitled to ~~((reimbursement of actual~~  
26 ~~relocation expenses))~~ financial assistance from the fund, up to a  
27 maximum of twelve thousand dollars for a ~~((double-wide))~~ multisection  
28 home and up to a maximum of seven thousand five hundred dollars for a  
29 single-~~((wide))~~ section home. The department shall distribute  
30 relocation assistance for each eligible tenant as follows:

31 (i) Up to forty percent of the total assistance may be disbursed  
32 in the form of cash assistance to help the tenant secure new housing;  
33 and

34 (ii) The remainder of the total assistance shall be disbursed as  
35 reimbursement for costs associated with relocation.

36 (b) To receive financial assistance as provided in (a)(i) of this  
37 subsection, documentation must be provided to the department that  
38 demonstrates the tenant:

39 (i) Has relocated the home;

1 (ii) Has established a process to secure the relocation of the  
2 home by having assigned the right to reimbursement of the relocation  
3 costs and liability for such removal or demolition and disposal to  
4 another entity; or

5 (iii) Has contracted to incur expenses associated with relocating  
6 the home.

7 (c) If the tenant is requesting financial assistance under  
8 (b)(ii) or (iii) of this subsection, the tenant, or the assignee on  
9 the tenant's behalf, must submit as part of the application described  
10 in RCW 59.21.050(2):

11 (i) Proof of the assignation; and

12 (ii) Evidence that the assignee is capable of fulfilling the  
13 obligation itself or a contract or invoice for relocation of the home  
14 executed with a vendor by the tenant or the assignee.

15 (4) Any individual or organization may apply to receive funds  
16 from the ~~((mobile home park relocation))~~ fund, for use in combination  
17 with funds from public or private sources, toward relocation of  
18 tenants eligible under this section, with agreement from the tenant.  
19 ~~((Funds received from the mobile home park relocation fund shall only  
20 be used for relocation assistance expenses or other mobile/  
21 manufactured home ownership expenses, that include down payment  
22 assistance, if the owners are not planning to relocate their mobile  
23 home as long as their original home is removed from the park.))~~

24 (5) The legislature intends the cash assistance provided under  
25 subsection (3)(a)(i) of this section to be considered a one-time  
26 direct grant payment that shall be excluded from household income  
27 calculations for purposes of determining the eligibility of the  
28 recipient for benefits or assistance under any state program financed  
29 in whole or in part with state funds.

30 **Sec. 4.** RCW 59.21.025 and 1998 c 124 s 3 are each amended to  
31 read as follows:

32 ~~((1))~~ If financial assistance for relocation is obtained from  
33 sources other than the ~~((mobile home park relocation))~~ fund  
34 ~~((established under this chapter))~~, then the relocation assistance  
35 provided to any person ~~((under this chapter))~~ from the fund shall be  
36 reduced as necessary to ensure that no person receives financial  
37 assistance for relocation from all sources combined ~~((more than: (a)~~  
38 ~~That person's actual cost of relocation; or (b) seven thousand~~

1 dollars for a double-wide mobile home and three thousand five hundred  
2 dollars for a single-wide mobile home.

3 ~~(2) When a person receives financial assistance for relocation~~  
4 ~~from a source other than the mobile home park relocation assistance~~  
5 ~~fund, then the assistance received from the fund will be the~~  
6 ~~difference between the maximum amount to which a person is entitled~~  
7 ~~under RCW 59.21.021(3) and the amount of assistance received from the~~  
8 ~~outside source.~~

9 ~~(3) If the amount of assistance received from an outside source~~  
10 ~~exceeds the maximum amounts of assistance to which a person is~~  
11 ~~entitled under RCW 59.21.021(3), then that person will not receive~~  
12 ~~any assistance from the mobile home park relocation assistance fund))~~  
13 in excess of that person's actual relocation expenses.

14 **Sec. 5.** RCW 59.21.050 and 2011 c 158 s 7 are each amended to  
15 read as follows:

16 (1) (a) The existence of the manufactured/mobile home park  
17 relocation fund in the custody of the state treasurer is affirmed.

18 (b) Expenditures from the fund may only be used as follows:

19 (i) Except as provided in subsection (3) of this section, all  
20 moneys received from the fee as specified in RCW 46.17.155 must be  
21 used only for relocation assistance awarded under this chapter.

22 (ii) All moneys received from the fee as specified in RCW  
23 59.30.050 must be used only for the relocation coordination program  
24 created in section 8 of this act.

25 (c) Only the director or the director's designee may authorize  
26 expenditures from the fund. All relocation payments to tenants shall  
27 be made from the fund. The fund is subject to allotment procedures  
28 under chapter 43.88 RCW, but no appropriation is required for  
29 expenditures.

30 (2) A ((~~park~~)) tenant is eligible for relocation assistance under  
31 this chapter only after an application is submitted by that tenant or  
32 an organization acting on the tenant's account under RCW 59.21.021(4)  
33 on a form approved by the director ((~~which~~)). The application shall  
34 include: (a) ((~~For those persons who maintained ownership of and~~  
35 ~~relocated their homes or removed their homes from the park: (i)~~)) A  
36 copy of the notice from the park-owner, or other adequate proof, that  
37 the tenancy is terminated due to closure of the park or its  
38 conversion to another use; ((~~(ii)~~)) (b) a copy of the rental  
39 agreement then in force, or other proof that the applicant was a

1 tenant at the time of notice of closure; ~~((iii) a copy of the~~  
2 ~~contract for relocating the home which includes the date of~~  
3 ~~relocation, or other proof of actual))~~ (c) a statement of relocation  
4 expenses expected to be incurred ~~((on a date certain));~~ ~~((and (iv)))~~  
5 (d) proof of ownership of the home at the time of notice of closure;  
6 and (e) a statement of any other available assistance ~~((;))~~ received.

