

HOUSE BILL REPORT

HB 1841

*As Reported By House Committee on:
Housing
Revenue*

Title: An act relating to mobile homes.

Brief Description: Assisting mobile home tenants.

Sponsor(s): Representatives Leonard, Winsley, Cantwell, Hine, G. Fisher, Anderson, Nelson, Brekke, Roland, Rasmussen, Paris and Sheldon.

Brief History:

Reported by House Committee on:
Housing, March 5, 1991, DPS;
Revenue, March 9, 1991, DPS(HO).

**HOUSE COMMITTEE ON
HOUSING**

Majority Report: *That Substitute House Bill No. 1841 be substituted therefor, and the substitute bill do pass.*
Signed by 7 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Leonard; Ogden; and Wineberry.

Minority Report: Without recommendation. Signed by 1 member: Representative Ballard.

Staff: Bill Lynch (786-7092).

Background: The Washington State Legislature enacted mobile home relocation assistance legislation in 1989 and again in 1990. This legislation was later overturned by a Thurston County superior court judge on the grounds that it was unconstitutional. A stay of the superior court decision was recently granted, so the legislation will be given effect until the issue is finally decided by the Washington Supreme Court.

A. 1989 Legislation

The original legislation enacted in 1989 established a method for paying relocation assistance to all mobile home

park tenants, regardless of income. Tenants were entitled to \$4,500 for a single-wide and \$7,500 for a double-wide.

The bill imposed an annual assessment of \$10 on each tenant in a mobile home park. This money was supposed to be collected by the county treasurers and forwarded for deposit in the mobile home relocation fund.

The legislation required the park owner to pay the full amount of relocation assistance on tenant relocations before July 1, 1991, except that if notice of a park closure was given before April 1, 1989, relocation assistance only had to be paid to low-income tenants. For tenant relocations after June 30, 1991, the park owner was required to pay one-third of the relocation costs and the relocation fund paid the other two-thirds of the costs. A park-owner, however, was only required to pay \$500 for a single-wide and \$1,000 for a double-wide if the park owner gave the tenants 24 months notice of closure after July 1, 1992. The relocation fund is required to pay the remainder of the balance of the costs.

The park owner was required to make any payments that were owing to the Department of Community Development. These payments were deposited into the mobile home park relocation fund for disbursement to the tenants.

B. 1990 Legislation

Shortly before the 1990 session, concerns were expressed that portions of the 1989 legislation might violate Article 8, section 5, of the Washington State Constitution. That section prohibits the state from lending its credit or making a gift of public funds except for the necessary support of the poor or infirm. For this reason, the law was amended to require the park owner to make direct payments to tenants who are not low-income instead of paying the money to the state for disbursement. Tenants who are not low-income were also prohibited from receiving money collected by the state in the relocation fund. These tenants are therefore not eligible for the full amount of assistance because it is payable proportionately from the park owner and the fund.

Owners of recreational vehicles were expressly exempted from receiving relocation assistance in the 1990 legislation.

Additional concerns were expressed by the county treasurers about the collection of the \$10 dollar annual assessment. The treasurers indicated that they did not have the data to show how many mobile homes were located in parks, or where the parks were, so it was difficult for them to collect the

assessment. Since the 1989 legislation contained a "hardship" clause that allowed counties an opportunity to avoid collecting the fee, all the counties except King County utilized the hardship clause and did not collect the fee.

The \$10 annual assessment on mobile home park tenants was deleted in the 1990 legislation. It was replaced by a \$50 fee on the transfer of title of a mobile home where ownership is changed; a \$15 fee was also imposed to support the Office of Mobile Home Affairs.

Summary of Substitute Bill: The \$50 fee that was imposed on the transfer of title of mobile homes when ownership of the mobile home is changed, and which was deposited into the mobile home park relocation fund to pay relocation assistance, is repealed. The provisions which required mobile home park owners to pay one-third of the relocation assistance to low-income tenants are repealed.

Park owners are required to pay a \$5 fee for each occupied mobile home lot in the park. Lots that are occupied by mobile homes owned by the park owner are exempt from the fee requirement. The fee is forwarded to the state treasurer for deposit into the mobile home park relocation fund. Low-income tenants receive relocation assistance from the fund. The park owner is required to pay tenants who do not qualify as low-income, one-third of the relocation assistance that they would otherwise have received from the fund. The park owner pays the tenants who are not low-income the relocation assistance directly.

The provision that provides that a park owner may be responsible for paying up to the full amount of relocation assistance if there are insufficient moneys in the fund is retained.

Owners of recreational vehicles are entitled to receive relocation assistance in the amount of their actual relocation costs, but the total amount may not exceed \$2,000.

The Department of Community Development must waive the requirement for a park owner to pay relocation assistance when the mobile home park is involuntarily closed. The park owner may not avoid his or her responsibility to pay relocation assistance by failing to provide necessary maintenance to the park. The department is required to adopt rules for the granting of waivers.

Mobile homes that are relocated due to the closure or conversion of a mobile home park cannot be required to

comply with the requirements of any applicable fire, safety, or construction code for the sole reason of their relocation, so long as the original occupancy classification of the building is not changed as a result of the move. The prohibition against requiring the upgrading of mobile homes to current codes does not apply to mobile homes that are substantially remodeled or rehabilitated.

Substitute Bill Compared to Original Bill: The provisions concerning the licensing of mobile home parks and inspections for health and safety reasons are deleted. The required payments to tenants who are not low-income and to owners of recreational vehicles are added. The prohibition against requiring the upgrading of mobile homes to current codes simply because the homes are being moved is added.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: There needs to be a cost-sharing for relocation assistance. The \$5 annual fee is more equitable than the \$65 fee imposed on transfers of titles because many mobile homes are not located in mobile home parks. It is important to have a bill in place in case the current law is declared unconstitutional.

Testimony Against: This puts too much of a burden on park owners. This does not put enough of a burden on park owners or developers. The \$5 annual fee will be passed on to the tenants.

Witnesses: Ray Burhen, Mobile Home Park Owners Association (con); Bob Jacobson, Senior Lobby (pro); Maureen Kostyack, King County (pro); Mimi Curry, Department of Community Development; Ron Clarke, Washington Manufactured Housing Association; Karen Van Dusen, Department of Health; and John Jensen, Mobile Home Owners Association.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill by Committee on Housing be substituted therefor and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Rust; and Silver.

Staff: Bill Lynch (786-7092).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Housing: No new changes were recommended.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Same as Committee on Housing testimony.

Testimony Against: None.

Witnesses: Mike Ryherd, Low Income Housing Congress (pro); Ron Clarke, Washington MPG Housing Association (pro); Arnold Livingston, Senior Lobby, Mobile Home Owners (pro); and Mimi Curry, Department of Community Development.