

---

**SENATE BILL 5482**

---

**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** Senators Skratek, M. Rasmussen, Spanel, Prentice, Franklin, McAuliffe, A. Smith, Drew and von Reichbauer

Read first time 01/29/93. Referred to Committee on Trade, Technology & Economic Development.

1 AN ACT Relating to mobile home parks; amending RCW 59.22.020,  
2 59.20.080, and 59.20.090; adding new sections to chapter 59.22 RCW;  
3 adding new sections to chapter 59.20 RCW; adding a new chapter to Title  
4 59 RCW; and prescribing penalties.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that mobile home parks  
7 provide a significant source of homeownership for many Washington  
8 residents, but increasing rents and low vacancy rates, as well as the  
9 pressure to convert mobile home parks to other uses, increasingly make  
10 mobile home park living insecure for mobile home owners. The  
11 legislature also finds that many homeowners who reside in mobile home  
12 parks are also those residents most in need of reasonable security in  
13 the siting of their manufactured homes. It is the intent of the  
14 legislature to encourage and facilitate the conversion of mobile home  
15 parks to resident ownership in the event of a voluntary sale of the  
16 park.

17 NEW SECTION. **Sec. 2.** An obligation of good faith is imposed on  
18 the parties in the conduct of transactions affected by this chapter.

1 Rights created by this chapter are forfeited by any party failing to  
2 act in good faith. Further obligations under this chapter on other  
3 parties are also discharged by a failure to act in good faith.

4 NEW SECTION. **Sec. 3.** If a qualified tenant organization gives  
5 written notice to the mobile home park owner where the tenants reside  
6 that they have a present and continuing desire to purchase the mobile  
7 home park, the park may then be sold only according to this chapter.

8 "Notice" for the purposes of this section means a writing signed by  
9 sixty percent of the tenants in the park indicating that they desire to  
10 participate in the purchase of the park, and that they are  
11 contractually bound to the other signators of the notice to participate  
12 by purchasing an ownership interest that will entitle them to occupy a  
13 mobile home space for the remainder of their life or for a term of at  
14 least fifteen years.

15 NEW SECTION. **Sec. 4.** (1) "Mobile home park" means the same as  
16 defined in RCW 59.20.030.

17 (2)(a) The terms "sold" or "sale" for the purposes of this chapter  
18 have their ordinary meaning and include: (i) A conveyance, grant,  
19 assignment, quitclaim, or transfer of ownership or title to real  
20 property and improvements that comprise the mobile home park, or mobile  
21 homes, for a valuable consideration; (ii) a contract for the  
22 conveyance, grant, assignment, quitclaim, or transfer; (iii) a lease  
23 with an option to purchase the real property and improvements, or  
24 mobile home, or any estate or interest therein; or (iv) other contract  
25 under which possession of the property is given to the purchaser, or  
26 any other person by his or her direction, where title is retained by  
27 the vendor as security for the payment of the purchase price. These  
28 terms also include any other transfer of the beneficial or equitable  
29 interest in the mobile home park such as a transfer of equity stock or  
30 other security evidencing ownership that results in a change in  
31 majority interest ownership.

32 (b) The terms "sale" or "sold" do not include: (i) A transfer by  
33 gift, devise, or inheritance; (ii) a transfer of a leasehold interest  
34 other than of the type described in this subsection; (iii) a  
35 cancellation or forfeiture of a vendee's interest in a contract for the  
36 sale of the mobile home park; (iv) a deed in lieu of foreclosure of a  
37 mortgage; (v) the assumption by a grantee of the balance owing on an