7 ~~((b) For those persons who sold their homes and incurred no~~  
8 ~~relocation expenses: (i) A copy of the notice from the park owner, or~~  
9 ~~other adequate proof, that the tenancy is terminated due to closure~~  
10 ~~of the park or its conversion to another use; (ii) a copy of the~~  
11 ~~rental agreement then in force, or other proof that the applicant was~~  
12 ~~a tenant at the time of notice of closure; and (iii) a copy of the~~  
13 ~~record of title transfer issued by the department of licensing when~~  
14 ~~the tenant sold the home rather than relocate it due to park closure~~  
15 ~~or conversion.))~~

16 (3) The department may deduct a percentage amount of the fee  
17 collected under RCW 46.17.155 for administration expenses incurred by  
18 the department.

19 **Sec. 6.** RCW 46.17.155 and 2010 c 161 s 511 are each amended to  
20 read as follows:

21 (1) Before accepting an application for a certificate of title  
22 for an original or transfer manufactured home transaction as required  
23 in this title or chapter 65.20 RCW, the department, county auditor or  
24 other agent, or subagent appointed by the director shall require the  
25 applicant to pay a ~~((one hundred dollar))~~ fee, in accordance with  
26 subsection (4) of this section, in addition to any other fees and  
27 taxes required by law if the manufactured home:

28 (a) Is located in a mobile home park;

29 (b) Is one year old or older; and

30 (c) Is new or ownership changes, excluding changes that involve  
31 adding or deleting spouse or domestic partner coregistered owners or  
32 legal owners ~~((; and~~

33 ~~(d) Sales price is five thousand dollars or more))~~.

34 (2) The ~~((one hundred dollar))~~ fee amount established in  
35 subsection (4) of this section must be forwarded to the state  
36 treasurer, who shall deposit the fee in the manufactured/mobile home  
37 park relocation fund created in RCW 59.21.050.

38 (3) The department and the state treasurer may adopt rules  
39 necessary to carry out this section.

1       (4) The amount of the fee that the department must collect must  
2 be 0.25 percent of the sale price of the manufactured home, but in no  
3 case may the fee be less than one hundred dollars or greater than  
4 five hundred dollars.

5       **Sec. 7.** RCW 59.30.050 and 2013 c 144 s 42 are each amended to  
6 read as follows:

7       (1) The department must register all manufactured/mobile home  
8 communities, which registration must be renewed annually. Each  
9 community must be registered separately. The department must mail  
10 registration notifications to all known manufactured/mobile home  
11 community landlords. Registration information packets must include:

12       (a) Registration forms; and

13       (b) Registration assessment information, including registration  
14 due dates and late fees, and the collections procedures, liens, and  
15 charging costs to tenants.

16       (2) To apply for registration or registration renewal, the  
17 landlord of a manufactured/mobile home community must file with the  
18 department an application for registration or registration renewal on  
19 a form provided by the department and must pay a registration fee as  
20 described in subsection (3) of this section. The department may  
21 require the submission of information necessary to assist in  
22 identifying and locating a manufactured/mobile home community and  
23 other information that may be useful to the state, which must  
24 include, at a minimum:

25       (a) The names and addresses of the owners of the manufactured/  
26 mobile home community;

27       (b) The name and address of the manufactured/mobile home  
28 community;

29       (c) The name and address of the landlord and manager of the  
30 manufactured/mobile home community;

31       (d) The number of lots within the manufactured/mobile home  
32 community that are subject to chapter 59.20 RCW; and

33       (e) The addresses of each manufactured/mobile home lot within the  
34 manufactured/mobile home community that is subject to chapter 59.20  
35 RCW.

36       (3) Each manufactured/mobile home community landlord must pay to  
37 the department:

1 (a) A one-time business license application fee for the first  
2 year of registration and, in subsequent years, an annual renewal  
3 application fee, as provided in RCW 19.02.075; and

4 (b) An annual registration assessment of (~~ten~~) fifteen dollars  
5 for each manufactured/mobile home that is subject to chapter 59.20  
6 RCW within a manufactured/mobile home community. Manufactured/mobile  
7 home community landlords may charge a maximum of five dollars of this  
8 assessment to tenants. Nine dollars of the registration assessment  
9 for each manufactured/mobile home must be deposited into the  
10 manufactured/mobile home dispute resolution program account created  
11 in RCW 59.30.070 to fund the costs associated with the manufactured/  
12 mobile home dispute resolution program. (~~The remaining~~) One dollar  
13 of the registration assessment must be deposited into the business  
14 license account created in RCW 19.02.210. The remaining five dollars  
15 of the registration assessment must be deposited into the  
16 manufactured/mobile home park relocation fund created in RCW  
17 59.21.050. The annual registration assessment must be reviewed once  
18 each biennium by the department and the attorney general and may be  
19 adjusted to reasonably relate to the cost of administering this  
20 chapter. The registration assessment may not exceed (~~ten~~) fifteen  
21 dollars, but if the assessment is reduced, the portion allocated to  
22 the manufactured/mobile home dispute resolution program account  
23 (~~and~~), the business license account, and the manufactured/mobile  
24 home park relocation fund must be adjusted proportionately.

