## CERTIFICATION OF ENROLLMENT

## ENGROSSED SECOND SUBSTITUTE SENATE BILL 5198

Chapter 40, Laws of 2023

68th Legislature 2023 Regular Session

MANUFACTURED/MOBILE HOME COMMUNITIES—CLOSURE OR CONVERSION

EFFECTIVE DATE: July 23, 2023

Passed by the Senate March 3, 2023 CERTIFICATE Yeas 31 Nays 17 I, Sarah Bannister, Secretary of the Senate of the State of DENNY HECK Washington, do hereby certify that the attached is **ENGROSSED SECOND** President of the Senate SUBSTITUTE SENATE BILL 5198 as passed by the Senate and the House of Representatives on the dates Passed by the House March 23, 2023 hereon set forth. Yeas 95 Nays 3 SARAH BANNISTER LAURIE JINKINS Secretary Speaker of the House of Representatives Approved April 6, 2023 9:52 AM FILED April 6, 2023 Secretary of State JAY INSLEE State of Washington

Governor of the State of Washington

#### ENGROSSED SECOND SUBSTITUTE SENATE BILL 5198

Passed Legislature - 2023 Regular Session

## State of Washington 68th Legislature 2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Frame, Kuderer, Hasegawa, Hunt, Keiser, Lovelett, Nobles, Valdez, and C. Wilson)

READ FIRST TIME 02/24/23.

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AN ACT Relating to the sale or lease of manufactured/mobile home communities and the property on which they sit; amending RCW 59.20.060, 59.20.073, 59.20.080, 59.20.300, 59.20.305, and 59.21.040; reenacting and amending RCW 59.20.030; adding new sections to chapter 59.20 RCW; creating a new section; and prescribing penalties.

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

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

- (a) Manufactured/mobile homes provide a significant source of homeownership opportunities for Washington state residents. However, the increasing number of closures and conversions to other uses of manufactured housing communities and mobile home parks, combined with low vacancy rates in existing parks and communities and the extremely high cost of moving homes when these parks and communities close, make this type of affordable housing option increasingly insecure for the tenants who reside in these parks and communities.
- (b) Many tenants who reside in these parks and communities are senior citizens or low-income households and are, therefore, the residents most in need of reasonable security or permanency in the siting of their home because of the adverse impacts on the health, safety, and welfare of tenants forced to move due to closure or

- 1 conversion to another use of the manufactured housing community or 2 mobile home park.
  - (2) It is the intent of the legislature to encourage and facilitate the preservation of existing manufactured/mobile home communities in the event of voluntary sales of the manufactured/mobile home communities and, to the extent necessary and possible, involve manufactured/mobile home community tenants or an eligible organization, such as a nonprofit organization, housing authority, community land trust, resident nonprofit cooperative, or local government, in the preservation of manufactured/mobile home communities.
  - (3) The legislature further finds that when the sale of a manufactured/mobile home park to the community tenants or an eligible organization is not possible, a minimum notification period of two years before the closure or conversion of a community or park is a reasonable balancing of the rights and interests of both community and park owners and the manufactured/mobile home owners, unless the owners justly compensate the homeowners for the loss of their homes.
- **Sec. 2.** RCW 59.20.030 and 2019 c 342 s 1 and 2019 c 23 s 4 are 20 each reenacted and amended to read as follows:

For purposes of this chapter:

- (1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;
- (2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than thirty consecutive days;
- (3) "Community land trust" means a private, nonprofit, communitygoverned, and/or membership corporation whose mission is to acquire, hold, develop, lease, and steward land for making homes, farmland, gardens, businesses, and other community assets permanently affordable for current and future generations. A community land trust's bylaws prescribe that the governing board is comprised of individuals who reside in the community land trust's service area, one-third of whom are currently, or could be, community land trust leaseholders;

(4) "Eligible organization" includes <u>community land trusts</u>, <u>resident nonprofit cooperatives</u>, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations;

- ((4)) (5) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home communities with information about their rights and other pertinent information;
- $((\frac{(5)}{(5)}))$  <u>(6)</u> "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;
  - ((<del>(6)</del>)) <u>(7)</u> "Landlord" <u>or "owner"</u> means the owner of a mobile home park and includes the agents of ((<del>a landlord</del>)) <u>the owner;</u>
- $((\frac{(7)}{)})$  <u>(8)</u> "Local government" means a town government, city government, code city government, or county government in the state of Washington;
  - ((\(\frac{(\(\frac{8}{\cup}\))}{\cup}\)) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and ((\(\frac{forty}{0}\))) 40 feet long when transported, or when installed on the site is three hundred twenty square feet or greater;
  - ((+9))) (10) "Manufactured/mobile home" means either a manufactured home or a mobile home;
  - (((10))) (11) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;
  - ((<del>(11)</del>)) <u>(12)</u> "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence

by the occupants of that mobile home, manufactured home, or park
model;