1 obligation that is secured by a mortgage or deed in lieu of forfeiture  
2 of the vendee's interest in a contract of sale where no consideration  
3 passes otherwise; (vi) the partition of property by tenants in common  
4 by agreement or as the result of a court decree; (vii) a transfer,  
5 conveyance, or assignment of property or interest in property from one  
6 spouse to the other in accordance with the terms of a decree of divorce  
7 or dissolution or in fulfillment of a property settlement agreement  
8 incident thereto; (viii) the assignment or other transfer of a vendor's  
9 interest in a contract for the sale of real property, even though  
10 accompanied by a conveyance of the vendor's interest in the real  
11 property involved; (ix) transfers by appropriation or decree in  
12 condemnation proceedings brought by the United States, the state or any  
13 political subdivision thereof, or a municipal corporation; (x) a  
14 mortgage or other transfer of an interest in real property or mobile  
15 home merely to secure a debt, or the assignment thereof; (xi) a  
16 transfer or conveyance made under an order of sale by the court in a  
17 mortgage or lien foreclosure proceeding or upon execution of a  
18 judgment; (xii) a deed in lieu of foreclosure to satisfy a mortgage;  
19 (xiii) a conveyance to the federal housing administration or veteran's  
20 administration by an authorized mortgagee made under a contract of  
21 insurance or guarantee with the federal housing administration or  
22 veteran's administration; (xiv) a transfer in compliance with the terms  
23 of any lease or contract upon which notice has already been given under  
24 this chapter, or where the lease or contract was entered into before  
25 the effective date of this act; or (xv) a transfer to a corporation or  
26 partnership the majority interest of which is wholly owned by the  
27 transferor.

28 (3) A "qualified tenant organization" means a formal organization  
29 of tenants in the park in question, organized for the purpose of  
30 purchasing the park, with membership made available to all tenants with  
31 the only requirements for membership being: (a) Payment of reasonable  
32 dues; and (b) being a tenant in the park.

33 NEW SECTION. **Sec. 5.** If notice of a desire to purchase has been  
34 given under section 3 of this act, a park owner shall notify the  
35 qualified tenant organization that an agreement to purchase and sell  
36 has been reached, the terms of the agreement, including the  
37 availability and terms of seller financing, before closing a sale with  
38 any other person or entity. If, within ninety days after the actual

1 notice has been received, the qualified tenant organization tenders to  
2 the park owner an amount equal to one percent of the agreed purchase  
3 price, refundable only according to this chapter, together with a fully  
4 executed purchase and sale agreement at least as favorable to the park  
5 owner as the original agreement, the mobile home park owner must sell  
6 the mobile home park to the qualified tenant organization. The  
7 qualified tenant organization must perform under the agreement and  
8 stand ready to close the sale within one hundred twenty days from the  
9 date of execution of the purchase and sale agreement. This additional  
10 one hundred twenty-day period may be extended by mutual agreement  
11 between the park owner and qualified tenant organization. In the case  
12 of seller financing, a mobile home park owner may decline to sell the  
13 mobile home park to the qualified tenant organization if, based on  
14 reasonable and objective evidence, to do so would present a greater  
15 financial risk to the seller than would selling on the same terms to  
16 the original offeror.

17 Failure to perform under the terms of the agreement on the part of  
18 the qualified tenant organization shall result in the forfeiture of the  
19 one percent deposit and void the purchase and sale agreement. The  
20 mobile home park owner may then sell the mobile home park to any party  
21 at any time on any terms without regard to this section.

22 The rights of the qualified tenant organization under the purchase  
23 and sale agreement, including the deposit, are not forfeited if the  
24 transaction fails to close within the additional one hundred twenty  
25 days due to the failure of the park owner to perform or deliver good  
26 and marketable title.

27 NEW SECTION. **Sec. 6.** Failure on the part of a mobile home park  
28 owner to give notice as required by this chapter renders a sale of the  
29 mobile home park that occurs within sixty days of the time the  
30 qualified tenant organization knows or has reason to know that a  
31 violation of the notice provisions of section 5 of this act has  
32 occurred, voidable upon application to superior court after notice and  
33 hearing. If the court determines that the notice provisions of this  
34 chapter have been violated, the court shall issue an order setting  
35 aside the improper sale. In an action brought under this section, the  
36 court shall award the prevailing party attorneys' fees and costs. For  
37 the purposes of this section, a "prevailing party" includes any third-

1 party purchaser who appears and successfully defends his or her  
2 interest.