25 (4) Initial registrations of manufactured/mobile home communities  
26 must be filed before November 1, 2007, or within three months of the  
27 availability of mobile home lots for rent within the community. The  
28 manufactured/mobile home community is subject to a delinquency fee of  
29 two hundred fifty dollars for late initial registrations. The  
30 delinquency fee must be deposited in the business license account.  
31 Renewal registrations that are not renewed by the expiration date as  
32 assigned by the department are subject to delinquency fees under RCW  
33 19.02.085.

34 (5) Thirty days after sending late fee notices to a noncomplying  
35 landlord, the department may issue a warrant under RCW 59.30.090 for  
36 the unpaid registration assessment and delinquency fee. If a warrant  
37 is issued by the department under RCW 59.30.090, the department must  
38 add a penalty of ten percent of the amount of the unpaid registration  
39 assessment and delinquency fee, but not less than ten dollars. The  
40 warrant penalty must be deposited into the business license account

1 created in RCW 19.02.210. Chapter 82.32 RCW applies to the collection  
2 of warrants issued under RCW 59.30.090.

3 (6) Registration is effective on the date determined by the  
4 department, and the department must issue a registration number to  
5 each registered manufactured/mobile home community. The department  
6 must provide an expiration date, assigned by the department, to each  
7 manufactured/mobile home community who registers.

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 59.21  
9 RCW to read as follows:

10 (1) A relocation coordination program is created within the  
11 department for the purpose of assisting tenants of a mobile home park  
12 scheduled for closure or conversion to another use with the process  
13 of relocation.

14 (2) The relocation coordination program assistance may include,  
15 but is not limited to, performing casework on behalf of individual  
16 tenants, maintaining and distributing informational resources for  
17 tenants regarding the process for relocating and disposal of  
18 manufactured/mobile homes, researching and distributing current  
19 information regarding available locations for manufactured/mobile  
20 homes and other forms of available housing, and researching and  
21 distributing information regarding other sources of financial  
22 assistance that may be available to secure new housing.

23 NEW SECTION. **Sec. 9.** This section is the tax preference  
24 performance statement for the tax preference contained in section 10,  
25 chapter . . ., Laws of 2019 (section 10 of this act). This  
26 performance statement is only intended to be used for subsequent  
27 evaluation of the tax preference. It is not intended to create a  
28 private right of action by any party or be used to determine  
29 eligibility for preferential tax treatment.

30 (1) The legislature categorizes this tax preference as one  
31 intended to induce certain designated behaviors by taxpayers, as  
32 indicated in RCW 82.32.808(2)(a).

33 (2) It is the legislature's specific public policy objective to  
34 preserve the affordable housing opportunities provided by existing  
35 manufactured/mobile home communities. It is the legislature's intent  
36 to encourage owners to sell existing communities to tenants and  
37 eligible organizations by providing a real estate excise tax  
38 exemption.

1 (3) To measure the effectiveness of this tax preference in  
2 achieving the specific public policy objective described in  
3 subsection (2) of this section, the joint legislative audit and  
4 review committee must, at minimum, review the number of units of  
5 housing that are preserved as a result of qualified sales of  
6 manufactured/mobile home communities and the total amount of  
7 exemptions claimed, as reported to the department of revenue.

8 (4) The joint legislative audit and review committee may use any  
9 other data it deems necessary in performing the evaluation under this  
10 section.

11 **Sec. 10.** RCW 82.45.010 and 2018 c 223 s 3 and 2018 c 221 s 1 are  
12 each reenacted and amended to read as follows:

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

26 (2)(a) The term "sale" also includes the transfer or acquisition  
27 within any twelve-month period of a controlling interest in any  
28 entity with an interest in real property located in this state for a  
29 valuable consideration.

30 (b) For the sole purpose of determining whether, pursuant to the  
31 exercise of an option, a controlling interest was transferred or  
32 acquired within a twelve-month period, the date that the option  
33 agreement was executed is the date on which the transfer or  
34 acquisition of the controlling interest is deemed to occur. For all  
35 other purposes under this chapter, the date upon which the option is  
36 exercised is the date of the transfer or acquisition of the  
37 controlling interest.

38 (c) For purposes of this subsection, all acquisitions of persons  
39 acting in concert must be aggregated for purposes of determining

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

5 (i) Persons must 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 (ii) When persons are not commonly owned or controlled, they must  
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  
12 single entity. If the acquisitions are completely independent, with  
13 each purchaser buying without regard to the identity of the other  
14 purchasers, then the acquisitions are considered separate  
15 acquisitions.

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

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

18 (b) A transfer by transfer on death deed, to the extent that it  
19 is not in satisfaction of a contractual obligation of the decedent  
20 owed to the recipient of the property.

21 (c) A transfer of any leasehold interest other than of the type  
22 mentioned above.

23 (d) A cancellation or forfeiture of a vendee's interest in a  
24 contract for the sale of real property, whether or not such contract  
25 contains a forfeiture clause, or deed in lieu of foreclosure of a  
26 mortgage.

27 (e) The partition of property by tenants in common by agreement  
28 or as the result of a court decree.

