

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1621

Chapter 116, Laws of 2008

60th Legislature
2008 Regular Session

MANUFACTURED/MOBILE HOME COMMUNITIES

EFFECTIVE DATE: 06/12/08

Passed by the House March 8, 2008
Yeas 93 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 5, 2008
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved March 21, 2008, 2:04 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1621** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 24, 2008

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1621

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House 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)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to the preservation of manufactured/mobile home
2 communities; amending RCW 59.20.030, 82.45.010, and 59.22.050; adding
3 new sections to chapter 59.20 RCW; creating a new section; and
4 repealing RCW 59.23.005, 59.23.010, 59.23.015, 59.23.020, 59.23.025,
5 59.23.030, 59.23.035, and 59.23.040.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Manufactured/mobile home communities provide a significant
9 source of homeownership opportunities for Washington residents.
10 However, the increasing closure and conversion of manufactured/mobile
11 home communities to other uses, combined with increasing mobile home
12 lot rents, low vacancy rates in existing manufactured/mobile home
13 communities, and the extremely high cost of moving homes when
14 manufactured/mobile home communities close, increasingly make
15 manufactured/mobile home community living insecure for
16 manufactured/mobile home tenants.

17 (b) Many tenants who reside in manufactured/mobile home
18 communities are low-income households and senior citizens and are,
19 therefore, those residents most in need of reasonable security in the

1 siting of their manufactured/mobile homes because of the adverse
2 impacts on the health, safety, and welfare of tenants forced to move
3 due to closure, change of use, or discontinuance of manufactured/mobile
4 home communities.

5 (c) The preservation of manufactured/mobile home communities:

6 (i) Is a more economical alternative than providing new replacement
7 housing units for tenants who are displaced from closing
8 manufactured/mobile home communities;

9 (ii) Is a strategy by which all local governments can meet the
10 affordable housing needs of their residents;

11 (iii) Is a strategy by which local governments planning under RCW
12 36.70A.040 may meet the housing element of their comprehensive plans as
13 it relates to the provision of housing affordable to all economic
14 sectors; and

15 (iv) Should be a goal of all housing authorities and local
16 governments.

17 (d) The loss of manufactured/mobile home communities should not
18 result in a net loss of affordable housing, thus compromising the
19 ability of local governments to meet the affordable housing needs of
20 its residents and the ability of these local governments planning under
21 RCW 36.70A.040 to meet affordable housing goals under chapter 36.70A
22 RCW.

23 (e) The closure of manufactured/mobile home communities has serious
24 environmental, safety, and financial impacts, including:

25 (i) Homes that cannot be moved to other locations add to
26 Washington's landfills;

27 (ii) Homes that are abandoned might attract crime; and

28 (iii) Vacant homes that will not be reoccupied need to be tested
29 for asbestos and lead, and these toxic materials need to be removed
30 prior to demolition.

31 (f) The self-governance aspect of tenants owning
32 manufactured/mobile home communities results in a lesser usage of
33 police resources as tenants experience fewer societal conflicts when
34 they own the real estate as well as their homes.

35 (g) Housing authorities, by their creation and purpose, are the
36 public body corporate and politic of the city or county responsible for
37 addressing the availability of safe and sanitary dwelling

1 accommodations available to persons of low income, senior citizens, and
2 others.

3 (2) It is the intent of the legislature to encourage and facilitate
4 the preservation of existing manufactured/mobile home communities in
5 the event of voluntary sales of manufactured/mobile home communities
6 and, to the extent necessary and possible, to involve
7 manufactured/mobile home community tenants or an eligible organization
8 representing the interests of tenants, such as a nonprofit
9 organization, housing authority, or local government, in the
10 preservation of manufactured/mobile home communities.