- ((<del>(12)</del>)) <u>(13)</u> "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;
- ((<del>(13)</del>)) <u>(14)</u> "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;
- ((<del>(14)</del>)) (15) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;
- ((<del>(15)</del>)) (16) "Notice of opportunity to compete to purchase" means a notice required under section 8 of this act;
- (17) "Notice of sale" means a notice required under RCW 59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within ((fourteen)) 14 days after the date on which any advertisement, ((multiple)) listing, or public or private notice ((advertises)) is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease. A delivered notice of opportunity to compete to purchase acts as a notice of sale;
- ((<del>(16)</del>)) <u>(18)</u> "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;
- $((\frac{(17)}{(17)}))$  (19) "Orders" means written official military orders, or 39 any written notification, certification, or verification from the

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

 $((\frac{18}{18}))$  (20) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;

 $((\frac{19}{19}))$  <u>(21)</u> "Permanent change of station" means: (a) Transfer to a unit located at another port or duty station; (b) change of a unit's home port or permanent duty station; (c) call to active duty for a period not less than  $(\frac{\text{ninety}}{\text{ninety}})$  <u>90</u> days; (d) separation; or (e) retirement;

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

((<del>(21)</del>)) (23) "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant. If a majority of the tenants, based on home sites within the manufactured/mobile home community, agree that they want to preserve the manufactured/mobile home community then they will appoint a spokesperson to represent the wishes of the qualified tenant organization to the landlord and the landlord's representative;

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

((<del>(23)</del>)) (25) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative;

(26) "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state;

- 1 (((24))) (27) "Tenant" means any person, except a transient, who 2 rents a mobile home lot;
- (((25))) (28) "Transient" means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence.
- 6 **Sec. 3.** RCW 59.20.060 and 2022 c 95 s 4 are each amended to read 7 as follows:
- 8 (1) Any mobile home space tenancy regardless of the term, shall 9 be based upon a written rental agreement, signed by the parties, 10 which shall contain:
  - (a) The terms for the payment of rent, including time and place, and any additional charges to be paid by the tenant. Additional charges that occur less frequently than monthly shall be itemized in a billing to the tenant;
- 15 (b) Reasonable rules for guest parking which shall be clearly 16 stated;
  - (c) The rules and regulations of the park;

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- (d) The name and address of the person who is the landlord, and if such person does not reside in the state there shall also be designated by name and address a person who resides in the county where the mobile home park is located who is authorized to act as agent for the purposes of service of notices and process. If no designation is made of a person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;
- (e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;
- (f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;
- (g)(((i) A covenant by the landlord that, except for acts or events beyond the control of the landlord, the mobile home park will not be converted to a land use that will prevent the space that is the subject of the lease from continuing to be used for its intended use for a period of three years after the beginning of the term of the rental agreement;
- (ii))) A ((rental agreement may, in the alternative, contain a))

  statement that: "The park may be sold or otherwise transferred at any

  time with the result that subsequent owners may close the mobile home

- park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The ((covenant or)) statement required by this subsection must: ((A)) (i) Appear in print that is in boldface and is larger than the other text of the rental agreement; ((B)) (ii) be set off by means of a box, blank space, or comparable visual device; and ((C)) (iii) be located directly above the tenant's signature on the rental agreement;
- 8 (h) A copy of a closure notice, as required in RCW 59.20.080, if 9 such notice is in effect;

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- (i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;
- (j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately;
- (k) A written description, picture, plan, or map of the boundaries of a mobile home space sufficient to inform the tenant of the exact location of the tenant's space in relation to other tenants' spaces;
- (1) A written description, picture, plan, or map of the location of the tenant's responsibility for utility hook-ups, consistent with RCW 59.20.130(6);
- 28 (m) A statement of the current zoning of the land on which the 29 mobile home park is located;
- 30 (n) A statement of the expiration date of any conditional use, 31 temporary use, or other land use permit subject to a fixed expiration 32 date that is necessary for the continued use of the land as a mobile 33 home park; and
  - (o) A written statement containing accurate historical information regarding the past five years' rental amount charged for the lot or space.
- 37 (2) Any rental agreement executed between the landlord and tenant 38 shall not contain any provision:
- 39 (a) Which allows the landlord to charge a fee for guest parking 40 unless a violation of the rules for guest parking occurs: PROVIDED,

That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;

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- (b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;
- 6 (c) Which allows the landlord to alter the due date for rent 7 payment or increase the rent: (i) During the term of the rental agreement if the term is less than two years, or (ii) more frequently 8 than annually if the initial term is for two years or more: PROVIDED, 9 That a rental agreement may include an escalation clause for a pro 10 11 rata share of any increase in the mobile home park's real property taxes or utility assessments or charges, over the base taxes or 12 utility assessments or charges of the year in which the rental 13 agreement took effect, if the clause also provides for a pro rata 14 reduction in rent or other charges in the event of a reduction in 15 16 real property taxes or utility assessments or charges, below the base 17 year: PROVIDED FURTHER, That a rental agreement for a term exceeding two years may provide for annual increases in rent in specified 18 amounts or by a formula specified in such agreement. Any rent 19 increase authorized under this subsection (2)(c) that occurs within 20 21 the closure notice period pursuant to RCW 59.20.080(1)(e) may not be more than one percentage point above the United States consumer price 22 index for all urban consumers, housing component, published by the 23 United States bureau of labor statistics in the periodical "Monthly 24 25 Labor Review and Handbook of Labor Statistics" as established 26 annually by the department of commerce;
  - (d) By which the tenant agrees to waive or forego rights or remedies under this chapter;
  - (e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;
  - (f) Which allows the landlord to charge a fee for guests: PROVIDED, That a landlord may establish rules charging for guests who remain on the premises for more than ((fifteen)) 15 days in any 60-day period;
  - (g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to

- terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter;
- 4 (h) By which, at the time the rental agreement is entered into, 5 the landlord and tenant agree to the selection of a particular 6 arbitrator; or
- 7 (i) By which the tenant agrees to make rent payments through 8 electronic means only.
- 9 (3) Any provision prohibited under this section that is included 10 in a rental agreement is unenforceable.
- 11 **Sec. 4.** RCW 59.20.073 and 2019 c 342 s 5 are each amended to 12 read as follows:

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- (1) Any rental agreement shall be assignable by the tenant to any person to whom he or she sells or transfers title to the mobile home, manufactured home, or park model.
- (2) A tenant who sells a mobile home, manufactured home, or park model within a park must provide the buyer with a copy of a closure notice provided by the landlord pursuant to RCW 59.20.080, if such notice is in effect, at least 15 days in advance of the intended sale and transfer.
- (3) A tenant who sells a mobile home, manufactured home, or park model within a park shall notify the landlord in writing of the date of the intended sale and transfer of the rental agreement at least ((fifteen)) 15 days in advance of such intended transfer and shall notify the buyer in writing of the provisions of this section. The tenant shall verify in writing to the landlord payment of all taxes, rent, and reasonable expenses due on the mobile home, manufactured home, or park model and mobile home lot. The tenant shall notify the buyer of all taxes, rent, and reasonable expenses due on the manufactured/mobile home or park model and the mobile home lot.
- 31  $((\frac{3}{3}))$  At least seven days in advance of such intended transfer, the landlord shall:
- 33 (a) Notify the selling tenant, in writing, of a refusal to permit 34 transfer of the rental agreement; or
  - (b) If the landlord approves of the transfer, provide the buyer with copies of the written rental agreement, the rules and regulations, and all other documents related to the tenancy. A landlord may not accept payment for rent or deposit from the buyer until the landlord has provided the buyer with these copies.

((<del>(4)</del>)) <u>(5)</u> The landlord may require the mobile home, manufactured home, or park model to meet applicable fire and safety standards if a state or local agency responsible for the enforcement of fire and safety standards has issued a notice of violation of those standards to the tenant and those violations remain uncorrected. Upon correction of the violation to the satisfaction of the state or local agency responsible for the enforcement of that notice of violation, the landlord's refusal to permit the transfer is deemed withdrawn.

- ((+5))) (6) The landlord shall approve or disapprove of the assignment of a rental agreement on the same basis that the landlord approves or disapproves of any new tenant, and any disapproval shall be in writing. Consent to an assignment shall not be unreasonably withheld.
- ((+6)) (7) Failure to notify the landlord in writing, as required under subsection ((+2)) (3) of this section; or failure of the new tenant to make a good faith attempt to arrange an interview with the landlord to discuss assignment of the rental agreement; or failure of the current or new tenant to obtain written approval of the landlord for assignment of the rental agreement, shall be grounds for disapproval of such transfer.
- **Sec. 5.** RCW 59.20.080 and 2019 c 342 s 6 are each amended to 23 read as follows:
  - (1) A landlord shall not terminate or fail to renew a tenancy of a tenant or the occupancy of an occupant, of whatever duration except for one or more of the following reasons:
  - (a) In accordance with RCW 59.20.045(6), substantial violation, or repeated or periodic violations, of an enforceable rule of the mobile home park as established by the landlord at the inception of or during the tenancy or for violation of the tenant's duties as provided in RCW 59.20.140. The tenant shall be given written notice to cease the rule violation immediately. The notice shall state that failure to cease the violation of the rule or any subsequent violation of that or any other rule shall result in termination of the tenancy, and that the tenant shall vacate the premises within twenty days: PROVIDED, That for a periodic violation the notice shall also specify that repetition of the same violation shall result in termination: PROVIDED FURTHER, That in the case of a violation of a "material change" in park rules with respect to pets, tenants with

minor children living with them, or recreational facilities, the tenant shall be given written notice under this chapter of a six month period in which to comply or vacate;