29 (f) The assignment of property or interest in property from one  
30 spouse or one domestic partner to the other spouse or other domestic  
31 partner in accordance with the terms of a decree of dissolution of  
32 marriage or state registered domestic partnership or in fulfillment  
33 of a property settlement agreement.

34 (g) The assignment or other transfer of a vendor's interest in a  
35 contract for the sale of real property, even though accompanied by a  
36 conveyance of the vendor's interest in the real property involved.

37 (h) Transfers by appropriation or decree in condemnation  
38 proceedings brought by the United States, the state or any political  
39 subdivision thereof, or a municipal corporation.

1 (i) A mortgage or other transfer of an interest in real property  
2 merely to secure a debt, or the assignment thereof.

3 (j) Any transfer or conveyance made pursuant to a deed of trust  
4 or an order of sale by the court in any mortgage, deed of trust, or  
5 lien foreclosure proceeding or upon execution of a judgment, or deed  
6 in lieu of foreclosure to satisfy a mortgage or deed of trust.

7 (k) A conveyance to the federal housing administration or  
8 veterans administration by an authorized mortgagee made pursuant to a  
9 contract of insurance or guaranty with the federal housing  
10 administration or veterans administration.

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

15 (m) The sale of any grave or lot in an established cemetery.

16 (n) A sale by the United States, this state or any political  
17 subdivision thereof, or a municipal corporation of this state.

18 (o) A sale to a regional transit authority or public corporation  
19 under RCW 81.112.320 under a sale/leaseback agreement under RCW  
20 81.112.300.

21 (p) A transfer of real property, however effected, if it consists  
22 of a mere change in identity or form of ownership of an entity where  
23 there is no change in the beneficial ownership. These include  
24 transfers to a corporation or partnership which is wholly owned by  
25 the transferor and/or the transferor's spouse or domestic partner or  
26 children of the transferor or the transferor's spouse or domestic  
27 partner. However, if thereafter such transferee corporation or  
28 partnership voluntarily transfers such real property, or such  
29 transferor, spouse or domestic partner, or children of the transferor  
30 or the transferor's spouse or domestic partner voluntarily transfer  
31 stock in the transferee corporation or interest in the transferee  
32 partnership capital, as the case may be, to other than (i) the  
33 transferor and/or the transferor's spouse or domestic partner or  
34 children of the transferor or the transferor's spouse or domestic  
35 partner, (ii) a trust having the transferor and/or the transferor's  
36 spouse or domestic partner or children of the transferor or the  
37 transferor's spouse or domestic partner as the only beneficiaries at  
38 the time of the transfer to the trust, or (iii) a corporation or  
39 partnership wholly owned by the original transferor and/or the  
40 transferor's spouse or domestic partner or children of the transferor

1 or the transferor's spouse or domestic partner, within three years of  
2 the original transfer to which this exemption applies, and the tax on  
3 the subsequent transfer has not been paid within sixty days of  
4 becoming due, excise taxes become due and payable on the original  
5 transfer as otherwise provided by law.

6 (q)(i) A transfer that for federal income tax purposes does not  
7 involve the recognition of gain or loss for entity formation,  
8 liquidation or dissolution, and reorganization, including but not  
9 limited to nonrecognition of gain or loss because of application of  
10 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal  
11 revenue code of 1986, as amended.

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

30 (r) A qualified sale of a manufactured/mobile home community, as  
31 defined in RCW 59.20.030(~~(, that takes place on or after June 12,~~  
32 ~~2008, but before December 31, 2018)~~).

33 (s)(i) A transfer of a qualified low-income housing development  
34 or controlling interest in a qualified low-income housing  
35 development, unless, due to noncompliance with federal statutory  
36 requirements, the seller is subject to recapture, in whole or in  
37 part, of its allocated federal low-income housing tax credits within  
38 the four years prior to the date of transfer.

39 (ii) For purposes of this subsection (3)(s), "qualified low-  
40 income housing development" means real property and improvements in

1 respect to which the seller or, in the case of a transfer of a  
2 controlling interest, the owner or beneficial owner, was allocated  
3 federal low-income housing tax credits authorized under 26 U.S.C.  
4 Sec. 42 or successor statute, by the Washington state housing finance  
5 commission or successor state-authorized tax credit allocating  
6 agency.

7 (iii) This subsection (3)(s) does not apply to transfers of a  
8 qualified low-income housing development or controlling interest in a  
9 qualified low-income housing development occurring on or after July  
10 1, 2035.

11 (iv) The Washington state housing finance commission, in  
12 consultation with the department, must gather data on: (A) The fiscal  
13 savings, if any, accruing to transferees as a result of the exemption  
14 provided in this subsection (3)(s); (B) the extent to which  
15 transferors of qualified low-income housing developments receive  
16 consideration, including any assumption of debt, as part of a  
17 transfer subject to the exemption provided in this subsection (3)(s);  
18 and (C) the continued use of the property for low-income housing. The  
19 Washington state housing finance commission must provide this  
20 information to the joint legislative audit and review committee. The  
21 committee must conduct a review of the tax preference created under  
22 this subsection (3)(s) in calendar year 2033, as required under  
23 chapter 43.136 RCW.