3 **Sec. 7.** RCW 59.22.020 and 1991 c 327 s 2 are each amended to read  
4 as follows:

5 The following definitions shall apply throughout this chapter  
6 unless the context clearly requires otherwise:

7 (1) "Account" means the mobile home affairs account created under  
8 RCW 59.22.070.

9 (2) "Affordable" means that, where feasible, low-income residents  
10 should not pay more than thirty percent of their monthly income for  
11 housing costs.

12 (3) "Conversion costs" includes the cost of acquiring the mobile  
13 home park, the costs of planning and processing the conversion, the  
14 costs of any needed repairs or rehabilitation, and any expenditures  
15 required by a government agency or lender for the project.

16 (4) "Department" means the department of community development.

17 (5) "Fee" means the mobile home title transfer fee (~~created~~)  
18 imposed under RCW (~~59.21.060~~) 59.22.080.

19 (6) "Fund" or "park purchase account" means the mobile home park  
20 purchase (~~fund~~) account created pursuant to RCW 59.22.030.

21 (7) "Housing costs" means the total cost of owning, occupying, and  
22 maintaining a mobile home and a lot or space in a mobile home park.

23 (8) "Individual interest in a mobile home park" means any interest  
24 which is fee ownership or a lesser interest which entitles the holder  
25 to occupy a lot or space in a mobile home park for a period of not less  
26 than either fifteen years or the life of the holder. Individual  
27 interests in a mobile home park include, but are not limited to, the  
28 following:

29 (a) Ownership of a lot or space in a mobile home park or  
30 subdivision;

31 (b) A membership or shares in a stock cooperative, or a limited  
32 equity housing cooperative; or

33 (c) Membership in a nonprofit mutual benefit corporation which  
34 owns, operates, or owns and operates the mobile home park.

35 (9) "Low-income resident" means an individual or household who  
36 resided in the mobile home park prior to application for a loan  
37 pursuant to this chapter and with an annual income at or below eighty  
38 percent of the median income for the county of standard metropolitan

1 statistical area of residence. Net worth shall be considered in the  
2 calculation of income with the exception of the resident's  
3 mobile/manufactured home which is used as their primary residence.

4 (10) "Low-income spaces" means those spaces in a mobile home park  
5 operated by a resident organization which are occupied by low-income  
6 residents.

7 (11) "Mobile home park" means a mobile home park, as defined in RCW  
8 59.20.030(4), or a manufactured home park subdivision as defined by RCW  
9 59.20.030(6) created by the conversion to resident ownership of a  
10 mobile home park.

11 (12) "Resident organization" means a group of mobile home park  
12 residents who have formed a nonprofit corporation, cooperative  
13 corporation, or other entity or organization for the purpose of  
14 acquiring the mobile home park in which they reside and converting the  
15 mobile home park to resident ownership. The membership of a resident  
16 organization shall include at least two-thirds of the households  
17 residing in the mobile home park at the time of application for  
18 assistance from the department.

19 (13) "Resident ownership" means, depending on the context, either  
20 the ownership, by a resident organization, as defined in this section,  
21 of an interest in a mobile home park which entitles the resident  
22 organization to control the operations of the mobile home park for a  
23 term of no less than fifteen years, or the ownership of individual  
24 interests in a mobile home park, or both.

25 (14) "Landlord" shall have the same meaning as it does in RCW  
26 59.20.030.

27 (15) "Manufactured housing" means residences constructed on one or  
28 more chassis for transportation, and which bear an insignia issued by  
29 a state or federal regulatory agency indication compliance with all  
30 applicable construction standards of the United States department of  
31 housing and urban development.

32 (16) "Mobile home" shall have the same meaning as it does in RCW  
33 46.04.302.

34 (17) "Mobile home lot" shall have the same meaning as it does in  
35 RCW 59.20.030.

36 (18) "Tenant" means a person who rents a mobile home lot for a term  
37 of one month or longer and owns the mobile home on the lot.

1        NEW SECTION.    **Sec. 8.**    (1) The department may make loans from the  
2 fund to resident organizations for the purpose of financing mobile home  
3 park conversion costs. The department may only make loans to resident  
4 organizations of mobile home parks where a significant portion of the  
5 residents are low-income or infirm.