11 **Sec. 2.** RCW 59.20.030 and 2003 c 127 s 1 are each amended to read
12 as follows:

13 For purposes of this chapter:

14 (1) "Abandoned" as it relates to a mobile home, manufactured home,
15 or park model owned by a tenant in a mobile home park, mobile home park
16 cooperative, or mobile home park subdivision or tenancy in a mobile
17 home lot means the tenant has defaulted in rent and by absence and by
18 words or actions reasonably indicates the intention not to continue
19 tenancy;

20 (2) "Eligible organization" includes local governments, local
21 housing authorities, nonprofit community or neighborhood-based
22 organizations, federally recognized Indian tribes in the state of
23 Washington, and regional or statewide nonprofit housing assistance
24 organizations;

25 (3) "Housing authority" or "authority" means any of the public body
26 corporate and politic created in RCW 35.82.030;

27 (4) "Landlord" means the owner of a mobile home park and includes
28 the agents of a landlord;

29 (~~(3)~~) (5) "Local government" means a town government, city
30 government, code city government, or county government in the state of
31 Washington;

32 (6) "Manufactured home" means a single-family dwelling built
33 according to the United States department of housing and urban
34 development manufactured home construction and safety standards act,
35 which is a national preemptive building code. A manufactured home
36 also: (a) Includes plumbing, heating, air conditioning, and electrical
37 systems; (b) is built on a permanent chassis; and (c) can be

1 transported in one or more sections with each section at least eight
2 feet wide and forty feet long when transported, or when installed on
3 the site is three hundred twenty square feet or greater;

4 ~~((4))~~ (7) "Manufactured/mobile home" means either a manufactured
5 home or a mobile home;

6 (8) "Mobile home" means a factory-built dwelling built prior to
7 June 15, 1976, to standards other than the United States department of
8 housing and urban development code, and acceptable under applicable
9 state codes in effect at the time of construction or introduction of
10 the home into the state. Mobile homes have not been built since the
11 introduction of the United States department of housing and urban
12 development manufactured home construction and safety act;

13 ~~((5))~~ (9) "Mobile home lot" means a portion of a mobile home park
14 or manufactured housing community designated as the location of one
15 mobile home, manufactured home, or park model and its accessory
16 buildings, and intended for the exclusive use as a primary residence by
17 the occupants of that mobile home, manufactured home, or park model;

18 ~~((6))~~ (10) "Mobile home park," ~~((or))~~ "manufactured housing
19 community," or "manufactured/mobile home community" means any real
20 property which is rented or held out for rent to others for the
21 placement of two or more mobile homes, manufactured homes, or park
22 models for the primary purpose of production of income, except where
23 such real property is rented or held out for rent for seasonal
24 recreational purpose only and is not intended for year-round occupancy;

25 ~~((7))~~ (11) "Mobile home park cooperative" or "manufactured
26 housing cooperative" means real property consisting of common areas and
27 two or more lots held out for placement of mobile homes, manufactured
28 homes, or park models in which both the individual lots and the common
29 areas are owned by an association of shareholders which leases or
30 otherwise extends the right to occupy individual lots to its own
31 members;

32 ~~((8))~~ (12) "Mobile home park subdivision" or "manufactured
33 housing subdivision" means real property, whether it is called a
34 subdivision, condominium, or planned unit development, consisting of
35 common areas and two or more lots held for placement of mobile homes,
36 manufactured homes, or park models in which there is private ownership
37 of the individual lots and common, undivided ownership of the common
38 areas by owners of the individual lots;

1 ~~((9))~~ (13) "Notice of sale" means a notice required under section
2 4 of this act to be delivered to all tenants of a manufactured/mobile
3 home community and other specified parties within fourteen days after
4 the date on which any advertisement, multiple listing, or public notice
5 advertises that a manufactured/mobile home community is for sale;

6 (14) "Park model" means a recreational vehicle intended for
7 permanent or semi-permanent installation and is used as a primary
8 residence;

9 ~~((10))~~ (15) "Qualified sale of manufactured/mobile home
10 community" means the sale, as defined in RCW 82.45.010, of land and
11 improvements comprising a manufactured/mobile home community that is
12 transferred in a single purchase to a qualified tenant organization or
13 to an eligible organization for the purpose of preserving the property
14 as a manufactured/mobile home community;

15 (16) "Qualified tenant organization" means a formal organization of
16 tenants within a manufactured/mobile home community, with the only
17 requirement for membership consisting of being a tenant;