24 (t)(i) A qualified transfer of residential property by a legal  
25 representative of a person with developmental disabilities to a  
26 qualified entity subject to the following conditions:

27 (A) The adult child with developmental disabilities of the  
28 transferor of the residential property must be allowed to reside in  
29 the residence or successor property so long as the placement is safe  
30 and appropriate as determined by the department of social and health  
31 services;

32 (B) The title to the residential property is conveyed without the  
33 receipt of consideration by the legal representative of a person with  
34 developmental disabilities to a qualified entity;

35 (C) The residential property must have no more than four living  
36 units located on it; and

37 (D) The residential property transferred must remain in continued  
38 use for fifty years by the qualified entity as supported living for  
39 persons with developmental disabilities by the qualified entity or  
40 successor entity. If the qualified entity sells or otherwise conveys

1 ownership of the residential property the proceeds of the sale or  
2 conveyance must be used to acquire similar residential property and  
3 such similar residential property must be considered the successor  
4 for continued use. The property will not be considered in continued  
5 use if the department of social and health services finds that the  
6 property has failed, after a reasonable time to remedy, to meet any  
7 health and safety statutory or regulatory requirements. If the  
8 department of social and health services determines that the property  
9 fails to meet the requirements for continued use, the department of  
10 social and health services must notify the department and the real  
11 estate excise tax based on the value of the property at the time of  
12 the transfer into use as residential property for persons with  
13 developmental disabilities becomes immediately due and payable by the  
14 qualified entity. The tax due is not subject to penalties, fees, or  
15 interest under this title.

16 (ii) For the purposes of this subsection (3)(t) the definitions  
17 in RCW 71A.10.020 apply.

18 (iii) A "qualified entity" is:

19 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)  
20 of the federal internal revenue code of 1986, as amended, as of June  
21 7, 2018, or a subsidiary under the same taxpayer identification  
22 number that provides residential supported living for persons with  
23 developmental disabilities; or

24 (B) A nonprofit adult family home, as defined in RCW 70.128.010,  
25 that exclusively serves persons with developmental disabilities.

26 (iv) In order to receive an exemption under this subsection  
27 (3)(t) an affidavit must be submitted by the transferor of the  
28 residential property and must include a copy of the transfer  
29 agreement and any other documentation as required by the department.

30 **Sec. 11.** RCW 84.36.560 and 2007 c 301 s 1 are each amended to  
31 read as follows:

32 (1) The real and personal property owned or used by a nonprofit  
33 entity in providing rental housing for very low-income households or  
34 used to provide space for the placement of a mobile home for a very  
35 low-income household within a mobile home park is exempt from  
36 taxation if:

37 (a) The benefit of the exemption inures to the nonprofit entity;

1 (b) At least seventy-five percent of the occupied dwelling units  
2 in the rental housing or lots in a mobile home park are occupied by a  
3 very low-income household; and

4 (c) The rental housing or lots in a mobile home park were  
5 insured, financed, or assisted in whole or in part through one or  
6 more of the following sources:

7 (i) A federal or state housing program administered by the  
8 department of ~~((community, trade, and economic development))~~  
9 commerce;

10 (ii) A federal housing program administered by a city or county  
11 government;

12 (iii) An affordable housing levy authorized under RCW 84.52.105;  
13 ~~((or))~~

14 (iv) The surcharges authorized by RCW 36.22.178 and 36.22.179 and  
15 any of the surcharges authorized in chapter 43.185C RCW; or

16 (v) The Washington state housing finance commission, provided  
17 that the financing is for a mobile home park cooperative or a  
18 manufactured housing cooperative, as defined in RCW 59.20.030.

19 (2) If less than seventy-five percent of the occupied dwelling  
20 units within the rental housing or lots in the mobile home park are  
21 occupied by very low-income households, the rental housing or mobile  
22 home park is eligible for a partial exemption on the real property  
23 and a total exemption of the housing's or park's personal property as  
24 follows:

25 (a) A partial exemption ~~((shall be))~~ is allowed for each dwelling  
26 unit in the rental housing or for each lot in a mobile home park  
27 occupied by a very low-income household.

28 (b) The amount of exemption ~~((shall))~~ must be calculated by  
29 multiplying the assessed value of the property reasonably necessary  
30 to provide the rental housing or to operate the mobile home park by a  
31 fraction. The numerator of the fraction is the number of dwelling  
32 units or lots occupied by very low-income households as of December  
33 31st of the first assessment year in which the rental housing or  
34 mobile home park becomes operational or on January 1st of each  
35 subsequent assessment year for which the exemption is claimed. The  
36 denominator of the fraction is the total number of dwelling units or  
37 lots occupied as of December 31st of the first assessment year the  
38 rental housing or mobile home park becomes operational and January  
39 1st of each subsequent assessment year for which exemption is  
40 claimed.

1 (3) If a currently exempt rental housing unit in a facility with  
2 ten units or fewer or mobile home lot in a mobile home park with ten  
3 lots or fewer was occupied by a very low-income household at the time  
4 the exemption was granted and the income of the household  
5 subsequently rises above fifty percent of the median income but  
6 remains at or below eighty percent of the median income, the  
7 exemption will continue as long as the housing continues to meet the  
8 certification requirements of a very low-income housing program  
9 listed in subsection (1) of this section. For purposes of this  
10 section, median income, as most recently determined by the federal  
11 department of housing and urban development for the county in which  
12 the rental housing or mobile home park is located, shall be adjusted  
13 for family size. However, if a dwelling unit or a lot becomes vacant  
14 and is subsequently rereanted, the income of the new household must be  
15 at or below fifty percent of the median income adjusted for family  
16 size as most recently determined by the federal department of housing  
17 and urban development for the county in which the rental housing or  
18 mobile home park is located to remain exempt from property tax.