6        (2) The department may make loans from the fund to low-income  
7 residents of mobile home parks converted to resident ownership or which  
8 plan to convert to resident ownership. The purpose of providing loans  
9 under this subsection is to reduce the monthly housing costs for low-  
10 income residents to an affordable level. The department may establish  
11 flexible repayment terms for loans provided under this subsection if  
12 the terms are necessary to reduce the monthly housing costs for low-  
13 income residents to an affordable level, and do not represent an  
14 unacceptable risk to the security of the fund. Flexible repayment  
15 terms may include, but are not limited to, graduated payment schedules  
16 with negative amortization.

17        NEW SECTION.    **Sec. 9.**    (1) Any loans granted under section 8 of  
18 this act shall be for a term of no more than thirty years.

19        (2) The department shall establish the rate of interest to be  
20 paid on loans made from the fund.

21        (3) The department shall obtain security for loans made under this  
22 chapter. The security may be in the form of a note, deed of trust,  
23 assignment of lease, or other form of security on real or personal  
24 property which the department determines is adequate to protect the  
25 security of the fund and the interests of the state. To the extent  
26 applicable, the documents evidencing the security shall be recorded or  
27 referenced in a recorded document in the office of the county auditor  
28 of the county in which the mobile home park is located.

29        (4) The department may contract with private lenders, nonprofit  
30 organizations, or units of local government to provide program  
31 administration and to service loans made under this chapter.

32        NEW SECTION.    **Sec. 10.**    Before providing financing under this  
33 chapter, the department shall require:

34        (1) Verification that at least two-thirds of the households  
35 residing in the mobile home park support the plan for acquisition and  
36 conversion of the park;

1 (2) Verification that either no park residents will be  
2 involuntarily displaced as a result of the park conversion, or the  
3 impacts of displacement will be mitigated so as not to impose a  
4 hardship on the displaced resident;

5 (3) Projected costs and sources of funds for conversion activities;

6 (4) A projected operating budget for the park during and after  
7 conversion; and

8 (5) A management plan for the conversion and operation of the park.

9 NEW SECTION. **Sec. 11.** The department shall consider the following  
10 factors in determining the eligibility for, and the amount, of loans  
11 made under this chapter:

12 (1) The reasonableness of the conversion costs relating to repairs,  
13 rehabilitation, construction, or other costs;

14 (2) The number of available and affordable mobile home park spaces  
15 in the general area;

16 (3) The adequacy of the management plan for the conversion and  
17 operation of the park; and

18 (4) Other factors established by the department by rule.

19 NEW SECTION. **Sec. 12.** The department may provide technical  
20 assistance to resident organizations who wish to convert the mobile  
21 home park in which they reside to resident ownership. Technical  
22 assistance does not include details connected with the sale or  
23 conversion of a mobile home park which would require the department to  
24 act in a representative capacity, or the drafting of documents  
25 affecting legal or property rights of the parties by the department.

26 NEW SECTION. **Sec. 13.** A new section is added to chapter 59.20 RCW  
27 to read as follows:

28 (1) Rules are enforceable against a tenant only if:

29 (a) Their purpose is to promote the convenience, safety, or welfare  
30 of the residents, protect and preserve the premises from abusive use,  
31 or make a fair distribution of services and facilities made available  
32 for the tenants generally;

33 (b) They are reasonably related to the purpose for which they are  
34 adopted;

35 (c) They apply to all tenants in a fair manner;



1 (d) They are not for the purpose of evading an obligation of the  
2 landlord;

3 (e) They are not retaliatory or discriminatory in nature; and

4 (f) They are sufficiently explicit in prohibition, direction, or  
5 limitation of the tenants' conduct to fairly inform the tenants of what  
6 the tenants must do to comply.

7 (2) A landlord shall not amend, delete, revise, or change park  
8 rules after the initiation of a tenant's original tenancy. However, a  
9 tenant may waive his or her rights under this section as to a specific  
10 and known rule change if the waiver is knowingly, intelligently, and  
11 voluntarily made and is limited to a specific rule change of which the  
12 tenant had notice.