- (b) Nonpayment of rent or other charges specified in the rental agreement, upon ((fourteen))  $\underline{14}$  days written notice to pay rent and/or other charges or to vacate;
- (c) Conviction of the tenant of a crime, commission of which threatens the health, safety, or welfare of the other mobile home park tenants. The tenant shall be given written notice of a ((fifteen)) 15-day period in which to vacate;
- (d) Failure of the tenant to comply with local ordinances and state laws and regulations relating to mobile homes, manufactured homes, or park models or mobile home, manufactured homes, or park model living within a reasonable time after the tenant's receipt of notice of such noncompliance from the appropriate governmental agency;
- (e) Change of land use of the mobile home park including, but not limited to, closure of the mobile home park or conversion to a use other than for mobile homes, manufactured homes, or park models or conversion of the mobile home park to a mobile home park cooperative or mobile home park subdivision. The landlord shall give the tenants ((twelve months!)) two years! notice, in the form of a closure notice meeting the requirements of RCW 59.21.030, in advance of the effective date of such change. The two-year closure notice requirement does not apply if:
- (i) The mobile home park or manufactured housing community has been acquired for or is under imminent threat of condemnation;
- (ii) The mobile home park or manufactured housing community is sold or transferred to a county in order to reduce conflicting residential uses near a military installation;
- (iii) The mobile home park or manufactured housing community is sold to an <u>eligible</u> organization ((<del>comprised of park or community tenants, to a nonprofit organization, to a local government, or to a housing authority for the purpose of preserving the park or community)); ((or</del>
- (iii))) (iv) The landlord ((compensates)) provides relocation assistance of at least \$15,000 for a multisection home or of at least \$10,000 for a single section home, establishes a simple, straightforward, and timely process for compensating the tenants for the loss of their homes and actually compensates the tenants for the

1 loss of their homes, at ((their assessed value, as determined by the county assessor as of the date the closure notice is issued)) the 2 greater of 50 percent of their assessed market value in the tax year 3 prior to the notice of closure being issued, or \$5,000, at any point 4 during the closure notice period and prior to a change of use or sale 5 6 of the property. At such time as the compensation is paid, the tenant 7 shall be given written notice of at least ((ninety days)) 12 months in which to vacate, and the tenant shall continue to pay rent for as 8 much time as he or she remains in the mobile home park or 9 10 manufactured housing community. Nothing in this subsection (1) (e) (iv) prevents a tenant from relocating his or her home out of the mobile 11 12 home park or manufactured housing community pursuant to chapter 59.21 RCW. In the event that a home remains in the mobile home park or 13 manufactured housing community after a tenant vacates, the landlord 14 15 shall be responsible for its demolition or disposal. A landlord is still eligible for demolition and disposal costs pursuant to RCW 16 17 59.21.021. Homeowners who receive payments or financial assistance from landlords as described in this subsection (1)(e)(iv) remain 18 eliqible to receive other state assistance for which they may be 19 eligible including, but not limited to, relocation assistance funds 20 21 pursuant to RCW 59.21.021; or

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(v) The landlord provides relocation assistance of at least \$15,000 for a multisection home and of at least \$10,000 for a single section home at any point during the closure notice period and prior to a change of use or sale of the property. At such time as the assistance is paid, the tenant shall be given written notice of at least 18 months in which to vacate, and the tenant shall continue to pay rent for as much time as he or she remains in the mobile home park or manufactured housing community. Nothing in this subsection (1) (e) (v) prevents a tenant from relocating his or her home out of the mobile home park or manufactured housing community pursuant to chapter 59.21 RCW. In the event that a home remains in the mobile home park or manufactured housing community after a tenant vacates, the landlord shall be responsible for its demolition or disposal. A landlord is still eligible for demolition and disposal costs pursuant to RCW 59.21.021. Homeowners who receive payments or financial assistance from landlords as described in this subsection (1)(e)(v) remain eligible to receive other state assistance for which they may be eligible including, but not limited to, relocation assistance

funds pursuant to RCW 59.21.021;

(f) Engaging in "criminal activity." "Criminal activity" means a criminal act defined by statute or ordinance that threatens the health, safety, or welfare of the tenants. A park owner seeking to evict a tenant or occupant under this subsection need not produce evidence of a criminal conviction, even if the alleged misconduct constitutes a criminal offense. Notice from a law enforcement agency of criminal activity constitutes sufficient grounds, but not the only grounds, for an eviction under this subsection. Notification of the seizure of illegal drugs under RCW 59.20.155 is evidence of criminal activity and is grounds for an eviction under this subsection. The requirement that any tenant or occupant register as a sex offender under RCW 9A.44.130 is grounds for eviction of the sex offender under this subsection. If criminal activity is alleged to be a basis of termination, the park owner may proceed directly to an unlawful detainer action;