19 (4) If at the time of initial application the property is  
20 unoccupied, or subsequent to the initial application the property is  
21 unoccupied because of renovations, and the property is not currently  
22 being used for the exempt purpose authorized by this section but will  
23 be used for the exempt purpose within two assessment years, the  
24 property shall be eligible for a property tax exemption for the  
25 assessment year in which the claim for exemption is submitted under  
26 the following conditions:

27 (a) A commitment for financing to acquire, construct, renovate,  
28 or otherwise convert the property to provide housing for very low-  
29 income households has been obtained, in whole or in part, by the  
30 nonprofit entity claiming the exemption from one or more of the  
31 sources listed in subsection (1)(c) of this section;

32 (b) The nonprofit entity has manifested its intent in writing to  
33 construct, remodel, or otherwise convert the property to housing for  
34 very low-income households; and

35 (c) Only the portion of property that will be used to provide  
36 housing or lots for very low-income households shall be exempt under  
37 this section.

38 (5) To be exempt under this section, the property must be used  
39 exclusively for the purposes for which the exemption is granted,  
40 except as provided in RCW 84.36.805.

1 (6) The nonprofit entity qualifying for a property tax exemption  
2 under this section may agree to make payments to the city, county, or  
3 other political subdivision for improvements, services, and  
4 facilities furnished by the city, county, or political subdivision  
5 for the benefit of the rental housing. However, these payments shall  
6 not exceed the amount last levied as the annual tax of the city,  
7 county, or political subdivision upon the property prior to  
8 exemption.

9 (7) (~~As used in this section:~~) The definitions in this  
10 subsection apply throughout this section unless the context clearly  
11 requires otherwise.

12 (a) "Group home" means a single-family dwelling financed, in  
13 whole or in part, by one or more of the sources listed in subsection  
14 (1)(c) of this section. The residents of a group home shall not be  
15 considered to jointly constitute a household, but each resident shall  
16 be considered to be a separate household occupying a separate  
17 dwelling unit. The individual incomes of the residents shall not be  
18 aggregated for purposes of this exemption;

19 (b) "Mobile home lot" or "mobile home park" means the same as  
20 these terms are defined in RCW 59.20.030;

21 (c) "Occupied dwelling unit" means a living unit that is occupied  
22 by an individual or household as of December 31st of the first  
23 assessment year the rental housing becomes operational or is occupied  
24 by an individual or household on January 1st of each subsequent  
25 assessment year in which the claim for exemption is submitted. If the  
26 housing facility is comprised of three or fewer dwelling units and  
27 there are any unoccupied units on January 1st, the department shall  
28 base the amount of the exemption upon the number of occupied dwelling  
29 units as of December 31st of the first assessment year the rental  
30 housing becomes operational and on May 1st of each subsequent  
31 assessment year in which the claim for exemption is submitted;

32 (d) "Rental housing" means a residential housing facility or  
33 group home that is occupied but not owned by very low-income  
34 households;

35 (e) "Very low-income household" means a single person, family, or  
36 unrelated persons living together whose income is at or below fifty  
37 percent of the median income adjusted for family size as most  
38 recently determined by the federal department of housing and urban  
39 development for the county in which the rental housing is located and

1 in effect as of January 1st of the year the application for exemption  
2 is submitted; and

3 (f) "Nonprofit entity" means a:

4 (i) Nonprofit as defined in RCW 84.36.800 that is exempt from  
5 income tax under section 501(c) of the federal internal revenue code;

6 (ii) Limited partnership where a nonprofit as defined in RCW  
7 84.36.800 that is exempt from income tax under section 501(c) of the  
8 federal internal revenue code, a public corporation established under  
9 RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority created  
10 under RCW 35.82.030 or 35.82.300, or a housing authority meeting the  
11 definition in RCW 35.82.210(2)(a) is a general partner; (~~(or)~~)

12 (iii) Limited liability company where a nonprofit as defined in  
13 RCW 84.36.800 that is exempt from income tax under section 501(c) of  
14 the federal internal revenue code, a public corporation established  
15 under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority  
16 established under RCW 35.82.030 or 35.82.300, or a housing authority  
17 meeting the definition in RCW 35.82.210(2)(a) is a managing member;  
18 or

19 (iv) Mobile home park cooperative or a manufactured housing  
20 cooperative, as defined in RCW 59.20.030.

21 NEW SECTION. Sec. 12. The provisions of RCW 82.32.805 and  
22 82.32.808 do not apply to section 11 of this act.

23 NEW SECTION. Sec. 13. The legislature finds that manufactured  
24 housing communities provide significant opportunity for affordable  
25 housing, but at the same time, vacancy rates in established  
26 communities are very low. Siting a replacement manufactured home on a  
27 manufactured housing community lot is basic to a landlord's right to  
28 continue in business and to provide opportunity for housing that is  
29 needed. Imposing undue burdens and new restrictions for the siting of  
30 replacement manufactured homes may deem lots unusable as home sites  
31 thus, exacerbating the low vacancy rates and reducing affordable  
32 housing opportunities. The legislature intends to provide protection  
33 for manufactured housing communities by not prohibiting the siting of  
34 a manufactured/mobile home on an existing lot based solely on lack of  
35 compliance with the existing separation and setback requirements that  
36 regulate distance between such homes.

