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**SUBSTITUTE SENATE BILL 5697**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Housing (originally sponsored by Senators Van De Wege, Kuderer, Conway, Hunt, Lovelett, and C. Wilson)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to authorizing the utilities and transportation  
2 commission to regulate the rates and services of all persons engaging  
3 in the business of acting as a landlord for a mobile home park,  
4 manufactured housing community, or manufactured/mobile home  
5 community; amending RCW 80.01.040 and 59.20.060; reenacting and  
6 amending RCW 59.20.030; adding new sections to chapter 59.20 RCW; and  
7 prescribing penalties.

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

9 **Sec. 1.** RCW 59.20.030 and 2019 c 342 s 1 and 2019 c 23 s 4 are  
10 each reenacted and amended to read as follows:

11 For purposes of this chapter:

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

18 (2) "Active duty" means service authorized by the president of  
19 the United States, the secretary of defense, or the governor for a  
20 period of more than thirty consecutive days;

1       (3) "Consumer price index" means the September 12-month percent  
2 change in the consumer price index for all urban consumers, west  
3 region, as published by the bureau of labor statistics of the United  
4 States department of labor in September of the current calendar year.

5       (4) "Eligible organization" includes local governments, local  
6 housing authorities, nonprofit community or neighborhood-based  
7 organizations, federally recognized Indian tribes in the state of  
8 Washington, and regional or statewide nonprofit housing assistance  
9 organizations;

10       ~~((4))~~ (5) "Housing and low-income assistance organization"  
11 means an organization that provides tenants living in mobile home  
12 parks, manufactured housing communities, and manufactured/mobile home  
13 communities with information about their rights and other pertinent  
14 information;

15       ~~((5))~~ (6) "Housing authority" or "authority" means any of the  
16 public body corporate and politic created in RCW 35.82.030;

17       ~~((6))~~ (7) "Landlord" means the owner of a mobile home park and  
18 includes the agents of a landlord;

19       ~~((7))~~ (8) "Local government" means a town government, city  
20 government, code city government, or county government in the state  
21 of Washington;

22       ~~((8))~~ (9) "Manufactured home" means a single-family dwelling  
23 built according to the United States department of housing and urban  
24 development manufactured home construction and safety standards act,  
25 which is a national preemptive building code. A manufactured home  
26 also: (a) Includes plumbing, heating, air conditioning, and  
27 electrical systems; (b) is built on a permanent chassis; and (c) can  
28 be transported in one or more sections with each section at least  
29 eight feet wide and forty feet long when transported, or when  
30 installed on the site is three hundred twenty square feet or greater;

31       ~~((9))~~ (10) "Manufactured/mobile home" means either a  
32 manufactured home or a mobile home;

33       ~~((10))~~ (11) "Mobile home" means a factory-built dwelling built  
34 prior to June 15, 1976, to standards other than the United States  
35 department of housing and urban development code, and acceptable  
36 under applicable state codes in effect at the time of construction or  
37 introduction of the home into the state. Mobile homes have not been  
38 built since the introduction of the United States department of  
39 housing and urban development manufactured home construction and  
40 safety act;

1       (~~(11)~~) (12) "Mobile home lot" means a portion of a mobile home  
2 park or manufactured housing community designated as the location of  
3 one mobile home, manufactured home, or park model and its accessory  
4 buildings, and intended for the exclusive use as a primary residence  
5 by the occupants of that mobile home, manufactured home, or park  
6 model;

7       (~~(12)~~) (13) "Mobile home park cooperative" or "manufactured  
8 housing cooperative" means real property consisting of common areas  
9 and two or more lots held out for placement of mobile homes,  
10 manufactured homes, or park models in which both the individual lots  
11 and the common areas are owned by an association of shareholders  
12 which leases or otherwise extends the right to occupy individual lots  
13 to its own members;

14       (~~(13)~~) (14) "Mobile home park subdivision" or "manufactured  
15 housing subdivision" means real property, whether it is called a  
16 subdivision, condominium, or planned unit development, consisting of  
17 common areas and two or more lots held for placement of mobile homes,  
18 manufactured homes, or park models in which there is private  
19 ownership of the individual lots and common, undivided ownership of  
20 the common areas by owners of the individual lots;

21       (~~(14)~~) (15) "Mobile home park," "manufactured housing  
22 community," or "manufactured/mobile home community" means any real  
23 property which is rented or held out for rent to others for the  
24 placement of two or more mobile homes, manufactured homes, or park  
25 models for the primary purpose of production of income, except where  
26 such real property is rented or held out for rent for seasonal  
27 recreational purpose only and is not intended for year-round  
28 occupancy;

