S-3811.2		
$S = \{X \mid I \mid J\}$		

## SUBSTITUTE SENATE BILL 6364

## State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Winsley, Prentice, Hargrove, Fairley, Kastama and Rasmussen)

READ FIRST TIME 02/04/2002.

- AN ACT Relating to the recommendations of the joint legislative task force on mobile/manufactured home alteration and repair; amending RCW 43.22.434, 43.22.434, 43.22.340, 43.22.432, 64.06.005, and 43.22.335; adding new sections to chapter 43.22 RCW; creating a new section; providing an effective date; providing an expiration date; and declaring an emergency.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** The purpose of this act is to implement the 9 recommendations of the joint legislative task force created by chapter 10 335, Laws of 2001. The legislature recognizes the need to improve mobile/manufactured homeowners, 11 communications among regulatory 12 agencies, and other interested parties, to streamline the complex 13 regulatory environment and inflexible enforcement system, and to promote problem-solving at an early stage. To assist in achieving 14 15 these goals, the legislature:
- 16 (1) Encourages the relevant agencies to conduct a pilot project 17 that tests an interagency coordinated system for processing permits for 18 alterations or repairs of mobile and manufactured homes; and

p. 1 SSB 6364

- 1 (2) Recognizes the task force's work in reviewing agency rules 2 related to alteration permit requirements and supports the task force's 3 recommendations to the agency regarding those rules. The legislature 4 finds that assisting consumers to understand when an alteration of a 5 mobile or manufactured home is subject to a permit, and when it is not, 6 will improve compliance with the agency rules and further the code's 7 safety goals.
- 8 **Sec. 2.** RCW 43.22.434 and 2001 c 335 s 5 are each amended to read 9 as follows:
- (1) The director or the director's authorized representative may conduct such inspections, investigations, and audits as may be necessary to adopt or enforce manufactured and mobile home, commercial coach, conversion vending units, medical units, recreational vehicle, park trailer, factory built housing, and factory built commercial structure rules adopted under the authority of this chapter or to carry out the director's duties under this chapter.
- 17 (2) For purposes of enforcement of this chapter, persons duly 18 designated by the director upon presenting appropriate credentials to 19 the owner, operator, or agent in charge may:
- (a) At reasonable times and without advance notice enter any factory, warehouse, or establishment in which manufactured and mobile homes, commercial coaches, conversion vending units, medical units, recreational vehicles, park trailers, factory built housing, and factory built commercial structures are manufactured, stored, or held for sale;
- (b) At reasonable times, within reasonable limits, and in a reasonable manner inspect any factory, warehouse, or establishment as required to comply with the standards adopted by the secretary of housing and urban development under the national manufactured home construction and safety standards act of 1974. Each inspection shall be commenced and completed with reasonable promptness; and
- 32 (c) As requested by an owner of a conversion vending unit or 33 medical unit, inspect an alteration.
- 34 (3) For purposes of determining compliance with this chapter's permitting requirements for alterations of mobile and manufactured homes, the department may audit the records of a contractor as defined in chapter 18.27 RCW or RCW 18.106.020(1) or an electrical contractor as defined in RCW 19.28.006 when the department has reason to believe

- 1 that a violation of the permitting requirements has occurred. The
- 2 <u>department shall adopt rules implementing the auditing procedures.</u>
- 3 <u>Information obtained from a contractor through an audit authorized by</u>
- 4 this subsection is confidential and not open to public inspection under
- 5 chapter 42.17 RCW.
- (4)(a) The department shall set a schedule of fees by rule which will cover the costs incurred by the department in the administration
- 8 of RCW 43.22.335 through 43.22.490.
- 9 (b) Subject to (a) of this subsection, and for the purposes of
- 10 <u>implementing the pilot project approved by the mobile/manufactured home</u>
- 11 <u>alteration task force, the department may adopt by rule a temporary</u>
- 12 <u>statewide fee schedule that decreases fees for mobile/manufactured home</u>
- 13 <u>alteration permits and increases fees for factory-built housing and</u>
- 14 commercial structures plan review and inspection services. Under the
- 15 temporary fee schedule, the department may waive mobile/manufactured
- 16 home alteration permit fees for indigent permit applicants. The
- 17 department may increase fees for factory-built housing and commercial
- 18 structures plan review and inspection services in excess of the fiscal
- 19 growth factor under chapter 43.135 RCW, if the increases are necessary
- 20 to fund the cost of administering RCW 43.22.335 through 43.22.490. In
- 21 no instance shall any fee that applies to the factory-built housing and
- 22 commercial plan review and inspection services be increased in excess
- 23 of forty percent.
- 24 (5) This section expires April 1, 2004.
- 25 **Sec. 3.** RCW 43.22.434 and 2001 c 335 s 5 are each amended to read 26 as follows:
- 27 (1) The director or the director's authorized representative may
- 28 conduct such inspections, investigations, and audits as may be
- 29 necessary to adopt or enforce manufactured and mobile home, commercial
- 30 coach, conversion vending units, medical units, recreational vehicle,
- 31 park trailer, factory built housing, and factory built commercial
- 32 structure rules adopted under the authority of this chapter or to carry
- 33 out the director's duties under this chapter.
- 34 (2) For purposes of enforcement of this chapter, persons duly
- 35 designated by the director upon presenting appropriate credentials to
- 36 the owner, operator, or agent in charge may:
- 37 (a) At reasonable times and without advance notice enter any
- 38 factory, warehouse, or establishment in which manufactured and mobile