13 **Sec. 14.** RCW 59.20.080 and 1989 c 201 s 12 are each amended to  
14 read as follows:

15 (1) (~~Except as provided in subsection (2) of this section, the~~)  
16 A landlord shall not terminate or fail to renew a tenancy, of whatever  
17 duration except for one or more of the following reasons:

18 (a) Substantial violation, or repeated or periodic violations of  
19 the rules of the mobile home park as established by the landlord at the  
20 inception of the tenancy or as assumed subsequently with the consent of  
21 the tenant or for violation of the tenant's duties as provided in RCW  
22 59.20.140. The tenant shall be given written notice to cease the rule  
23 violation immediately. The notice shall state that failure to cease  
24 the violation of the rule or any subsequent violation of that or any  
25 other rule shall result in termination of the tenancy, and that the  
26 tenant shall vacate the premises within fifteen days: PROVIDED, That  
27 for a periodic violation the notice shall also specify that repetition  
28 of the same violation shall result in termination: PROVIDED FURTHER,  
29 That in the case of a violation of a "material change" in park rules  
30 with respect to pets, tenants with minor children living with them, or  
31 recreational facilities, the tenant shall be given written notice under  
32 this chapter of a six month period in which to comply or vacate;

33 (b) Nonpayment of rent or other charges specified in the rental  
34 agreement, upon five days written notice to pay rent and/or other  
35 charges or to vacate;

36 (c) Conviction of the tenant of a crime, commission of which  
37 threatens the health, safety, or welfare of the other mobile home park

1 tenants. The tenant shall be given written notice of a fifteen day  
2 period in which to vacate;

3 (d) Failure of the tenant to comply with local ordinances and state  
4 laws and regulations relating to mobile homes or mobile home living  
5 within a reasonable time after the tenant's receipt of notice of such  
6 noncompliance from the appropriate governmental agency;

7 (e) Change of land use of the mobile home park including, but not  
8 limited to, conversion to a use other than for mobile homes or  
9 conversion of the mobile home park to a mobile home park cooperative or  
10 mobile home park subdivision: PROVIDED, That the landlord shall give  
11 the tenants twelve months' notice in advance of the effective date of  
12 such change, except that for the period of six months following April  
13 28, 1989, the landlord shall give the tenants eighteen months' notice  
14 in advance of the proposed effective date of such change;

15 (f) Engaging in "drug-related activity." "Drug-related activity"  
16 means that activity which constitutes a violation of chapter 69.41,  
17 69.50, or 69.52 RCW. A park owner seeking to evict a tenant under this  
18 subsection need not produce evidence of a criminal conviction, even if  
19 the alleged misconduct constitutes a criminal offense. Notice from a  
20 law enforcement agency of drug activity under RCW 59.20.155 constitutes  
21 sufficient grounds, but not the only grounds, for an eviction under  
22 this subsection. If drug-related activity is alleged to be a basis of  
23 termination, the park owner may proceed directly to an unlawful  
24 detainer action; or

25 (g) The tenant's application for tenancy contained a material  
26 misstatement that induced the park owner to approve the tenant as a  
27 resident of the park, and the park owner discovers and acts upon the  
28 misstatement within one year of the time the resident began paying  
29 rent.

30 ~~(2) ((A landlord may terminate any tenancy without cause. Such~~  
31 ~~termination shall be effective twelve months from the date the landlord~~  
32 ~~serves notice of termination upon the tenant or at the end of the~~  
33 ~~current tenancy, whichever is later: PROVIDED, That a landlord shall~~  
34 ~~not terminate a tenancy for any reason or basis which is prohibited~~  
35 ~~under RCW 59.20.070 (3) or (4) or is intended to circumvent the~~  
36 ~~provisions of (1)(e) of this section.~~

37 ~~(3))~~ Within five days of a notice of eviction as required by  
38 subsection (1)(a) ~~((or (2))~~) of this section, the landlord and tenant  
39 shall submit any dispute~~((, including the decision to terminate the~~

1 ~~tenancy without cause,~~) to mediation. The parties may agree in  
2 writing to mediation by an independent third party or through industry  
3 mediation procedures. If the parties cannot agree, then mediation  
4 shall be through industry mediation procedures. A duty is imposed upon  
5 both parties to participate in the mediation process in good faith for  
6 a period of ten days for an eviction under subsection (1)(a) of this  
7 section(~~(, or for a period of thirty days for an eviction under~~  
8 ~~subsection (2) of this section)~~). It is a defense to an eviction under  
9 subsection (1)(a) (~~(or (2))~~) of this section that a landlord did not  
10 participate in the mediation process in good faith.