- (g) The tenant's application for tenancy contained a material misstatement that induced the park owner to approve the tenant as a resident of the park, and the park owner discovers and acts upon the misstatement within one year of the time the resident began paying rent;
- (h) If the landlord serves a tenant three ((twenty-day)) 20-day notices, each of which was valid under (a) of this subsection at the time of service, within a ((twelve-month)) 12-month period to comply or vacate for failure to comply with the material terms of the rental agreement or an enforceable park rule, other than failure to pay rent by the due date. The applicable ((twelve-month)) 12-month period shall commence on the date of the first violation;
- (i) Failure of the tenant to comply with obligations imposed upon tenants by applicable provisions of municipal, county, and state codes, statutes, ordinances, and regulations, including this chapter. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within ((fifteen)) 15 days;
- (j) The tenant engages in disorderly or substantially annoying conduct upon the park premises that results in the destruction of the rights of others to the peaceful enjoyment and use of the premises. The landlord shall give the tenant written notice to comply immediately. The notice must state that failure to comply will result

in termination of the tenancy and that the tenant shall vacate the premises within ((fifteen)) 15 days;

- (k) The tenant creates a nuisance that materially affects the health, safety, and welfare of other park residents. The landlord shall give the tenant written notice to cease the conduct that constitutes a nuisance immediately. The notice must describe the nuisance and state (i) what the tenant must do to cease the nuisance and (ii) that failure to cease the conduct will result in termination of the tenancy and that the tenant shall vacate the premises in five days;
- (1) Any other substantial just cause that materially affects the health, safety, and welfare of other park residents. The landlord shall give the tenant written notice to comply immediately. The notice must describe the harm caused by the tenant, describe what the tenant must do to comply and to discontinue the harm, and state that failure to comply will result in termination of the tenancy and that the tenant shall vacate the premises within ((fifteen)) 15 days; or
- (m) Failure to pay rent by the due date provided for in the rental agreement three or more times in a ((twelve-month)) 12-month period, commencing with the date of the first violation, after service of a ((fourteen-day)) 14-day notice to comply or vacate.
- (2) Within five days of a notice of eviction as required by subsection (1)(a) of this section, the landlord and tenant shall submit any dispute to mediation. The parties may agree in writing to mediation by an independent third party or through industry mediation procedures. If the parties cannot agree, then mediation shall be through industry mediation procedures. A duty is imposed upon both parties to participate in the mediation process in good faith for a period of ((ten)) 10 days for an eviction under subsection (1)(a) of this section. It is a defense to an eviction under subsection (1)(a) of this section that a landlord did not participate in the mediation process in good faith.
- (3) Except for a tenant evicted under subsection (1)(c) or (f) of this section, a tenant evicted from a mobile home park under this section shall be allowed ((one hundred twenty)) 120 days within which to sell the tenant's mobile home, manufactured home, or park model in place within the mobile home park: PROVIDED, That the tenant remains current in the payment of rent incurred after eviction, and pays any past due rent, reasonable attorneys' fees and court costs at the time

- the rental agreement is assigned. The provisions of RCW 59.20.073 regarding transfer of rental agreements apply.
  - (4) Chapters 59.12 and 59.18 RCW govern the eviction of recreational vehicles, as defined in RCW 59.20.030, from mobile home parks. This chapter governs the eviction of mobile homes, manufactured homes, park models, and recreational vehicles used as a primary residence from a mobile home park.
- 8 **Sec. 6.** RCW 59.20.300 and 2011 c 158 s 5 are each amended to 9 read as follows:
- 10 (1) A landlord must provide a written notice of sale of a 11 manufactured/mobile home community by certified mail or personal 12 delivery to:
  - (a) Each tenant of the manufactured/mobile home community;
  - (b) The officers of any known qualified tenant organization;
    - (c) The office of mobile/manufactured home relocation assistance;
- 16 (d) The local government within whose jurisdiction all or part of 17 the manufactured/mobile home community exists;
- 18 (e) The housing authority within whose jurisdiction all or part 19 of the manufactured/mobile home community exists; and
  - (f) The Washington state housing finance commission.
- 21 (2) A notice of sale must include:

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- 22 (a) A statement that the landlord intends to sell <u>or lease</u> the 23 manufactured/mobile home community <u>or the property on which it sits;</u> 24 and
- 25 (b) The contact information of the landlord or landlord's agent 26 who is responsible for communicating with the qualified tenant 27 organization, tenants, or eligible organization regarding the sale of 28 the property.
- NEW SECTION. Sec. 7. A new section is added to chapter 59.20 RCW to read as follows:
- No county, city, town, or municipality of any class may enact, 31 maintain, or enforce ordinances or other provisions that regulate the 32 same matters in sections 8 through 12 of this act. Local laws and 33 34 ordinances that regulate the same matters as in sections 8 through 12 of this act shall not be enacted and are preempted and repealed, 35 regardless of the nature of the code, charter, or home rule status of 36 37 such city, town, county, or municipality, except for those local laws already in effect before May 1, 2023. 38

- NEW SECTION. Sec. 8. A new section is added to chapter 59.20 RCW to read as follows:
  - (1) An owner shall give written notice of an opportunity to compete to purchase indicating the owner's interest in selling the manufactured/mobile home community before the owner markets the manufactured/mobile home community for sale or includes the sale of the manufactured/mobile home community in a multiple listing, and when the owner receives an offer to purchase that the owner intends to consider.
- 10 (2) The owner shall give the notice in subsection (1) of this 11 section by certified mail or personal delivery to:
  - (a) All tenants of the manufactured/mobile home community;
  - (b) A qualified tenant organization, if there is an existing qualified tenant organization within the manufactured/mobile home community;
    - (c) The department of commerce; and