p. 3 SSB 6364

- 1 homes, commercial coaches, conversion vending units, medical units,
- 2 recreational vehicles, park trailers, factory built housing, and
- 3 factory built commercial structures are manufactured, stored, or held
- 4 for sale;
- 5 (b) At reasonable times, within reasonable limits, and in a
- 6 reasonable manner inspect any factory, warehouse, or establishment as
- 7 required to comply with the standards adopted by the secretary of
- 8 housing and urban development under the national manufactured home
- 9 construction and safety standards act of 1974. Each inspection shall
- 10 be commenced and completed with reasonable promptness; and
- 11 (c) As requested by an owner of a conversion vending unit or
- 12 medical unit, inspect an alteration.
- 13 (3) For purposes of determining compliance with this chapter's
- 14 permitting requirements for alterations of mobile and manufactured
- 15 homes, the department may audit the records of a contractor as defined
- 16 in chapter 18.27 RCW or RCW 18.106.020(1) or an electrical contractor
- 17 as defined in RCW 19.28.006 when the department has reason to believe
- 18 that a violation of the permitting requirements has occurred. The
- 19 <u>department shall adopt rules implementing the auditing procedures.</u>
- 20 Information obtained from a contractor through an audit authorized by
- 21 this subsection is confidential and not open to public inspection under
- 22 <u>chapter 42.17 RCW.</u>
- 23 (4)(a) The department shall set a schedule of fees by rule which
- 24 will cover the costs incurred by the department in the administration
- 25 of RCW 43.22.335 through 43.22.490.
- 26 (b) Effective April 1, 2004, the department must adopt a new fee
- 27 schedule that is the same as the fee schedule that was in effect
- 28 immediately prior to the temporary fee schedule authorized in section
- 29 2(4)(b), chapter . . ., Laws of 2002 (section 2 of this act). However,
- 30 the new fee schedule must be adjusted by the fiscal growth factors not
- 31 applied during the period that the temporary fee schedule was in
- 32 <u>effect.</u>
- 33 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 43.22 RCW
- 34 to read as follows:
- 35 (1)(a) In addition to or in lieu of any other penalty applicable
- 36 under this chapter, and except as provided in (b) of this subsection,
- 37 the department may assess a civil penalty of not more than one thousand
- 38 dollars against a contractor, firm, partnership, or corporation, that

- 1 fails to obtain a permit before altering a mobile or manufactured home
- 2 as required under this chapter or rules adopted under this chapter.
- 3 Each day on which a violation occurs constitutes a separate violation.
- 4 However, the cumulative penalty for the same occurrence may not exceed
- 5 five thousand dollars.
- 6 (b) The department must adopt a schedule of civil penalties giving
- 7 due consideration to the appropriateness of the penalty with respect to
- 8 the gravity of the violation and the history of previous violations.
- 9 Penalties for subsequent violations, not constituting the same
- 10 occurrence, committed within two years of a prior violation by the same
- 11 party or entity, or by an individual who was a principal or officer of
- 12 the same entity, must be double the amount of the penalty for the prior
- 13 violation or one thousand dollars, whichever is greater.
- 14 (2)(a) The department may issue a notice of correction before
- 15 issuing a civil penalty assessment. The notice must include:
- 16 (i) A description of the violation;
- 17 (ii) A statement of what is required to correct the violation;
- 18 (iii) The date by which the department requires correction to be
- 19 achieved; and
- 20 (iv) Notice of the individual or department office that must be
- 21 contacted to obtain a permit or other compliance information.
- 22 (b) A notice of correction is not a formal enforcement action, is
- 23 not subject to appeal, and is a public record.
- 24 (c) If the department issues a notice of correction, it shall not
- 25 issue a civil penalty for the violation identified in the notice of
- 26 correction unless the responsible person fails to comply with the
- 27 notice.
- 28 (3)(a) The department must issue written notices of civil penalties
- 29 imposed under this section, with the reasons for the penalty, by
- 30 certified mail to the last known address of the party named in the
- 31 notice.
- 32 (b) If a party desires to contest a notice of civil penalty issued
- 33 under this section, the party must file a notice of appeal with the
- 34 department within twenty days of the department's mailing of the notice
- 35 of civil penalty. An administrative law judge of the office of
- 36 administrative hearings will hear and determine the appeal. Appeal
- 37 proceedings must be conducted pursuant to chapter 34.05 RCW. An appeal
- 38 of the administrative law judge's determination or order shall be to

