

**SENATE BILL REPORT**

**SB 5187**

**AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 28, 1991**

**Brief Description:** Requiring landlord verification of repair or removal of damaged or destroyed mobile home for insurance payment.

**SPONSORS:** Senators Moore, Matson and Anderson.

**SENATE COMMITTEE ON COMMERCE & LABOR**

**Majority Report:** That Substitute Senate Bill No. 5187 be substituted therefor, and the substitute bill do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, and McDonald.

**Staff:** Dave Cheal (786-7576)

**Hearing Dates:** February 11, 1991; February 28, 1991

**BACKGROUND:**

Mobile home park tenants have a duty to keep their lot free of garbage or refuse and not permit a nuisance or common waste on their lot. Under many lease agreements, they have a duty to maintain their mobile home in good repair.

When a mobile home in a mobile home park is damaged by fire or other calamity which may give rise to an insurance claim, the owner might fail to apply the insurance proceeds to the repair or removal of the mobile home. The park owner might have the remedy of terminating the tenancy in this situation, but could be left with the financial burden of the repair or removal.

**SUMMARY:**

Mobile home owners who are tenants in a mobile home park are required to make repairs to their mobile home or remove the mobile home prior to receiving payment from an insurance company for the loss. The landlord must verify that the repairs or removal occurred prior to payment by the insurance company.

**EFFECT OF PROPOSED SUBSTITUTE:**

Requires the insurer to notify the park owner at the time they make payment to the insured mobile home owner/tenant. The requirement that repairs be made prior to payment by the insurer is removed.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

In the event of fire or other major damage to a mobile home located in a mobile home park, mobile home owners sometimes take the insurance proceeds and abandon the mobile home. This leaves the park owner with the expense of repair or removal, contrary to the tenant's duties under the Mobile Home Landlord/Tenant Act.

**TESTIMONY AGAINST:**

The bill requires repair or removal of the mobile home before the insured owner gets the insurance proceeds. That would exert a severe hardship on the mobile home owner in many cases. It also runs counter to most insurance contracts, which require payment directly to the insured without conditions or third party involvement.

**TESTIFIED:** John Woodring, Terraza Bosler, WMPOA (pro); Arnold Livingston, Mobile Home Owners Association (con); Basil Badley, AIA (con)