1       **Sec. 14.** RCW 35.21.684 and 2009 c 79 s 1 are each amended to  
2 read as follows:

3       (1) A city or town may not adopt an ordinance that has the  
4 effect, directly or indirectly, of discriminating against consumers'  
5 choices in the placement or use of a home in such a manner that is  
6 not equally applicable to all homes. Homes built to 42 U.S.C. Sec.  
7 5401-5403 standards (as amended in 2000) must be regulated for the  
8 purposes of siting in the same manner as site built homes, factory  
9 built homes, or homes built to any other state construction or local  
10 design standard. However, except as provided in subsection (2) of  
11 this section, any city or town may require that:

12       (a) A manufactured home be a new manufactured home;

13       (b) The manufactured home be set upon a permanent foundation, as  
14 specified by the manufacturer, and that the space from the bottom of  
15 the home to the ground be enclosed by concrete or an approved  
16 concrete product which can be either load bearing or decorative;

17       (c) The manufactured home comply with all local design standards  
18 applicable to all other homes within the neighborhood in which the  
19 manufactured home is to be located;

20       (d) The home is thermally equivalent to the state energy code;  
21 and

22       (e) The manufactured home otherwise meets all other requirements  
23 for a designated manufactured home as defined in RCW 35.63.160.

24       A city with a population of one hundred thirty-five thousand or  
25 more may choose to designate its building official as the person  
26 responsible for issuing all permits, including department of labor  
27 and industries permits issued under chapter 43.22 RCW in accordance  
28 with an interlocal agreement under chapter 39.34 RCW, for  
29 alterations, remodeling, or expansion of manufactured housing located  
30 within the city limits under this section.

31       (2) (a) A city or town may not adopt an ordinance that has the  
32 effect, directly or indirectly, of restricting the location of  
33 manufactured/mobile homes in manufactured/mobile home communities  
34 that were legally in existence before June 12, 2008, based  
35 exclusively on the age or dimensions of the manufactured/mobile home.  
36 (~~This does not preclude~~)

37       (b) A city or town may not prohibit the siting of a manufactured/  
38 mobile home on an existing lot based solely on lack of compliance  
39 with existing separation and setback requirements that regulate the  
40 distance between homes.

1       (c) A city or town is not precluded by (a) or (b) of this  
2 subsection from restricting the location of a manufactured/mobile  
3 home in manufactured/mobile home communities for any other reason  
4 including, but not limited to, failure to comply with fire, safety,  
5 or other local ordinances or state laws related to manufactured/  
6 mobile homes.

7       (3) Except as provided under subsection (4) of this section, a  
8 city or town may not adopt an ordinance that has the effect, directly  
9 or indirectly, of preventing the entry or requiring the removal of a  
10 recreational vehicle used as a primary residence in manufactured/  
11 mobile home communities.

12       (4) Subsection (3) of this section does not apply to any local  
13 ordinance or state law that:

14       (a) Imposes fire, safety, or other regulations related to  
15 recreational vehicles;

16       (b) Requires utility hookups in manufactured/mobile home  
17 communities to meet state or federal building code standards for  
18 manufactured/mobile home communities; or

19       (c) Includes both of the following provisions:

20       (i) A recreational vehicle must contain at least one internal  
21 toilet and at least one internal shower; and

22       (ii) If the requirement in (c)(i) of this subsection is not met,  
23 a manufactured/mobile home community must provide toilets and  
24 showers.

25       (5) For the purposes of this section, "manufactured/mobile home  
26 community" has the same meaning as in RCW 59.20.030.

27       (6) This section does not override any legally recorded covenants  
28 or deed restrictions of record.

29       (7) This section does not affect the authority granted under  
30 chapter 43.22 RCW.

31       **Sec. 15.** RCW 35A.21.312 and 2009 c 79 s 2 are each amended to  
32 read as follows:

33       (1) A code city may not adopt an ordinance that has the effect,  
34 directly or indirectly, of discriminating against consumers' choices  
35 in the placement or use of a home in such a manner that is not  
36 equally applicable to all homes. Homes built to 42 U.S.C. Sec.  
37 5401-5403 standards (as amended in 2000) must be regulated for the  
38 purposes of siting in the same manner as site built homes, factory  
39 built homes, or homes built to any other state construction or local

1 design standard. However, except as provided in subsection (2) of  
2 this section, any code city may require that:

3 (a) A manufactured home be a new manufactured home;

4 (b) The manufactured home be set upon a permanent foundation, as  
5 specified by the manufacturer, and that the space from the bottom of  
6 the home to the ground be enclosed by concrete or an approved  
7 concrete product which can be either load bearing or decorative;

8 (c) The manufactured home comply with all local design standards  
9 applicable to all other homes within the neighborhood in which the  
10 manufactured home is to be located;

11 (d) The home is thermally equivalent to the state energy code;  
12 and

13 (e) The manufactured home otherwise meets all other requirements  
14 for a designated manufactured home as defined in RCW 35.63.160.