p. 5 SSB 6364

- 1 the superior court. The superior court's decision is subject only to
- 2 discretionary review under the rules of appellate procedure.
- 3 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 43.22 RCW 4 to read as follows:
- 5 (1) With respect to mobile and manufactured homes that are 6 installed in accordance with the standards adopted under RCW 43.22.440:
  - (a) The department shall adopt rules that:

7

- 8 (i) Specify exemptions from a requirement for a permit to alter a 9 mobile or manufactured home;
- (ii) Authorize the granting of variances from the rules adopted under this section for alterations that use materials, designs, or methods of construction different from those required under the rules adopted under this chapter; and
- (iii) Require the seller of a mobile or manufactured home to deliver to the buyer prior to the sale: (A) A completed property transfer disclosure statement in accordance with chapter 64.06 RCW, unless the seller is exempt or the buyer waives his or her rights under chapter 64.06 RCW; and (B) the variance, if any, granted under the rules adopted under this section.
- (b) The department may adopt a rule that allows parties to enter into a conditional sale of an altered mobile or manufactured home. However, a conditional sales agreement may be executed only if, prior to execution, the parties have complied with the department's requirements related to permit approval and a variance granted under the rules, if any, and with property transfer disclosure statement requirements.
- 27 (2) This chapter does not prohibit the sale of an altered mobile or 28 manufactured home, installed in accordance with the standards adopted 29 under RCW 43.22.440, unless the alteration makes the home unsafe so 30 that its use may constitute a hazard to life, safety, or health.
- 31 **Sec. 6.** RCW 43.22.340 and 1999 c 22 s 2 are each amended to read 32 as follows:
- 33 (1) The director shall adopt specific rules for conversion vending 34 units and medical units. The rules for conversion vending units and 35 medical units shall be established to protect the occupants from fire; 36 to address other life safety issues; and to ensure that the design and

1 construction are capable of supporting any concentrated load of five 2 hundred pounds or more.

- 3 (2) The director of labor and industries shall adopt rules 4 governing safety of body and frame design, and the installation of 5 plumbing, heating, and electrical equipment in mobile homes, commercial coaches, recreational vehicles, and/or park trailers: PROVIDED, That 6 7 the director shall not prescribe or enforce rules governing the body 8 and frame design of recreational vehicles and park trailers until after 9 the American National Standards Institute shall have published 10 standards and specifications upon this subject. The rules shall be reasonably consistent with recognized and accepted principles of safety 11 for body and frame design and plumbing, heating, and electrical 12 13 installations, in order to protect the health and safety of the people of this state from dangers inherent in the use of substandard and 14 15 unsafe body and frame design, construction, plumbing, heating, 16 electrical, and other equipment and shall correlate with and, so far as practicable, conform to the then current standards and specifications 17 of the American National Standards Institute standards A119.1 for 18 19 mobile homes and commercial coaches, Al19.2 for recreational vehicles, 20 and Al19.5 for park trailers.
- (3) Except as provided in section 5 of this act, it shall be 21 unlawful for any person to lease, sell or offer for sale, within this 22 23 state, any mobile homes, commercial coaches, conversion vending units, 24 medical units, recreational vehicles, and/or park trailers manufactured 25 after January 1, 1968, containing plumbing, heating, electrical, or 26 other equipment, and after July 1, 1970, body and frame design or construction, unless such equipment, design, or construction meets the 27 requirements of the rules provided for in this section. 28
- 29 **Sec. 7.** RCW 43.22.432 and 2001 c 335 s 4 are each amended to read 30 as follows:
- (1) The department may adopt all standards and regulations adopted 31 32 by the secretary under the national manufactured home construction and safety standards act of 1974 (800 Stat. 700; 42 U.S.C. Secs. 5401-5426) 33 for manufactured home construction and safety standards. 34 deletions or amendments to the federal standards or regulations are 35 36 thereafter made and notice thereof is given to the department, the standards or regulations shall be considered automatically adopted by 37 the state under this chapter after the expiration of thirty days from 38