11 **Sec. 15.** RCW 59.20.090 and 1980 c 152 s 2 are each amended to read  
12 as follows:

13 (1) Unless otherwise agreed rental agreements shall be for a term  
14 of one year. Any rental agreement of whatever duration shall be  
15 automatically renewed for the term of the original rental agreement,  
16 unless:

17 (a) The tenant waives his or her rights under this section and  
18 agrees to a different specified term is agreed upon; or

19 (b) The landlord serves notice of termination (~~(without cause upon~~  
20 ~~the tenant prior to the expiration of the rental agreement: PROVIDED,~~  
21 ~~That under such circumstances, at the expiration of the prior rental~~  
22 ~~agreement the tenant shall be considered a month to month tenant upon~~  
23 ~~the same terms as in the prior rental agreement until the tenancy is~~  
24 ~~terminated)~~) for one of the reasons set forth in RCW 59.20.080.

25 (2) A landlord seeking to increase the rent upon expiration of the  
26 term of a rental agreement of any duration shall notify the tenant in  
27 writing three months prior to the effective date of any increase in  
28 rent(~~(: PROVIDED, That if a landlord serves a tenant with notice of a~~  
29 ~~rental increase at the same time or subsequent to serving the tenant~~  
30 ~~with notice of termination without cause, such rental increase shall~~  
31 ~~not become effective until the date the tenant is required to vacate~~  
32 ~~the leased premises pursuant to the notice of termination or three~~  
33 ~~months from the date notice of rental increase is served, whichever is~~  
34 ~~later)~~).

35 (3) A tenant shall notify the landlord in writing one month prior  
36 to the expiration of a rental agreement of an intention not to renew.

37 (4)(a) The tenant may terminate the rental agreement upon thirty  
38 days written notice whenever a change in the location of the tenant's

1 employment requires a change in his residence, and shall not be liable  
2 for rental following such termination unless after due diligence and  
3 reasonable effort the landlord is not able to rent the mobile home lot  
4 at a fair rental. If the landlord is not able to rent the lot, the  
5 tenant shall remain liable for the rental specified in the rental  
6 agreement until the lot is rented or the original term ends;

7 (b) Any tenant who is a member of the armed forces may terminate a  
8 rental agreement with less than thirty days notice if he receives  
9 reassignment orders which do not allow greater notice.

10 NEW SECTION. **Sec. 16.** A new section is added to chapter 59.20 RCW  
11 to read as follows:

12 Chapter 19.86 RCW applies to this chapter. A violation of this  
13 chapter constitutes a violation of chapter 19.86 RCW.

14 NEW SECTION. **Sec. 17.** A new section is added to chapter 59.20 RCW  
15 to read as follows:

16 Except as specifically provided in this section, the rights of  
17 tenants and the obligations of landlords under this chapter may not be  
18 waived by a provision of the lease, rental agreement, park rules, or  
19 attachments to them. A waiver of rights held by tenants under this  
20 chapter must be knowingly, intelligently, and voluntarily entered into  
21 by the tenant. For purposes of this chapter a waiver is knowing,  
22 intelligent, and voluntary only if the tenant was represented by an  
23 attorney in executing the waiver. A waiver of rights or obligations  
24 under this chapter that violates this section is an unfair or deceptive  
25 trade practice and is null and void as a violation of public policy.

26 NEW SECTION. **Sec. 18.** Sections 1 through 6 of this act shall  
27 constitute a new chapter in Title 59 RCW. Sections 8 through 12 of  
28 this act are each added to chapter 59.22 RCW.

--- END ---