15 A code city with a population of one hundred thirty-five thousand  
16 or more may choose to designate its building official as the person  
17 responsible for issuing all permits, including department of labor  
18 and industries permits issued under chapter 43.22 RCW in accordance  
19 with an interlocal agreement under chapter 39.34 RCW, for  
20 alterations, remodeling, or expansion of manufactured housing located  
21 within the city limits under this section.

22 (2) (a) A code city may not adopt an ordinance that has the  
23 effect, directly or indirectly, of restricting the location of  
24 manufactured/mobile homes in manufactured/mobile home communities  
25 that were legally in existence before June 12, 2008, based  
26 exclusively on the age or dimensions of the manufactured/mobile home.  
27 (~~This does not preclude~~)

28 (b) A code city may not prohibit the siting of a manufactured/  
29 mobile home on an existing lot based solely on lack of compliance  
30 with existing separation and setback requirements that regulate the  
31 distance between homes.

32 (c) A code city is not precluded by (a) or (b) of this subsection  
33 from restricting the location of a manufactured/mobile home in  
34 manufactured/mobile home communities for any other reason including,  
35 but not limited to, failure to comply with fire, safety, or other  
36 local ordinances or state laws related to manufactured/mobile homes.

37 (3) Except as provided under subsection (4) of this section, a  
38 code city may not adopt an ordinance that has the effect, directly or  
39 indirectly, of preventing the entry or requiring the removal of a

1 recreational vehicle used as a primary residence in manufactured/  
2 mobile home communities.

3 (4) Subsection (3) of this section does not apply to any local  
4 ordinance or state law that:

5 (a) Imposes fire, safety, or other regulations related to  
6 recreational vehicles;

7 (b) Requires utility hookups in manufactured/mobile home  
8 communities to meet state or federal building code standards for  
9 manufactured/mobile home communities or recreational vehicle parks;  
10 or

11 (c) Includes both of the following provisions:

12 (i) A recreational vehicle must contain at least one internal  
13 toilet and at least one internal shower; and

14 (ii) If the requirement in (c)(i) of this subsection is not met,  
15 a manufactured/mobile home community must provide toilets and  
16 showers.

17 (5) For the purposes of this section, "manufactured/mobile home  
18 community" has the same meaning as in RCW 59.20.030.

19 (6) This section does not override any legally recorded covenants  
20 or deed restrictions of record.

21 (7) This section does not affect the authority granted under  
22 chapter 43.22 RCW.

23 **Sec. 16.** RCW 36.01.225 and 2009 c 79 s 3 are each amended to  
24 read as follows:

25 (1) A county may not adopt an ordinance that has the effect,  
26 directly or indirectly, of discriminating against consumers' choices  
27 in the placement or use of a home in such a manner that is not  
28 equally applicable to all homes. Homes built to 42 U.S.C. Sec.  
29 5401-5403 standards (as amended in 2000) must be regulated for the  
30 purposes of siting in the same manner as site built homes, factory  
31 built homes, or homes built to any other state construction or local  
32 design standard. However, except as provided in subsection (2) of  
33 this section, any county may require that:

34 (a) A manufactured home be a new manufactured home;

35 (b) The manufactured home be set upon a permanent foundation, as  
36 specified by the manufacturer, and that the space from the bottom of  
37 the home to the ground be enclosed by concrete or an approved  
38 concrete product which can be either load bearing or decorative;

1 (c) The manufactured home comply with all local design standards  
2 applicable to all other homes within the neighborhood in which the  
3 manufactured home is to be located;

4 (d) The home is thermally equivalent to the state energy code;  
5 and

6 (e) The manufactured home otherwise meets all other requirements  
7 for a designated manufactured home as defined in RCW 35.63.160.

8 (2) (a) A county may not adopt an ordinance that has the effect,  
9 directly or indirectly, of restricting the location of manufactured/  
10 mobile homes in manufactured/mobile home communities, as defined in  
11 RCW 59.20.030, which were legally in existence before June 12, 2008,  
12 based exclusively on the age or dimensions of the manufactured/mobile  
13 home. (~~This does not preclude~~)

14 (b) A county may not prohibit the siting of a manufactured/mobile  
15 home on an existing lot based solely on lack of compliance with  
16 existing separation and setback requirements that regulate the  
17 distance between homes.

18 (c) A county is not precluded by (a) or (b) of this subsection  
19 from restricting the location of a manufactured/mobile home in  
20 manufactured/mobile home communities for any other reason including,  
21 but not limited to, failure to comply with fire, safety, or other  
22 local ordinances or state laws related to manufactured/mobile homes.

23 (3) A county may not adopt an ordinance that has the effect,  
24 directly or indirectly, of preventing the entry or requiring the  
25 removal of a recreational vehicle used as a primary residence in  
26 manufactured/mobile home communities, as defined in RCW 59.20.030,  
27 unless the recreational vehicle fails to comply with the fire,  
28 safety, or other local ordinances or state laws related to  
29 recreational vehicles.

30 (4) This section does not override any legally recorded covenants  
31 or deed restrictions of record.

32 (5) This section does not affect the authority granted under  
33 chapter 43.22 RCW.

34 NEW SECTION. Sec. 17. If specific funding for the purposes of  
35 section 11 of this act, referencing section 11 of this act by bill or  
36 chapter number and section number, is not provided by June 30, 2019,  
37 in the omnibus appropriations act, section 11 of this act is null and  
38 void.

1        NEW SECTION.    **Sec. 18.**    Section 10 of this act expires January 1,  
2    2030.

--- END ---