18 (17) "Recreational vehicle" means a travel trailer, motor home,
19 truck camper, or camping trailer that is primarily designed and used as
20 temporary living quarters, is either self-propelled or mounted on or
21 drawn by another vehicle, is transient, is not occupied as a primary
22 residence, and is not immobilized or permanently affixed to a mobile
23 home lot;

24 ~~((11))~~ (18) "Tenant" means any person, except a transient, who
25 rents a mobile home lot;

26 ~~((12))~~ (19) "Transient" means a person who rents a mobile home
27 lot for a period of less than one month for purposes other than as a
28 primary residence;

29 ~~((13))~~ (20) "Occupant" means any person, including a live-in care
30 provider, other than a tenant, who occupies a mobile home, manufactured
31 home, or park model and mobile home lot.

32 **Sec. 3.** RCW 82.45.010 and 2000 2nd sp.s. c 4 s 26 are each amended
33 to read as follows:

34 (1) As used in this chapter, the term "sale" shall have its
35 ordinary meaning and shall include any conveyance, grant, assignment,
36 quitclaim, or transfer of the ownership of or title to real property,
37 including standing timber, or any estate or interest therein for a

1 valuable consideration, and any contract for such conveyance, grant,
2 assignment, quitclaim, or transfer, and any lease with an option to
3 purchase real property, including standing timber, or any estate or
4 interest therein or other contract under which possession of the
5 property is given to the purchaser, or any other person at the
6 purchaser's direction, and title to the property is retained by the
7 vendor as security for the payment of the purchase price. The term
8 also includes the grant, assignment, quitclaim, sale, or transfer of
9 improvements constructed upon leased land.

10 (2) The term "sale" also includes the transfer or acquisition
11 within any twelve-month period of a controlling interest in any entity
12 with an interest in real property located in this state for a valuable
13 consideration. For purposes of this subsection, all acquisitions of
14 persons acting in concert shall be aggregated for purposes of
15 determining whether a transfer or acquisition of a controlling interest
16 has taken place. The department of revenue shall adopt standards by
17 rule to determine when persons are acting in concert. In adopting a
18 rule for this purpose, the department shall consider the following:

19 (a) Persons shall be treated as acting in concert when they have a
20 relationship with each other such that one person influences or
21 controls the actions of another through common ownership; and

22 (b) When persons are not commonly owned or controlled, they shall
23 be treated as acting in concert only when the unity with which the
24 purchasers have negotiated and will consummate the transfer of
25 ownership interests supports a finding that they are acting as a single
26 entity. If the acquisitions are completely independent, with each
27 purchaser buying without regard to the identity of the other
28 purchasers, then the acquisitions shall be considered separate
29 acquisitions.

30 (3) The term "sale" shall not include:

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

32 (b) A transfer of any leasehold interest other than of the type
33 mentioned above.

34 (c) A cancellation or forfeiture of a vendee's interest in a
35 contract for the sale of real property, whether or not such contract
36 contains a forfeiture clause, or deed in lieu of foreclosure of a
37 mortgage.

1 (d) The partition of property by tenants in common by agreement or
2 as the result of a court decree.

3 (e) The assignment of property or interest in property from one
4 spouse to the other in accordance with the terms of a decree of divorce
5 or in fulfillment of a property settlement agreement.

6 (f) The assignment or other transfer of a vendor's interest in a
7 contract for the sale of real property, even though accompanied by a
8 conveyance of the vendor's interest in the real property involved.

9 (g) Transfers by appropriation or decree in condemnation
10 proceedings brought by the United States, the state or any political
11 subdivision thereof, or a municipal corporation.

12 (h) A mortgage or other transfer of an interest in real property
13 merely to secure a debt, or the assignment thereof.

14 (i) Any transfer or conveyance made pursuant to a deed of trust or
15 an order of sale by the court in any mortgage, deed of trust, or lien
16 foreclosure proceeding or upon execution of a judgment, or deed in lieu
17 of foreclosure to satisfy a mortgage or deed of trust.