29       (~~(15)~~) (16) "Notice of sale" means a notice required under RCW  
30 59.20.300 to be delivered to all tenants of a manufactured/mobile  
31 home community and other specified parties within fourteen days after  
32 the date on which any advertisement, multiple listing, or public  
33 notice advertises that a manufactured/mobile home community is for  
34 sale;

35       (~~(16)~~) (17) "Occupant" means any person, including a live-in  
36 care provider, other than a tenant, who occupies a mobile home,  
37 manufactured home, or park model and mobile home lot;

38       (~~(17)~~) (18) "Orders" means written official military orders, or  
39 any written notification, certification, or verification from the

1 service member's commanding officer, with respect to the service  
2 member's current or future military status;

3 ~~((18))~~ (19) "Park model" means a recreational vehicle intended  
4 for permanent or semi-permanent installation and is used as a primary  
5 residence;

6 ~~((19))~~ (20) "Permanent change of station" means: (a) Transfer  
7 to a unit located at another port or duty station; (b) change of a  
8 unit's home port or permanent duty station; (c) call to active duty  
9 for a period not less than ninety days; (d) separation; or (e)  
10 retirement;

11 ~~((20))~~ (21) "Qualified sale of manufactured/mobile home  
12 community" means the sale, as defined in RCW 82.45.010, of land and  
13 improvements comprising a manufactured/mobile home community that is  
14 transferred in a single purchase to a qualified tenant organization  
15 or to an eligible organization for the purpose of preserving the  
16 property as a manufactured/mobile home community;

17 ~~((21))~~ (22) "Qualified tenant organization" means a formal  
18 organization of tenants within a manufactured/mobile home community,  
19 with the only requirement for membership consisting of being a  
20 tenant;

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

27 ~~((23))~~ (24) "Service member" means an active member of the  
28 United States armed forces, a member of a military reserve component,  
29 or a member of the national guard who is either stationed in or a  
30 resident of Washington state;

31 ~~((24))~~ (25) "Tenant" means any person, except a transient, who  
32 rents a mobile home lot;

33 ~~((25))~~ (26) "Transient" means a person who rents a mobile home  
34 lot for a period of less than one month for purposes other than as a  
35 primary residence.

36 NEW SECTION. **Sec. 2.** A new section is added to chapter 59.20  
37 RCW to read as follows:

1 (1) Except as authorized by an exemption described in section 3  
2 of this act and as provided in RCW 59.20.060(2)(c), a landlord may  
3 not increase the rent for any tenancy:

4 (a) During the first 12 months after the tenancy begins; and

5 (b) At any time after the first year of the tenancy in an amount  
6 greater than the rate of inflation as measured by the consumer price  
7 index above the existing rent.

8 (2) Notice under this section must comply with the requirements  
9 of RCW 59.20.090(2) and be served in accordance with RCW 59.12.040.

10 (3) A landlord terminating a tenancy may not set rent for the  
11 next tenancy in an amount greater than the consumer price index above  
12 the previous rent.

13 (4) A landlord who charges rent in violation of this section and  
14 receives rent in excess of amounts permitted by this section is  
15 liable to the tenant for an amount not to exceed \$100,000.

16 (5) If a mobile home park or manufactured housing community has  
17 been sold or leased, the new owner or leaseholder may not increase  
18 rent beyond the amount that the previous landlord would have been  
19 permitted to increase the rent under this section or section 3 of  
20 this act.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 59.20  
22 RCW to read as follows:

23 (1) A landlord may increase rent in an amount greater than  
24 allowed under section 2 of this act only:

25 (a) By participating in the banked capacity program established  
26 under this section; or

27 (b) As provided in RCW 59.20.060(2)(c).

28 (2) If a landlord participates in the banked capacity program,  
29 the landlord may increase the rent above the maximum annual rent  
30 increase percentage by an additional amount for each year in which  
31 the landlord has banked capacity.

32 (3)(a) The banked capacity program operates as follows:

33 (i) If a landlord does not increase rent in a 12-month period,  
34 the landlord may choose to bank the rent increase capacity for future  
35 years. For each preceding year since the last increase in rent, the  
36 landlord may increase rent by the total consumer price index increase  
37 since the year in which rent was last raised. A landlord who  
38 participates in the banked capacity program must provide an annual  
39 notice as described in section 2(2) of this act to current and

1 prospective tenants of the total banked capacity and possible future  
2 rent increases. Notice must be served in accordance with RCW  
3 59.12.040. A landlord forfeits the landlord's right to claim banked  
4 rent increase capacity if the landlord fails to properly notify the  
5 landlord's tenants;

6 (ii) If a tenant is evicted or if a tenant leaves after an  
7 eviction has been initiated, for any new rental agreement entered  
8 into within 12 months of the termination of the prior tenancy, the  
9 amount of rent that a landlord may charge a new tenant is limited to  
10 the previous tenant's rent plus any banked capacity that was accrued  
11 under the prior tenancy;

