

HOUSE BILL REPORT

2SSB 5354

As Reported by House Committee On:
Local Government & Housing

Title: An act relating to mobile home relocation assistance.

Brief Description: Modifying mobile home relocation assistance.

Sponsors: Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Patterson, Prentice, Winsley, Fraser, Fairley, Costa, Regala and McAuliffe; by request of Department of Community, Trade, and Economic Development).

Brief History:

Committee Activity:

Local Government & Housing: 2/25/02, 2/28/02 [DPA].

Brief Summary of Second Substitute Bill
(As Amended by House Committee)

- Amends the Mobile Home Relocation Assistance Act to allow the payment of relocation expenses to a mobile home owner that (1) must dispose of their mobile/manufactured home because it cannot be reinstalled at another site; or (2) that demolishes it and purchases another mobile/manufactured home that is constructed to federal construction standards.
- Funds the state's mobile home relocation assistance fund by imposing a \$100 fee on the purchaser on every transfer of title issued on a mobile home where (1) the ownership changes; (2) the mobile/manufactured home is located within a mobile home park; (3) the sale price is greater than \$5,000; and (4) the mobile/manufactured home is one year old or more.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass as amended. Signed by 7 members: Representatives Dunshee, Chair; Edwards, Vice Chair; Berkey, Dunn, Hatfield, Kirby and Sullivan.

Minority Report: Do not pass. Signed by 4 members: Representatives Mulliken, Ranking Minority Member; Crouse, DeBolt and Mielke.

Staff: Amy Wood (786-7127).

Background:

The Mobile Home Relocation Assistance Act, enacted in 1989, provides relocation assistance to owners of mobile homes (tenants) that are located in mobile home parks scheduled for closure or conversion to another use. A tenant that is required to move their mobile home to another mobile home lot is eligible to receive relocation assistance from the state's mobile home park relocation assistance fund (fund). The grant amount is determined by the size of the mobile home. An owner of a double-wide mobile home may receive up to \$7,500 and an owner of a single-wide mobile home may receive up to \$3,500. The amount of relocation assistance is limited to actual costs submitted by the mobile home owner, minus any relocation assistance received from other sources.

The state's mobile home park relocation assistance fund was originally funded through two sources. In 1990 a \$50 fee was imposed on the transfer or elimination of a mobile home title. In 1991 an annual \$5 fee was imposed on mobile home park owners for each occupied lot in their mobile home park. However, a lawsuit filed at the time the annual \$5 fee was imposed caused the state to withhold the collection of this fee, pending outcome of the suit. In 1993 the Washington Supreme Court held that the monetary payment required from mobile home park owners was unconstitutional. The remainder of the act was also invalidated by the court decision. The money in the state's mobile home relocation assistance fund is from fees that were collected on the transfer or elimination of mobile home titles before the court invalidated the collection of the fees in 1993.

Summary of Amended Bill:

The Mobile Home Relocation Assistance Act is amended to expand the type of activities that qualify for relocation assistance when a mobile home park is being closed or converted to another use.

A mobile home owner (tenant) that disposes a mobile home that cannot be relocated to a new site is eligible for relocation assistance. An individual may use state relocation assistance funds, along with other public and private funds, for mobile/manufactured home ownership expenses, that includes down payment assistance. This option is available to mobile home owners that cannot relocate their mobile home to another site, but the original mobile home must be removed from the mobile home park. The mobile/manufactured home that is purchased, using state relocation assistance funds, must meet the federal construction standards for manufactured homes.

A mobile home owner who removes or disposes of their mobile/manufactured home is entitled to reimbursement of actual expenses up to \$7,500 for a double-wide

mobile/manufactured home and up to \$3,500 for a single-wide mobile/manufactured home.

Mobile Home Relocation Assistance Fund - Funding Source

A fee of \$100 is paid by the purchaser where (1) the ownership of the mobile/manufactured home changes; (2) the mobile/manufactured home is located in a mobile home park; (3) the sale price of the mobile/manufactured home is greater than \$5,000; and (4) the mobile/manufactured home is one year old or more. A transfer of title does not include the addition or deletion of a spouse co-owner or of a secured interest.

The proceeds generated by the fee must be deposited into the state's mobile home relocation assistance fund. The Department of Licensing may retain up to 2 percent of the proceeds to cover expenses associated with collection of the fee. The Department of Community, Trade, and Economic Development may deduct up to 5 percent of the funds generated by the fee and deposited into the mobile home relocation assistance fund to cover administrative expenses.

Amended Bill Compared to Second Substitute Bill:

The fee imposed on the transfer of title of a mobile home is changed from 1 percent of the sale price to \$100. The threshold for mobile homes that are subject to the fee is changed from mobile homes that are five years old or more to mobile homes that are one year old or more. And the threshold for mobile homes that are subject to the fee is changed from mobile homes with a sale price of \$1,000 or more to mobile homes with a sale price of \$5,000 or more.

Appropriation: None.

Fiscal Note: Not Requested.

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

Testimony For: Worked with owners and tenants to come up with this compromise bill. Several parks have been identified as being at risk of closure, which places tenants in danger of becoming homeless unless a funding source can be found for this program.

Testimony Against: A flat fee would be preferable to a percentage of sale price.

Testified: (In support) Senator Patterson, prime sponsor; Ken Spencer, Mobile Home Communities of Washington; and Ray Price, Office of Community Development.

(Con) Mike Ryherd, Washington Manufactured Housing Association.