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- (d) The Washington state housing finance commission.
- (3) The notice required in subsection (1) of this section must include:
- (a) A statement that the owner is considering selling the manufactured/mobile home community or the property on which it sits;
- (b) A statement that the tenants, through a qualified tenant organization representing a majority of the tenants in the community, based on home sites, or an eligible organization, have an opportunity to compete to purchase the manufactured/mobile home community;
- (c) A statement that in order to compete to purchase the manufactured/mobile home community, within 70 days after delivery of the notice of the owner's interest in selling the manufactured/mobile home community, the tenants must form or identify a single qualified tenant organization for the purpose of purchasing the manufactured/mobile home community and notify the owner in writing of:
- (i) The tenants' interest in competing to purchase the manufactured/mobile home community; and
- (ii) The name and contact information of the representative or representatives of the qualified tenant organization with whom the owner may communicate about the purchase; and
- 37 (d) A statement that information about purchasing a manufactured/
  38 mobile home community is available from the department of commerce.
- 39 (4) The representative or representatives of the tenants 40 committee will be able to request park operating expenses described

- in section 9 of this act from the owner within a 15-day information period following delivery of the qualified tenant organization's notice to the owner indicating interest in competing to purchase the manufactured/mobile home community.
- 5 (5) An eligible organization may also compete to purchase and is 6 subject to the same time constraints and applicable conditions as a 7 qualified tenant organization.
- 8 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 59.20 9 RCW to read as follows:
- 10 (1) Within 70 days after delivery of the notice of the opportunity to compete to purchase the manufactured/mobile home community described in section 8 of this act, if the tenants choose to compete to purchase the manufactured/mobile home community in which the tenants reside, the tenants must notify the owner in writing of:
- 16 (a) The tenants' interest in competing to purchase the 17 manufactured/mobile home community;

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- (b) Their formation or identification of a single qualified tenant organization made up of a majority of the tenants in the community, based on home sites, formed for the purpose of purchasing the manufactured/mobile home community; and
- (c) The name and contact information of the representative or representatives of the qualified tenant organization with whom the owner may communicate about the purchase.
  - (2) The tenants may only have one qualified tenant organization for the purpose of purchasing the manufactured/mobile home community, but they may partner with a nonprofit or a housing authority to act with or for them subject to the same timelines, duties, and obligations that would apply to tenants and qualified tenant organizations under this act.
- 31 (3) Within 15 days following delivery of the notice in subsection 32 (1) of this section from the tenants to the owner:
- 33 (a) The designated representative or representatives of the 34 qualified tenant organization may make a written request to the owner 35 for:
- (i) The asking price for the manufactured/mobile home community,
  if any; and

- (ii) Financial information relating to the operating expenses of the manufactured/mobile home community in order to assist them in making an offer to purchase the park;
- (b) The owner may make a written request to the designated representative or representatives of the qualified tenant organization for proof of intent to fund a sale;
- (c) All written requests made pursuant to this subsection must be fulfilled within 21 days from receipt unless otherwise agreed by the qualified tenant organization and the owner;
- (d) Unless waived by the provider, information provided pursuant to this subsection shall be kept confidential, and a list must be created of persons with whom the tenants may share information who will also keep provided information confidential, including any of the following persons that are either seeking to purchase the manufactured/mobile home community on behalf of the tenants or assisting the qualified tenant organization in evaluating or purchasing the manufactured/mobile home community:
  - (i) A nonprofit organization or a housing authority;
  - (ii) An attorney or other licensed professional or adviser; and
- 20 (iii) A financial institution.

- (4) Within 21 days after delivery of the information described in subsection (3)(a) of this section, if the tenants choose to continue competing to purchase the manufactured/mobile home community, the tenants must:
- (a) Form a resident nonprofit cooperative that is legally capable of purchasing real property or associate with a nonprofit corporation or housing authority that is legally capable of purchasing the manufactured/mobile home community in which the tenants reside; and
- (b) Submit to the owner a written offer to purchase the manufactured/mobile home community, in the form of a proposed purchase and sale agreement, and either a copy of the articles of incorporation of the corporate entity or other evidence of the legal capacity of the formed or associated corporate entity, nonprofit corporation, or housing authority to purchase real property and the manufactured/mobile home community.
- 36 (5)(a) Within 10 days of receiving the tenants' purchase and sale 37 agreement, the owner may accept the offer, reject the offer, or 38 submit a counteroffer.

(b) If the parties reach agreement on the purchase, the purchase and sale agreement must specify the price, due diligence duties, schedules, timelines, conditions, and any extensions.