12 (iii) If a tenant moves out voluntarily, the amount of rent that  
13 a landlord may charge a new tenant is not limited by the maximum  
14 annual rent increase percentage or any banked capacity, and the  
15 landlord may reset the rent to market rate. However, if the landlord  
16 increases the rent for the new tenant beyond the previous tenant's  
17 rent, any banked capacity is lost. If a landlord chooses not to  
18 increase the rent and charges a new tenant the same amount of rent  
19 that the landlord charged the previous tenant, the landlord may  
20 retain any banked capacity that was accrued under the prior tenancy;  
21 and

22 (iv) If a new owner buys a property and takes over a lease, the  
23 new owner may not increase rent for existing tenants beyond the  
24 amount that the previous landlord would have been allowed to increase  
25 rent. The former landlord's banked capacity may be transferred as  
26 part of a property sale.

27 (b) If a landlord participates in the banked capacity program the  
28 landlord must maintain all records relating to the banked capacity  
29 program for a three-year period, make these records available for  
30 public inspection, and furnish these records to the utilities and  
31 transportation commission upon the utilities and transportation  
32 commission's request.

33 (4) (a) Upon its own motion, or upon complaint by a tenant or  
34 third party, the utilities and transportation commission shall carry  
35 out duties imposed upon it by law to investigate the records,  
36 accounts, practices, and activities of the landlord.

37 (b) If the utilities and transportation commission finds any  
38 violation of this section, any costs incurred by the commission in  
39 its duties to review and investigate filings by the landlord shall be  
40 paid by the landlord.

1 (5) The utilities and transportation commission may adopt any  
2 rules in accordance with chapter 80.01 RCW necessary to implement  
3 this section.

4 **Sec. 4.** RCW 80.01.040 and 2007 c 234 s 1 are each amended to  
5 read as follows:

6 The utilities and transportation commission shall:

7 (1) Exercise all the powers and perform all the duties prescribed  
8 by this title and by Title 81 RCW, or by any other law.

9 (2) Regulate in the public interest, as provided by the public  
10 service laws, all persons engaging in the transportation of persons  
11 or property within this state for compensation.

12 (3) Regulate in the public interest, as provided by the public  
13 service laws, the rates, services, facilities, and practices of all  
14 persons engaging within this state in the business of supplying any  
15 utility service or commodity to the public for compensation.

16 (4) Regulate in the public interest, as provided by the public  
17 service laws, the rates and services of all persons engaging within  
18 this state in the business of acting as a landlord, as defined in RCW  
19 59.020.030, for mobile home parks, manufactured housing communities,  
20 or manufactured/mobile home communities.

21 (5) Make rules and regulations necessary to carry out its other  
22 powers and duties.

23 **Sec. 5.** RCW 59.20.060 and 2022 c 95 s 4 are each amended to read  
24 as follows:

25 (1) Any mobile home space tenancy regardless of the term, shall  
26 be based upon a written rental agreement, signed by the parties,  
27 which shall contain:

28 (a) The terms for the payment of rent, including time and place,  
29 and any additional charges to be paid by the tenant. Additional  
30 charges that occur less frequently than monthly shall be itemized in  
31 a billing to the tenant;

32 (b) Reasonable rules for guest parking which shall be clearly  
33 stated;

34 (c) The rules and regulations of the park;

35 (d) The name and address of the person who is the landlord, and  
36 if such person does not reside in the state there shall also be  
37 designated by name and address a person who resides in the county  
38 where the mobile home park is located who is authorized to act as

1 agent for the purposes of service of notices and process. If no  
2 designation is made of a person to act as agent, then the person to  
3 whom rental payments are to be made shall be considered the agent;

4 (e) The name and address of any party who has a secured interest  
5 in the mobile home, manufactured home, or park model;

6 (f) A forwarding address of the tenant or the name and address of  
7 a person who would likely know the whereabouts of the tenant in the  
8 event of an emergency or an abandonment of the mobile home,  
9 manufactured home, or park model;

10 (g) (i) A covenant by the landlord that, except for acts or events  
11 beyond the control of the landlord, the mobile home park will not be  
12 converted to a land use that will prevent the space that is the  
13 subject of the lease from continuing to be used for its intended use  
14 for a period of three years after the beginning of the term of the  
15 rental agreement;

16 (ii) A rental agreement may, in the alternative, contain a  
17 statement that: "The park may be sold or otherwise transferred at any  
18 time with the result that subsequent owners may close the mobile home  
19 park, or that the landlord may close the park at any time after the  
20 required closure notice as provided in RCW 59.20.080." The covenant  
21 or statement required by this subsection must: (A) Appear in print  
22 that is in bold face and is larger than the other text of the rental  
23 agreement; (B) be set off by means of a box, blank space, or  
24 comparable visual device; and (C) be located directly above the  
25 tenant's signature on the rental agreement;