p. 7 SSB 6364

- 1 publication in the federal register of a final order describing the
- 2 deletions or amendments unless within that thirty day period the
- 3 department objects to the deletion or amendment. In case of objection,
- 4 the department shall proceed under the rule making procedure of chapter
- 5 34.05 RCW.
- 6 (2) The department shall adopt rules with respect to manufactured
- 7 homes ((installed in accordance with the standards adopted under RCW
- 8 43.22.440 that:
- 9 (a) Specify exemptions from a requirement for a permit to alter a
- 10 manufactured home;
- 11 (b) Authorize the granting of variances from the rules adopted
- 12 under this section for alterations that use materials, designs, or
- 13 methods of construction different from those required under the rules
- 14 adopted under this section; and
- 15 (c) Require the seller of a manufactured home to deliver to the
- 16 buyer prior to the sale a completed property transfer disclosure
- 17 statement that includes all the criteria specified in RCW 64.06.020 and
- 18 a copy of a variance, if any, granted under the rules adopted under
- 19 this section. Nothing in this chapter shall be construed to prohibit
- 20 the sale of a manufactured home that was altered unless the alteration
- 21 makes the home unsafe so that its use may constitute a hazard to life,
- 22 safety, or health)) that require the prior written approval of the
- 23 <u>department before changes or alterations may be made to a manufactured</u>
- 24 home that differ from the construction standards provided for in this
- 25 section.
- 26 (3) Except as provided in section 5 of this act, it is unlawful for
- 27 any person to lease, sell, or offer for sale, within this state, a
- 28 manufactured home unless the home meets the requirements of the rules
- 29 provided for in this section.
- 30 **Sec. 8.** RCW 64.06.005 and 1994 c 200 s 1 are each amended to read
- 31 as follows:
- 32 This chapter applies only to residential real property. For
- 33 purposes of this chapter, residential real property means:
- 34 (1) Real property consisting of, or improved by, one to four
- 35 dwelling units;
- 36 (2) A residential condominium as defined in RCW 64.34.020(9),
- 37 unless the sale is subject to the public offering statement requirement
- 38 in the Washington condominium act, chapter 64.34 RCW; ((or))

- 1 (3) A residential timeshare, as defined in RCW 64.36.010(11),
- 2 unless subject to written disclosure under the Washington timeshare
- 3 act, chapter 64.36 RCW; or
- 4 (4) A mobile or manufactured home, as defined in RCW 43.22.335 or
- 5 46.04.302, that is personal property.
- 6 Sec. 9. RCW 43.22.335 and 2001 c 335 s 1 are each amended to read 7 as follows:
- 8 Unless the context clearly requires otherwise, the definitions in
- 9 this section apply throughout RCW 43.22.340 through ((43.22.420))
- 10 <u>43.22.434</u>, 43.22.442, and 43.22.495.
- 11 (1) "Conversion vendor units" means a motor vehicle or recreational
- 12 vehicle that has been converted or built for the purpose of being used
- 13 for commercial sales at temporary locations. The units must be less
- 14 than eight feet six inches wide in the set-up position and the inside
- 15 working area must be less than forty feet in length.
- 16 (2) "Indigent" means a person receiving an annual income, after
- 17 taxes, of one hundred twenty-five percent or less of the current
- 18 <u>federally established poverty level.</u>
- 19 <u>(3)</u> "Manufactured home" means a single-family dwelling required to
- 20 be built in accordance with regulations adopted under the national
- 21 manufactured housing construction and safety standards act of 1974 (42
- 22 U.S.C. 5401 et seq.).
- 23 (((3))) (4) "Medical unit" means a self-propelled unit used to
- 24 provide medical examinations, treatments, and medical and dental
- 25 services or procedures, not including emergency response vehicles.
- $((\frac{4}{1}))$  (5) "Mobile home" means a factory-built dwelling built
- 27 before June 15, 1976, to standards other than the national manufactured
- 28 housing construction and safety standards act of 1974 (42 U.S.C. 5401
- 29 et seq.), and acceptable under applicable state codes in effect at the
- 30 time of construction or introduction of the home into this state.
- 31 (((5))) (6) "Park trailer" means a park trailer as defined in the
- 32 American national standards institute Al19.5 standard for park
- 33 trailers.
- $((\frac{6}{}))$  "Recreational vehicle" means a vehicular-type unit
- 35 primarily designed for recreational camping or travel use that has its
- 36 own motive power or is mounted on or towed by another vehicle. The
- 37 units include travel trailers, fifth-wheel trailers, folding camping
- 38 trailers, truck campers, and motor homes.

p. 9 SSB 6364

- 1 <u>NEW SECTION.</u> **Sec. 10.** (1) Sections 1, 2, and 4 through 9 of this
- 2 act are necessary for the immediate preservation of the public peace,
- 3 health, or safety, or support of the state government and its existing
- 4 public institutions, and take effect immediately.
- 5 (2) Section 3 of this act takes effect April 1, 2004.

--- END ---