- (c) If the offer is rejected, then the owner must provide a written explanation of why the offer is being rejected and what terms and conditions might be included in a subsequent offer for the landlord to potentially accept it, if any. The price, terms, and conditions of an acceptable offer stated in the response must be universal and applicable to all potential buyers and must not be specific to and prohibitive of a qualified tenant organization or eligible organization making a successful offer to purchase the park.
- (d) If the tenants do not: (i) Act as required within the time periods described in this act; (ii) violate the confidentiality agreement described in this section; or (iii) reach agreement on a purchase with the owner, the owner is not obligated to take additional action under this act and may record an affidavit pursuant to section 12 of this act.
- 18 (6) An eligible organization acting on its own behalf is also 19 subject to the same requirements and applicable conditions as those 20 set out in this section.
- NEW SECTION. Sec. 10. A new section is added to chapter 59.20 RCW to read as follows:
  - (1) During the process described in sections 8 and 9 of this act, the parties shall act in good faith and in a commercially reasonable manner, which includes a duty for the tenants to notify the owner promptly if there is no intent to purchase the manufactured/mobile home community or the property on which it sits. The parties have an overall duty to act in good faith. With respect to negotiation, this overall duty of good faith requirement means that the owner must allow the tenants to develop an offer, must give their offer reasonable consideration, and must inform the tenants if a higher offer is submitted. Furthermore, the owner may not deny residents the same access to the community and to information, such as operating expenses and rent rolls, that the landowner would give to a commercial buyer. With respect to financial information, all parties shall agree to keep this information confidential.
  - (2) Except as provided in section 11(1) of this act, before selling a manufactured/mobile home community to an entity that is not formed by or associated with the tenants, or to an eligible

organization, the owner of the manufactured/mobile home community must give the notice required by section 8 of this act and comply with the requirements of section 9 of this act.

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- (3) A minor error in providing the notice required by section 8 of this act or in providing operating expenses information required by section 9 of this act does not prevent the owner from selling the manufactured/mobile home community to an entity that is not formed by or associated with the tenants and does not cause the owner to be liable to the tenants for damages or a penalty.
- (4) During the process described in sections 8 and 9 of this act, the owner may seek, negotiate with, or enter into a contract subject to the rights of the tenants in this act with potential purchasers other than the tenants or an entity formed by or associated with the tenants or another eligible organization.
- (5) If the owner does not comply with the requirements of this act in a substantial way that prevents the tenants or an eligible organization from competing to purchase the manufactured/mobile home community, the tenants or eligible organization may:
- (a) Obtain injunctive relief to prevent a sale or transfer to an entity that is not formed by or associated with the tenants; and
- 21 (b) Recover actual damages not to exceed twice the monthly rent 22 from the owner for each tenant.
  - (6) If a party misuses or discloses, in a substantial way, confidential information in violation of section 9 of this act, that party may recover actual damages from the other party.
- 26 (7) The department of commerce shall prepare and make available 27 information for tenants about purchasing a manufactured dwelling or 28 manufactured/mobile home community.
- NEW SECTION. Sec. 11. A new section is added to chapter 59.20 RCW to read as follows:
- 31 (1) With regard to a sale or transfer of a manufactured/mobile 32 home community, sections 8 and 9 of this act do not apply to any:
- 33 (a) Sale or transfer to an individual identified in RCW 11.04.015 34 if the owner of the manufactured/mobile home community dies 35 intestate;
  - (b) Transfer by gift, devise, or operation of law;
- 37 (c) Transfer by a corporation to an affiliate;
- 38 (d) Transfer by a partnership to any of its partners;

1 (e) Transfer among the shareholders who own a manufactured/mobile 2 home community;

- (f) Transfer to a member of the owner's family or to a trust for the sole benefit of members of the owner's family;
- (g) Sale or transfer of less than a controlling interest in the legal entity that owns the manufactured/mobile home community;
- (h) Conveyance of an interest in a manufactured/mobile home community incidental to the financing of the mobile home park;
- (i) Sale or transfer between or among joint tenants or tenants in common owning a manufactured/mobile home community;
- (j) Bona fide exchange of a manufactured/mobile home community for other real property under section 1031 of the internal revenue code, as long as, at the time the manufactured/mobile home community owner lists the property or receives an offer for the manufactured/mobile home community, the owner has already commenced the exchange by the purchase of a property through a qualified exchange agent. In that circumstance, the owner has a deadline for selling the manufactured/mobile home community in order to gain the 1031 tax benefits; and
- (k) Purchase of a manufactured/mobile home community by a governmental entity under the entity's powers of eminent domain.
  - (2) For the purposes of this section, "affiliate" means an individual, corporation, limited partnership, unincorporated association, or entity that holds any direct or indirect ownership interest in the manufactured/mobile home community, except that the notice and extension of the opportunity to purchase must be granted to a qualified tenant organization or other eligible organization where the majority interest in the ownership of the manufactured/mobile home community or the power, directly or indirectly, to direct or cause the direction of the management and policies over the manufactured/mobile home community, whether through ownership of voting stock, by contract, or otherwise, is sold, transferred, or conveyed to any individual, corporation, limited partnership, unincorporated association, or other entity which has not held such a direct or indirect ownership interest in the manufactured/mobile home community for three or more years.
- NEW SECTION. Sec. 12. A new section is added to chapter 59.20 RCW to read as follows:

1 (1) An owner may record an affidavit in the county in which the 2 manufactured/mobile home community is located that certifies that the 3 owner has:

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- (a) Complied with the requirements of sections 8 and 9 of this act with reference to an offer received by the owner for the purchase or transfer of the manufactured/mobile home community or to a counteroffer the owner has made or intends to make;
- (b) Not entered into a contract for the sale or transfer of the manufactured/mobile home community to an entity formed by or associated with the tenants.
- (2) The following parties have an absolute right to rely on the truth and accuracy of all statements appearing in the affidavit and are not obligated to inquire further as to any matter or fact relating to the owner's compliance with sections 8 and 9 of this act:
- 15 (a) A party that acquires an interest in a manufactured/mobile 16 home community;
- 17 (b) A title insurance company or an attorney that prepares, 18 furnishes, or examines evidence of title.
- 19 (3) The purpose and intention of this section is to preserve the 20 marketability of title to manufactured/mobile home communities across 21 the state. Accordingly, this section must be liberally construed so 22 that all persons may rely on the record title to manufactured/mobile 23 home communities.
- 24 **Sec. 13.** RCW 59.20.305 and 2008 c 116 s 5 are each amended to 25 read as follows:

A landlord intending to sell or lease a manufactured/mobile home community or the property on which it sits is ((encouraged)) required to negotiate in good faith with qualified tenant organizations and eligible organizations. Any qualified tenant organization or eligible organization that submits a notice of intent to purchase or lease a manufactured/mobile home community or the property on which it sits pursuant to sections 7 and 8 of this act is required to negotiate in good faith with the landlord intending to sell or lease the manufactured/mobile home community or property on which it sits, including notifying the owner promptly if conditions change and there is no longer any intent to purchase or lease the manufactured/mobile home community or the property on which it sits.

- NEW SECTION. Sec. 14. A new section is added to chapter 59.20 RCW to read as follows:
- 3 (1) The department of commerce must maintain a registry of all eligible organizations that submit to the department of commerce a 4 written request to receive notices of opportunity to compete to 5 purchase or lease manufactured/mobile home communities pursuant to 6 7 section 8 of this act. The department of commerce must provide registered eligible organizations with notices of opportunity to 8 9 compete to purchase once it receives such a notice. The registry must include the following information: 10
- 11 (a) The name and mailing address of the eligible organization; 12 and
- 13 (b) A statement that the eligible organization wishes to purchase 14 or lease a manufactured/mobile home community.
- 15 (2) The department of commerce must provide a copy of the 16 registry required to be maintained under this section to any person 17 upon request.
- NEW SECTION. Sec. 15. A new section is added to chapter 59.20 RCW to read as follows:
- (1) An owner who sells or transfers a manufactured/mobile home community and willfully fails to comply with section 8 or 9 of this act or RCW 59.20.305 is liable to the state of Washington for a civil penalty in the amount of \$10,000. This penalty is the exclusive state remedy for a violation of section 8 or 9 of this act or RCW 59.20.305.
- 26 (2) The attorney general may bring a civil action in superior 27 court in the name of the state against a landlord under this section 28 to recover the penalty specified in subsection (1) of this section.
- NEW SECTION. Sec. 16. A new section is added to chapter 59.20 RCW to read as follows:
- 31 RCW 59.20.300, 59.20.305, and sections 8, 9, and 15 of this act 32 do not apply to any sale or transfer of a manufactured/mobile home 33 community to a county in order to reduce conflicting residential uses 34 near military installations.
- 35 **Sec. 17.** RCW 59.21.040 and 1998 c 124 s 4 are each amended to read as follows:

1 A tenant is not entitled to relocation assistance under this chapter if: (1) The tenant has given notice to the landlord of his or 2 her intent to vacate the park and terminate the tenancy before any 3 written notice of closure pursuant to RCW 59.20.080(1)(e) has been 4 given; (2) the tenant purchased a mobile home already situated in the 5 6 park or moved a mobile home into the park after a written notice of closure pursuant to RCW 59.20.090 has been given and the person 7 received actual prior notice of the change or closure; or (3) the 8 tenant receives assistance from an outside source that exceeds the 9 maximum amounts of assistance to which a person is entitled under RCW 10 59.21.021(3), except that a tenant receiving relocation assistance 11 from a landlord pursuant to RCW 59.20.080 remains eligible for the 12 maximum amounts of assistance under this chapter. However, no tenant 13 may be denied relocation assistance under subsection (1) of this 14 section if the tenant has remained on the premises and continued 15 paying rent for a period of at least six months after giving notice 16 17 of intent to vacate and before receiving formal notice of a closure 18 or change of use.

> Passed by the Senate March 3, 2023. Passed by the House March 23, 2023. Approved by the Governor April 6, 2023. Filed in Office of Secretary of State April 6, 2023.

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