26 (h) A copy of a closure notice, as required in RCW 59.20.080, if  
27 such notice is in effect;

28 (i) The terms and conditions under which any deposit or portion  
29 thereof may be withheld by the landlord upon termination of the  
30 rental agreement if any moneys are paid to the landlord by the tenant  
31 as a deposit or as security for performance of the tenant's  
32 obligations in a rental agreement;

33 (j) A listing of the utilities, services, and facilities which  
34 will be available to the tenant during the tenancy and the nature of  
35 the fees, if any, to be charged together with a statement that, in  
36 the event any utilities are changed to be charged independent of the  
37 rent during the term of the rental agreement, the landlord agrees to  
38 decrease the amount of the rent charged proportionately;

39 (k) A written description, picture, plan, or map of the  
40 boundaries of a mobile home space sufficient to inform the tenant of



1 the exact location of the tenant's space in relation to other  
2 tenants' spaces;

3 (l) A written description, picture, plan, or map of the location  
4 of the tenant's responsibility for utility hook-ups, consistent with  
5 RCW 59.20.130(6);

6 (m) A statement of the current zoning of the land on which the  
7 mobile home park is located;

8 (n) A statement of the expiration date of any conditional use,  
9 temporary use, or other land use permit subject to a fixed expiration  
10 date that is necessary for the continued use of the land as a mobile  
11 home park; and

12 (o) A written statement containing accurate historical  
13 information regarding the past five years' rental amount charged for  
14 the lot or space.

15 (2) Any rental agreement executed between the landlord and tenant  
16 shall not contain any provision:

17 (a) Which allows the landlord to charge a fee for guest parking  
18 unless a violation of the rules for guest parking occurs: PROVIDED,  
19 That a fee may be charged for guest parking which covers an extended  
20 period of time as defined in the rental agreement;

21 (b) Which authorizes the towing or impounding of a vehicle except  
22 upon notice to the owner thereof or the tenant whose guest is the  
23 owner of the vehicle;

24 (c) Which allows the landlord to alter the due date for rent  
25 payment or increase the rent: (i) During the term of the rental  
26 agreement if the term is less than two years, or (ii) more frequently  
27 than annually if the initial term is for two years or more: PROVIDED,  
28 That a rental agreement may include an escalation clause for a pro  
29 rata share of any increase in the mobile home park's real property  
30 taxes or utility assessments or charges, over the base taxes or  
31 utility assessments or charges of the year in which the rental  
32 agreement took effect, if the clause also provides for a pro rata  
33 reduction in rent or other charges in the event of a reduction in  
34 real property taxes or utility assessments or charges, below the base  
35 year: PROVIDED FURTHER, That a rental agreement for a term exceeding  
36 two years may provide for annual increases in rent in specified  
37 amounts or by a formula specified in such agreement. Any rent  
38 increase authorized under this subsection may not exceed the value of  
39 the previous year's rent plus the consumer price index for the year  
40 in which the agreement was signed. Any rent increase authorized under

1 this subsection (2)(c) that occurs within the closure notice period  
2 pursuant to RCW 59.20.080(1)(e) may not be more than one percentage  
3 point above the United States consumer price index for all urban  
4 consumers, housing component, published by the United States bureau  
5 of labor statistics in the periodical "Monthly Labor Review and  
6 Handbook of Labor Statistics" as established annually by the  
7 department of commerce;

8 (d) By which the tenant agrees to waive or forego rights or  
9 remedies under this chapter;

10 (e) Allowing the landlord to charge an "entrance fee" or an "exit  
11 fee." However, an entrance fee may be charged as part of a continuing  
12 care contract as defined in RCW 70.38.025;

13 (f) Which allows the landlord to charge a fee for guests:  
14 PROVIDED, That a landlord may establish rules charging for guests who  
15 remain on the premises for more than fifteen days in any 60-day  
16 period;

17 (g) By which the tenant agrees to waive or forego homestead  
18 rights provided by chapter 6.13 RCW. This subsection shall not  
19 prohibit such waiver after a default in rent so long as such waiver  
20 is in writing signed by the husband and wife or by an unmarried  
21 claimant and in consideration of the landlord's agreement not to  
22 terminate the tenancy for a period of time specified in the waiver if  
23 the landlord would be otherwise entitled to terminate the tenancy  
24 under this chapter;

25 (h) By which, at the time the rental agreement is entered into,  
26 the landlord and tenant agree to the selection of a particular  
27 arbitrator; or

28 (i) By which the tenant agrees to make rent payments through  
29 electronic means only.

30 (3) Any provision prohibited under this section that is included  
31 in a rental agreement is unenforceable.

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