18 (j) A conveyance to the federal housing administration or veterans
19 administration by an authorized mortgagee made pursuant to a contract
20 of insurance or guaranty with the federal housing administration or
21 veterans administration.

22 (k) A transfer in compliance with the terms of any lease or
23 contract upon which the tax as imposed by this chapter has been paid or
24 where the lease or contract was entered into prior to the date this tax
25 was first imposed.

26 (l) The sale of any grave or lot in an established cemetery.

27 (m) A sale by the United States, this state or any political
28 subdivision thereof, or a municipal corporation of this state.

29 (n) A sale to a regional transit authority or public corporation
30 under RCW 81.112.320 under a sale/leaseback agreement under RCW
31 81.112.300.

32 (o) A transfer of real property, however effected, if it consists
33 of a mere change in identity or form of ownership of an entity where
34 there is no change in the beneficial ownership. These include
35 transfers to a corporation or partnership which is wholly owned by the
36 transferor and/or the transferor's spouse or children: PROVIDED, That
37 if thereafter such transferee corporation or partnership voluntarily
38 transfers such real property, or such transferor, spouse, or children

1 voluntarily transfer stock in the transferee corporation or interest in
2 the transferee partnership capital, as the case may be, to other than
3 (1) the transferor and/or the transferor's spouse or children, (2) a
4 trust having the transferor and/or the transferor's spouse or children
5 as the only beneficiaries at the time of the transfer to the trust, or
6 (3) a corporation or partnership wholly owned by the original
7 transferor and/or the transferor's spouse or children, within three
8 years of the original transfer to which this exemption applies, and the
9 tax on the subsequent transfer has not been paid within sixty days of
10 becoming due, excise taxes shall become due and payable on the original
11 transfer as otherwise provided by law.

12 (p)(i) A transfer that for federal income tax purposes does not
13 involve the recognition of gain or loss for entity formation,
14 liquidation or dissolution, and reorganization, including but not
15 limited to nonrecognition of gain or loss because of application of
16 section 332, 337, 351, 368(a)(1), 721, or 731 of the Internal Revenue
17 Code of 1986, as amended.

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

35 (q) A qualified sale of a manufactured/mobile home community, as
36 defined in RCW 59.20.030, that takes place on or after the effective
37 date of this act but before December 31, 2018.

1 organizations or persons in the process of forming a resident
2 organization pursuant to chapter 59.22 RCW. The office will keep
3 records of its activities in this area.

4 (2) The office shall administer the mobile home relocation
5 assistance program established in chapter 59.21 RCW, including
6 verifying the eligibility of tenants for relocation assistance.

7 NEW SECTION. **Sec. 7.** The following acts or parts of acts are each
8 repealed:

- 9 (1) RCW 59.23.005 (Findings--Intent) and 1993 c 66 s 1;
- 10 (2) RCW 59.23.010 (Obligation of good faith) and 1993 c 66 s 2;
- 11 (3) RCW 59.23.015 (Application of chapter--Definition of "notice")
12 and 1993 c 66 s 3;
- 13 (4) RCW 59.23.020 (Definitions) and 1993 c 66 s 4;
- 14 (5) RCW 59.23.025 (Notice to qualified tenant organization of sale
15 of mobile home park--Time frame for negotiations--Terms--Transfer or
16 sale to relatives) and 1993 c 66 s 5;
- 17 (6) RCW 59.23.030 (Improper notice by mobile home park owner--Sale
18 may be set aside--Attorneys' fees) and 1993 c 66 s 6;
- 19 (7) RCW 59.23.035 (Notice to mobile home park owner of sale of
20 tenant's mobile home--Time frame for negotiations--Terms--Transfer or
21 sale to relatives) and 1993 c 66 s 7; and
- 22 (8) RCW 59.23.040 (Improper notice by mobile home owner--Sale may
23 be set aside--Attorneys' fees) and 1993 c 66 s 8.

24 NEW SECTION. **Sec. 8.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

Passed by the House March 8, 2008.
Passed by the Senate March 5, 2008.
Approved by the Governor March 21, 2008.
Filed in Office of Secretary of State March 24, 2008.