

# SENATE BILL REPORT

## E2SHB 1621

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As Reported By Senate Committee On:  
Consumer Protection & Housing, February 28, 2008

**Title:** An act relating to the preservation of manufactured/mobile home communities.

**Brief Description:** Preserving manufactured/mobile home communities.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives B. Sullivan, Sells, Morrell, Lovick, Ormsby, Miloscia, Springer, McCoy, Sullivan, Hasegawa, O'Brien, Roberts, Conway, Wood, Haigh, Rolfes and Simpson).

**Brief History:** Passed House: 2/15/08, 94-0.

**Committee Activity:** Consumer Protection & Housing: 2/26/08, 2/28/08 [DPA-WM].

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### SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Haugen, Jacobsen, Kilmer, McCaslin and Tom.

**Staff:** Alison Mendiola (786-7483)

**Background:** In 1993 RCW 59.23 was enacted which provides a tenant of manufactured/mobile home parks with right of first refusal. If a qualified tenant organization gives written notice to their mobile home park owner that they have a present and continuing desire to purchase the park, the park must then only be sold to the tenant organization, with a few exceptions.

In 2000 the State Supreme Court held that this right of first refusal constituted an unconstitutional taking of the park owner's property, rendering Chapter 59.23 RCW invalid. (*Manufactured Housing Communities of Washington v. State*, 142 Wash.2d 347.) Real estate excise tax (REET) is a tax on the sale of real property that is paid by the seller. The state and local governments may impose REET on sales of real property. Generally, the combined state and local rate is 1.78 percent.

**Summary of Bill (Recommended Amendments):** "Notice of Sale" Requirement. A landlord who intends to sell a manufactured/mobile home community must provide written notice to each tenant of the manufactured/mobile home community, officers of any known qualified tenant organization, the Office of Manufactured Housing, the appropriate local government and Housing Authority, and the Washington State Housing Finance Commission within 14

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days of publicly listing the property for sale. The notice must include a statement that the landlord intends to sell the community and contact information for the landlord.

Voluntary Qualified Sale of a Manufactured/Mobile Home Community. Sales of a manufactured/mobile home community to a qualified tenant organization or an eligible organization are called "qualified sales" and are exempt from the state and local real estate excise tax.

Good Faith Negotiations. Landlords are encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations.

Office of Manufactured Housing. The name of the "Office of Mobile Home Affairs" is changed to the "Office of Manufactured Housing." This office must provide technical assistance to tenant organizations.

Severability Clause. If any provision of this act is held invalid, the remainder of the act is not affected.

Right of First Refusal (Chapter 59.23) is repealed.

**EFFECT OF CHANGES MADE BY CONSUMER PROTECTION & HOUSING COMMITTEE (Recommended Amendments):** Language requiring notice be provided to tenants 90 days before a park's title is transferred is removed. Clarifies that tenants receive notice that a park is for sale within 14 days of a public listing.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony on Engrossed Second Substitute Bill:** PRO: This bill has been worked on and the result is a compromise between all impacted parties, and will be beneficial to both tenants and landlords of mobile home parks and manufactured housing communities.

**Persons Testifying:** PRO: Representative Rolfes; Bruce Neas, Columbia Legal Services; John Woodring, Manufactured Housing Communities of Washington.