
Housing Committee

HB 1129

Brief Description: Concerning the sale or lease of manufactured/mobile home communities and the property on which they sit.

Sponsors: Representatives Gregerson, Duerr, Reed, Peterson, Bateman, Ramel, Leavitt, Doglio, Macri, Simmons, Reeves, Chopp, Lekanoff, Wylie, Santos, Ormsby, Kloba and Tharinger.

Brief Summary of Bill

- Requires a landlord to provide written notice of opportunity to purchase when selling or leasing a manufactured/mobile home community (community).
- Allows eligible organizations a fixed period of time to provide written notice of intent to consider purchasing or leasing a community and to make an offer, during which time the landlord may not make a final unconditional acceptance of another offer.
- Requires, with limited exceptions, that a landlord provide three years' notice of a community's closure or conversion.

Hearing Date: 1/16/23

Staff: Serena Dolly (786-7150).

Background:

The Manufactured/Mobile Home Landlord-Tenant Act.

The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the legal rights, remedies, and obligations arising from any rental agreement between a landlord and a tenant regarding a lot within a mobile home park or manufactured housing community (community)

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where the tenant has no ownership interest in the property.

Notice of Sale.

Under the MHLTA, within 14 days of any advertisement, listing, or public notice offering a community for sale, a landlord must provide written notice of sale by certified mail or personal delivery to:

- each tenant;
- the officers of any known qualified tenant organizations;
- the local government and the housing authority within whose jurisdiction all or part of the community;
- the Department of Commerce's Office of Mobile/Manufactured Home Relocation Assistance; and
- the Washington State Housing Finance Commission.

The notice of sale must include a statement that the landlord intends to sell the community and provide the contact information of the landlord or landlord's agent who is responsible for communicating about the sale of the property. A landlord intending to sell a community is encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations.

A qualified tenant organization is a formal organization of tenants within a community, where the only requirement for membership is being a tenant. An eligible organization includes local governments, local housing authorities, nonprofit community- or neighborhood-based organizations, federally recognized Indian tribes in the state, and regional or statewide nonprofit housing assistance organizations.

Notice of Closure.

In the case of closure or conversion of a community, the landlord must provide tenants with 12 months' notice. Additionally, the notice of closure must be given to the director of the Department of Commerce (Commerce) and posted at all entrances to the community.

Exceptions to the 12-month closure notice requirement applies if:

- the community has been acquired for or is under imminent threat of condemnation;
- the community is sold to an organization of its tenants, a nonprofit organization, a local government, or a housing authority for the purpose of preserving the community; or
- the landlord compensates the tenants for the loss of their homes at their assessed value, as determined by the county assessor, at any point during the notice period and prior to a change of use or sale of the property. At the time compensation is paid, the tenant must be given written notice of at least 90 days in which to vacate, and the tenant must continue to pay rent while remaining in the community.

Summary of Bill:

Notice of Sale.

The notice of sale required to be delivered within 14 days of any advertisement, listing, or public notice offering a community for sale is modified to include notice before any private listing or if the owner seeks to lease, instead of sell, the community.

Notice of Opportunity to Purchase.

In addition to the requirements for the notice of sale, a landlord must provide a written notice of opportunity to purchase a community to each tenant, Commerce, and the Housing Finance Commission by certified mail or personal delivery within 14 days after the date any advertisement, listing, or public or private notice is first made offering the community, or property on which it sits (property), for sale or lease.

A notice of opportunity to purchase must include:

- a statement that the landlord intends to sell or lease the community or property;
- a statement that: (1) qualified tenant organizations or other eligible organizations have 45 days to provide the landlord with notice of intent to consider purchasing or leasing the community, during which time the landlord may not make final acceptance of an offer to purchase or lease the community; and (2) if a notice of intent is provided within 45 days, the landlord may not make final acceptance of an offer to purchase or lease the community from anyone other than a qualified tenant organization or eligible organization for an additional 12 months;
- a signed affidavit that discloses the advertised or listed selling price; and
- the contact information for the landlord or agent who is responsible for communication regarding the opportunity to make an offer.

If a qualified tenant organization or other eligible organization provides notice within 45 days that expresses an intent to consider purchasing or leasing the community, the landlord may not make a final unconditional acceptance of an offer from anyone other than a qualified tenant organization or eligible organization for an additional 12 months. If no such notice of intent is provided, the landlord is not subject to the 12-month waiting period.

If an eligible organization submits notice of intent to purchase or lease the community or the property, both the landlord and the organization are required to negotiate in good faith. Community land trusts and resident nonprofit cooperatives are added to the definition of eligible organizations.

A notice of opportunity to purchase is not required for a sale or lease of a community or the property if the transaction is:

- due to foreclosure;
- incidental to financing the community;
- pursuant to eminent domain;
- pursuant to a tax sale;

- between joint tenants or tenants in common;
- among the partners or shareholders who own the manufactured/mobile home community;
or
- to a member of the owner's family or to a trust for the sole benefit of members of the owner's family.

Commerce must maintain a registry of all eligible organizations who have submitted a written request to receive notices of opportunity to purchase or lease communities, including the name and mailing address of the organization. Commerce must provide the organizations with such notices received from landlords and provide copies of the registry upon request.

A landlord who sells or leases a community and willfully fails to comply with the notice, waiting period, or good faith negotiation requirements is liable to the state for a civil penalty of \$10,000. The Attorney General may bring a civil action in the name of the state against the landlord.

Notice of Closure.

The closure notice requirement is extended from 12 months to three years. A rental agreement must include a statement, in large, bold face type, that the community may be sold at any time after the required closure notice with the result that the community may be closed.

If a closure notice is in effect, a tenant who sells a mobile home within a community must provide the buyer with a copy of a closure notice at least 15 days in advance of the intended sale and transfer.

The first two exceptions to the closure notice requirement remain in place unchanged; however, changes are made to the third exception. Specifically, the three years' notice of closure requirement is reduced:

- To 24 months if the landlord provides relocation assistance of at least \$17,000 for a multi-section home and \$11,000 for a single section home; or
- To 12 months if the owner provides relocation assistance of at least \$17,000 for a multi-section home and \$11,000 for a single section home and compensates the tenants for the loss of their homes at the greater of market value as determined prior to a change of use or sale of the property or \$5,000.

A tenant receiving relocation assistance and/or compensation for the value of their home must be given 12 months to vacate and may relocate the home. If the home remains in the community after the tenant vacates, the landlord is responsible for its demolition or disposal.

Appropriation: None.

Fiscal Note: Requested on January 13, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is

passed.