

# FINAL BILL REPORT

## E2SHB 1621

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Synopsis as Enacted

**Brief Description:** Preserving manufactured/mobile home communities.

**Sponsors:** By House Committee on Finance (originally sponsored by Representatives B. Sullivan, Sells, Morrell, Lovick, Ormsby, Miloscia, Springer, McCoy, Sullivan, Hasegawa, O'Brien, Roberts, Conway, Wood, Haigh, Rolfes and Simpson).

**House Committee on Housing**

**House Committee on Finance**

**Senate Committee on Consumer Protection & Housing**

### **Background:**

#### Manufactured/Mobile Home Community Closures.

The state has noted a recent increase in the rate of manufactured/mobile home community closures, primarily attributable to increasing market demands for land in Washington, particularly in high growth areas. According to data provided by the Department of Community, Trade and Economic Development (DCTED), 18 manufactured/mobile communities closed during calendar year 2007, the closure of which affected 534 households.

Approximately 1,000 existing communities are located in urban growth areas and are considered likely threatened due to rising land values within those areas. The DCTED reports knowledge of 846 spaces that will close within the next year and estimates that 254 of these households will request state relocation reimbursement assistance.

#### Manufactured/Mobile Home Community Right of First Refusal Law.

A Washington law enacted in 1993 provided for a right of first refusal for a qualified tenant organization. Under that statute, a park owner was required to notify a qualified tenant organization of a pending sale of the park. The qualified tenant organization would have 30 days after that notice was received to tender a fully executed purchase and sale agreement at least as favorable to the park owner as the original agreement.

This statute was declared invalid, however, in *Manufactured Housing Communities of Washington v. State*, 142 Wash.2d 347 (2000). The Washington Supreme Court held that the right of first refusal is a fundamental attribute of ownership and a valuable property right of mobile home park owners, and that the statutory forced transfer of this right constitutes a taking under the Washington Constitution.

### **Summary:**

Office of Mobile Home Affairs.

The Office of Mobile Home Affairs, within the DCTED, provides assistance to manufactured/mobile home tenants, landlords and resident organizations, and administers the mobile home relocation assistance program.

"Notice of Sale" Requirement.

A landlord selling a manufactured/mobile home community must file a notice of sale within 14 days of advertisement of the sale to community tenants, tenant organizations, the Office of Manufactured Housing, the appropriate local government and Housing Authority, and the Washington State Housing Finance Commission. The notice must include contact information for the landlord.

Voluntary Qualified Sale of a Manufactured/Mobile Home Community.

Sales of a manufactured/mobile home community to a qualified tenant organization or an eligible organization are "qualified sales" and are exempt from the state and local real estate excise tax (REET). The REET exemption expires December 31, 2018.

Good Faith Negotiations.

Landlords are encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations.

Eligible Organizations.

Eligible organizations include local governments, housing authorities, nonprofit organizations, Indian tribes, and statewide nonprofit housing assistance organizations.

Office of Manufactured Housing.

The name of the "Office of Mobile Home Affairs" is changed to the "Office of Manufactured Housing." This office must provide technical assistance to tenant organizations, among others.

Other Provisions.

If any provision of this act is held invalid, the remainder of the act is not affected.

The Right of First Refusal Law is repealed.

**Votes on Final Passage:**

House	94	0	
Senate	46	0	(Senate amended)
House	93	0	(House concurred)

**Effective:** June 12, 2008